

**NESKONLITH INDIAN BAND**  
**SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2019**

**EXHIBIT**

***SUMMARY FINANCIAL STATEMENTS:***

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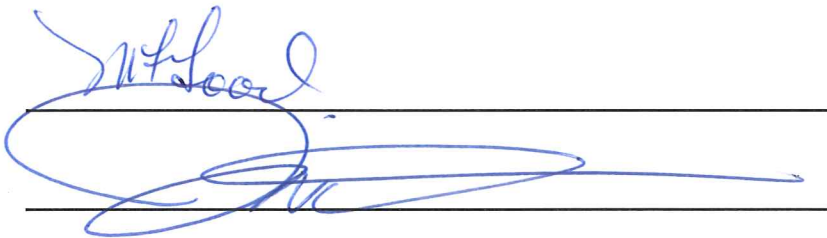
## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Neskonlith Indian Band have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgements. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Band Council is responsible for ensuring that management fulfils its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility periodically through its Finance Committee. The Finance Committee is appointed by the Council and meets periodically with management and periodically with the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Finance Committee reports to Council prior to its approval of the financial statements. The Committee also considers, for review by the Council and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Daley & Company CPA LLP in accordance with Canadian public sector accounting standards.

A handwritten signature in blue ink is written over two horizontal lines. The signature is stylized and appears to be a name, possibly "M. L. Loo".



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## INDEPENDENT AUDITOR'S REPORT

To the members of NESKONLITH INDIAN BAND

EXHIBIT A1

### ***Opinion***

We have audited the financial statements of NESKONLITH INDIAN BAND (the First Nation), which comprise the summary statement of financial position as at March 31, 2019, and the summary statement of accumulated surplus, summary statement of operations, summary statement of change in net financial assets and summary statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2019, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Exhibits B1 to B3, C1 to C2, D1 to D2, and Schedules 1 to 31 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

(continues)

***Independent Auditor's Report to the Members of NESKONLITH INDIAN BAND (continued)***

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the summary financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baley + Company LLP*

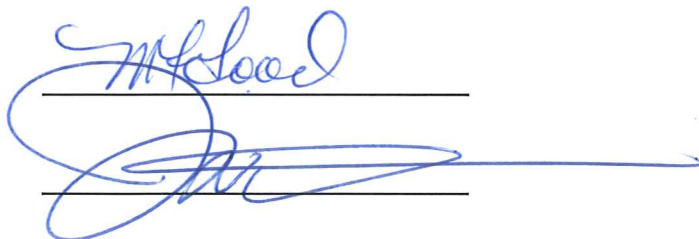
Chartered Professional Accountants

**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF FINANCIAL POSITION**  
**March 31, 2019**

<b>FINANCIAL ASSETS</b>	<b>2019</b>	<b>2018</b>
Cash	\$ 690,383	\$ 784,319
Restricted cash (Note A3)	1,862,669	1,921,619
Grants and accounts receivable (Note A4)	449,854	479,728
Investments (Note A5)	<u>2,476,303</u>	<u>1,285,992</u>
	<u>5,479,209</u>	<u>4,471,658</u>
<b>LIABILITIES</b>		
Accounts payable and accruals	1,688,818	937,505
Deferred revenue	200,000	1,238
Demand loans (Note A8)	687,306	530,351
Mortgages payable (Note A9)	<u>740,663</u>	<u>888,651</u>
	<u>3,316,787</u>	<u>2,357,745</u>
<b>NET FINANCIAL ASSETS</b>	<u>2,162,422</u>	<u>2,113,913</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	24,882	43,920
Tangible capital assets (Note A10)	<u>3,313,025</u>	<u>2,059,436</u>
	<u>3,337,907</u>	<u>2,103,356</u>
<b>ACCUMULATED SURPLUS (Note A11)</b>	<u>\$ 5,500,329</u>	<u>\$ 4,217,269</u>

COMMITMENTS AND CONTINGENCIES (Note A13)

APPROVED BY THE BAND:



**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF ACCUMULATED SURPLUS**  
**Year ended March 31, 2019**

	<b>2019</b>	2018
ACCUMULATED SURPLUS, beginning of year	<b>\$ 4,217,269</b>	\$ 3,568,183
EXCESS OF REVENUE OVER EXPENSES	<u><b>1,283,060</b></u>	<u>649,086</u>
ACCUMULATED SURPLUS, end of year	<u><b>\$ 5,500,329</b></u>	<u>\$ 4,217,269</u>

See accompanying notes to financial statements.

**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF OPERATIONS**  
Year ended March 31, 2019

	Budget	2019	2018
<b>REVENUE:</b>			
Indigenous Services Canada	\$ 2,578,219	\$ 3,204,160	\$ 2,939,668
First Nations Health Authority	569,771	742,771	500,508
First Nations Education Steering Committee	80,000	256,301	210,515
Province of British Columbia	409,949	1,022,063	1,230,495
Leases and rentals	333,960	322,385	336,427
Income - Ottawa Trust Funds	-	65,004	79,442
Canada Mortgage and Housing Corporation	73,810	158,412	96,418
Income from investment in government business enterprise	-	1,537,903	554,014
Interest and investment income	-	4,127	1,311
Other income	1,697,287	1,334,792	1,419,404
	<u>5,742,996</u>	<u>8,647,918</u>	<u>7,368,202</u>
<b>EXPENSES:</b>			
Administration	815,282	1,265,144	1,220,132
Community Welfare	624,158	697,181	628,401
Operations and Maintenance	491,832	694,028	685,661
Education	1,282,236	1,819,119	1,478,363
Economic Development	36,414	159,561	109,542
Health Services	613,065	661,585	591,321
Government - Tmicw	1,619,423	1,615,870	1,616,657
Local Revenue	4,300	4,431	-
Social Housing	247,554	447,939	389,039
	<u>5,734,264</u>	<u>7,364,858</u>	<u>6,719,116</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 8,732</b>	<b>\$ 1,283,060</b>	<b>\$ 649,086</b>

See accompanying notes to financial statements.

**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**Year ended March 31, 2019**

	Budget	2019	2018
EXCESS OF REVENUE OVER EXPENSES	\$ 8,732	<b>\$ 1,283,060</b>	\$ 649,086
Acquisition of tangible capital assets	-	<b>(1,748,566)</b>	(409,676)
Amortization of tangible capital assets	-	<b>414,667</b>	433,038
Change in prepaid expenses	-	<b>19,038</b>	7,337
Loss on write down of property	-	<b>80,310</b>	-
INCREASE IN NET FINANCIAL ASSETS	8,732	<b>48,509</b>	679,785
NET FINANCIAL ASSETS, beginning of year	<u>2,113,913</u>	<u><b>2,113,913</b></u>	<u>1,434,128</u>
NET FINANCIAL ASSETS, end of year	<u>\$ 2,122,645</u>	<u><b>\$ 2,162,422</b></u>	<u>\$ 2,113,913</u>

See accompanying notes to financial statements.



**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF CASH FLOWS**  
Year ended March 31, 2019

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess of revenue over expenses	\$ 1,283,060	\$ 649,086
Non-operating item:		
Amortization	414,667	433,038
(Increase) decrease in:		
Grants and accounts receivable	29,874	(94,925)
Prepaid expenses	19,038	7,337
Increase (decrease) in:		
Accounts payable and accruals	751,313	113,641
Deferred revenue	198,762	(18,211)
Cash flows from operations	<u>2,696,714</u>	<u>1,089,966</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Restricted cash	58,950	(147,066)
New borrowings	233,400	42,600
Repayment of demand loans and mortgages payable	<u>(224,433)</u>	<u>(254,184)</u>
Cash flows from (used in) financing	<u>67,917</u>	<u>(358,650)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investments	<u>(1,190,311)</u>	<u>(409,997)</u>
Cash flows used in investing	<u>(1,190,311)</u>	<u>(409,997)</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>		
Loss on write down of property	80,310	-
Purchase of tangible capital assets	<u>(1,748,566)</u>	<u>(409,676)</u>
Cash flows used in capital	<u>(1,668,256)</u>	<u>(409,676)</u>
<b>DECREASE IN CASH</b>	<b>(93,936)</b>	<b>(88,357)</b>
<b>CASH, beginning of year</b>	<b><u>784,319</u></b>	<b><u>872,676</u></b>
<b>CASH, end of year</b>	<b>\$ 690,383</b>	<b>\$ 784,319</b>

See accompanying notes to financial statements.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**Year ended March 31, 2019**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:**

These summary financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The significant accounting policies are summarized as follows:

**a) Fund Accounting:**

The Neskonlith Indian Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the summary financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Neskonlith Indian Band maintains the following funds:

- The Band Operating Fund which reports the general activities of the First Nation Administration.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties.
- The Capital Fund which reports the property and equipment of the First Nation, together with their related financing.
- The Social Housing Fund Pre-1997 and Post-1996 which reports the social housing assets of the First Nation, together with related activities.

**b) Reporting Entity and Principles of Financial Reporting:**

The Neskonlith Indian Band reporting entity includes the Neskonlith Indian Band government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Neskonlith Indian Band Operating Fund
- Neskonlith Indian Band Trust Fund
- Neskonlith Indian Band Capital Fund
- Neskonlith Indian Band Social Housing Pre-1997 Fund
- Neskonlith Indian Band Social Housing Post-1996 Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Incorporated business entities, which are owned or controlled by the Neskonlith Indian Band and which are not dependent on the First Nation for their continuing operations, are included in the summary financial statements using the modified equity method. This includes:

- Sk'atsin Resources Ltd.
- Sk'atsin Resources Limited Liability Partnership

Investments in non-controlled entities and subject to significant influence are included in the summary financial statements using the modified equity method. These include:

- Sexqeltkmc Enterprises Inc.
- Sexqeltkmc Limited Partnership

Investments in non-controlled entities and not subject to significant influence are recorded at cost.

Notes that provide additional information regarding the entities are disclosed with each entity and form an integral part of these financial statements.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**Year ended March 31, 2019**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):**

**Non-financial Assets:**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

**a) Tangible Capital Assets:**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

**Major Asset Category:**

Buildings	7%
Automotive equipment	20%
Furniture and equipment	20%
Fencing	10%
Infrastructure	20%

Assets under construction are not amortized until the asset is available for productive use.

The Band reviews the useful lives and the carrying values of its tangible capital assets at least annually or more frequently if events or changes in circumstances indicate that the assets might be impaired, by reference to the assets' contribution to the Band's ability to provide services. When assets no longer have any long-term service potential to the Band, the assets are considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceeds their fair value, which is estimated as the expected service potential of the assets.

The Band's interest in reserve lands is not reflected in these financial statements, as no consideration was paid by the Band to acquire these lands.

**b) Contributions of Tangible Capital Assets:**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

**c) Leases:**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**d) Investments:**

Investments in non-controlled entities and not subject to significant influence are recorded at cost.

**e) Accrual Method:**

The Band utilizes accrual accounting.

**f) Deferred Revenue:**

Revenue is recorded in the period to which it relates.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**Year ended March 31, 2019**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):**

**g) Revenue Recognition:**

The Neskonlith Indian Band derives revenues from a number of sources. Revenue is recognized on the accrual basis as it is earned, or as services are provided, and is measurable and becomes receivable under the terms of the applicable funding agreements.

Amounts received from Indigenous Services Canada (ISC) are reported in accordance with the terms of the funding arrangement. Amounts specified as set contributions are reported as revenue as program terms and conditions are met and delivered. Any resulting surpluses are repayable to ISC and any deficits incurred are refundable by ISC. Amounts specified as fixed contributions are recognized as revenue as program terms and conditions are met and delivered. Any resulting surpluses may be retained by the Band provided delivery of the program is complete at March 31. Any resulting deficits are the responsibility of the Band. Amounts specified as flexible are reported as revenue as program terms and conditions are met and delivered and project expenditures have been made. Any unspent funds at the end of the project are repayable to ISC. Grants received from ISC are unconditional and are reported as revenue when received or receivable and collection is reasonably assured.

Amounts received from other government departments, both federal and provincial, are reported as revenue in accordance with the terms of the contract or agreement.

Own source revenues derived from such sources as housing rents, resource based revenues, interest income, and property taxes, etc. are reported when received or receivable and collection is reasonably assured.

**h) Replacement Reserve:**

The Replacement Reserve is funded by an annual charge against earnings as opposed to an appropriation of surplus.

**i) Operating Reserve:**

The Operating Reserve account is funded by an allocation of the excess or shortfall of annual minimum revenue contribution and CMHC subsidies over current eligible expenditures.

**j) Uses of Estimates:**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**NOTE A2. FINANCIAL INSTRUMENTS:**

**Fair Value of Financial Assets and Financial Liabilities:**

The carrying values of cash (including internally and externally restricted amounts), grants and accounts receivable, accounts payable and accrued liabilities and demand loans approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

The carrying value of mortgages payable approximates its fair value as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

It is not practicable to determine the fair value of investments due to the limited amount of comparable market information available.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
Year ended March 31, 2019

**NOTE A2. FINANCIAL INSTRUMENTS (continued):**

**Credit Risk:**

The Band is exposed to a credit risk by its customers. However, because the majority of revenues is from government agencies, credit risk concentration is reduced to the minimum.

**Interest Rate Risk:**

Bank indebtedness and demand loans have both fixed and variable interest rates based on the bank's prime rate, therefore the interest expense will vary with changes in the bank's prime rate. Mortgages payable have fixed rates; therefore interest expense will decrease with principal repayment of the mortgage and interest risk is reduced to the minimum.

**NOTE A3. RESTRICTED CASH:**

	2019	2018
Replacement Reserve	\$ 406,525	\$ 407,674
Operating Reserve	161,584	146,227
Ottawa Trust Funds	1,294,560	1,229,556
Séxqeltkenc Lakes Division	-	138,162
	<u>\$ 1,862,669</u>	<u>\$ 1,921,619</u>

a) Replacement Reserve:

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$35,554 (2018 - \$38,221) annually plus interest. These funds, along with accumulated interest, must be held in a separate bank account and / or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time. Withdrawals are credited to interest first and then principal.

	2019	2018
Balance, beginning of year	\$ 376,207	\$ 382,662
Allocation during the year	35,554	38,221
Supplemental assistance	36,918	-
Interest on account	2,042	494
Adjustment due to matured units	(30,697)	-
Approved expenditures	(53,768)	(45,170)
	<u>(9,951)</u>	<u>(6,455)</u>
Balance, end of year	<u>\$ 366,256</u>	<u>\$ 376,207</u>
The Replacement Reserve is represented by:		
Cash	<u>\$ 406,525</u>	<u>\$ 407,674</u>

b) Operating Reserve:

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Operating Reserve account is to be credited in the amount of any accumulated surplus plus interest. These funds, along with accumulated interest, must be held in a separate bank account and / or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time.

	2019	2018
Balance, beginning of year	\$ 159,286	\$ 145,410
Allocation for the year	10,630	13,876
Supplemental assistance	4,219	-
Interest	2,085	-
	<u>16,934</u>	<u>13,876</u>
Balance, end of year	<u>\$ 176,220</u>	<u>\$ 159,286</u>
The Operating Reserve is represented by:		
Cash	<u>\$ 161,584</u>	<u>\$ 146,227</u>

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
Year ended March 31, 2019

**NOTE A3. RESTRICTED CASH (continued):**

- c) Ottawa Trust Funds:  
The Ottawa Trust Accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.
- d) Séxqeltkemoc Lakes Division (Note A6)  
Séxqeltkemoc Lakes Division is a political body established to investigate rights and title issues, business opportunities and impact benefit agreements. The Division was formed by three Bands, Neskonlith Indian Band, Adams Lake Indian Band and Splatshin. The restricted cash represents cash held by this political body and is not within the control of the Band.

**NOTE A4. GRANTS AND ACCOUNTS RECEIVABLE:**

	2019	2018
Grants and Accounts Receivable	\$ 1,341,232	\$ 1,283,107
Less: Allowance for doubtful accounts	<u>891,378</u>	<u>803,379</u>
	<u><u>\$ 449,854</u></u>	<u><u>\$ 479,728</u></u>

**NOTE A5. INVESTMENTS:**

	2019	2018
All Nations Trust Company: 2,000 Class A shares, par value \$1	<u>\$ 4,000</u>	<u>\$ 4,000</u>
Sk'atsin Resources Ltd.: 100 Class A common shares, par value \$1	100	100
Advances, unsecured, noninterest bearing, no stated terms of repayment	41,889	41,889
Accumulated surplus (deficit) in income (loss)	<u>7,483</u>	<u>(8,282)</u>
	<u><u>49,472</u></u>	<u><u>33,707</u></u>

**Financial information for Sk'atsin Resources Ltd.:**

	2019	2018
Assets	\$ 48,979	\$ 33,707
Liabilities	<u>(42,296)</u>	<u>(41,889)</u>
Equity	<u><u>\$ 6,683</u></u>	<u><u>\$ (8,182)</u></u>
Revenue	\$ 16,791	\$ 6,329
Expenses	<u>1,026</u>	<u>2,878</u>
Net income	<u><u>\$ 15,765</u></u>	<u><u>\$ 3,451</u></u>

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
Year ended March 31, 2019

**NOTE A5. INVESTMENTS (continued):**

	2019	2018
Sk'atsin Resources Limited Liability Partnership:		
Capital account - 99% interest	990	990
Advances, unsecured, noninterest bearing, no stated terms of repayment	(1,673,147)	(1,323,147)
Accumulated equity in income	4,159,774	2,497,497
Loan receivable, repayable in monthly installments of \$1,534 including interest at 4.42% per annum, unsecured	107,167	120,524
	<u>2,594,784</u>	<u>1,295,864</u>

Financial information for Sk'atsin Resources Limited Liability Partnership:

	Total	Band's Share 2019	Band's Share 2018
Assets	\$ 2,902,195	\$ 2,873,173	\$ 1,465,544
Liabilities	(364,698)	(361,051)	(268,586)
Partner's Capital	<u>\$ 2,537,497</u>	<u>\$ 2,512,122</u>	<u>\$ 1,196,958</u>
Revenues	\$ 2,807,641	\$ 2,779,565	\$ 1,729,092
Expenses	<u>1,128,573</u>	<u>1,117,287</u>	<u>1,102,485</u>
Net Income	<u>\$ 1,679,068</u>	<u>\$ 1,662,278</u>	<u>\$ 626,607</u>

Sk'atsin Resources Limited Liability Partnership is domiciled in Canada and has a registered office at 740 Chief Neskonalith Drive, Chase, BC. The Partnership is engaged in resource and economic development opportunities. The Partnership is controlled by Neskonalith Indian Band (99%). Net income of the Partnership is allocated to the respective Partners annually. The Partnership was formed on March 19, 2014.

Sexqeltkenc Enterprises Inc. (33%):

10 Common shares, par value \$1	<u>10</u>	<u>10</u>
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Sexqeltkenc Limited Partnership:

Capital account - 33% interest	10	10
Partner deficiency (funded by a bank loan subsequent to year end - see below for details)	(171,973)	(47,599)
	<u>(171,963)</u>	<u>(47,589)</u>
	<u>\$ 2,476,303</u>	<u>\$ 1,285,992</u>

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
Year ended March 31, 2019

**NOTE A5. INVESTMENTS (continued):**

Financial information for Sexqeltkemoc Limited Partnership:

	Total	Band's Share 2019	Band's Share 2018
Current Assets	\$ 252,863	\$ 84,279	\$ 336,547
Long-term Assets	5	2	712
Current Liabilities	<u>(668,811)</u>	<u>(256,244)</u>	<u>(384,848)</u>
Partner's Capital	<u>\$ (415,943)</u>	<u>\$ (171,963)</u>	<u>\$ (47,589)</u>
Revenues	\$ 65,255	\$ 21,749	\$ 295,110
Expenses	<u>438,414</u>	<u>146,123</u>	<u>355,970</u>
Net Loss	<u>\$ (373,159)</u>	<u>\$ (124,374)</u>	<u>\$ (60,860)</u>

Sexqeltkemoc Limited Partnership is domiciled near Chase, British Columbia. The Partnership is a business entity comprised of representative members from the Adams Lake, Neskonlith and Splatshin people. The Partnership's objective is to recognize, develop and secure business and employment opportunities within the traditional boundaries of the Sexqeltkemoc te Secwepemc. Net earnings of the Partnership are allocated to the respective Partners annually.

Subsequent to year-end, Sexqeltkemoc Limited Partnership defaulted on their bank loan. As Neskonlith Indian Band was a partial guarantor, the Band was required to pay 33% of the loan. The Band took out a Royal Bank of Canada 5 year term loan for \$168,000 repayable in monthly installments of \$2,925 including interest at 3.55% with the ability to make paydowns on the loan with no penalties. \$68,598 was subsequently repaid in June 2019.

**NOTE A6. PROPORTIONATELY CONSOLIDATED INTERESTS:**

**2019**

**2018**

The following is accounted for using the proportionate consolidation method:

Séxqeltkemoc Lakes Division

Séxqeltkemoc Lakes Division is a political body established to represent the Sexqeltkemoc te Secwepemc and the Chiefs and Councils of the Neskonlith Indian Band, the Adams Lake Indian Band and Splatshin to investigate rights and title issues and business opportunities and impact benefit agreements.

Financial information for Séxqeltkemoc Lakes Division:

	Total	Band's Share 33%	Band's Share 33%
Cash	\$ -	\$ -	\$ 138,161
Accounts receivable	-	-	95
Current Liabilities	<u>-</u>	<u>-</u>	<u>(138,256)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues	\$ -	\$ -	\$ 41,436
Expenses	<u>99,009</u>	<u>33,003</u>	<u>66,371</u>
Net loss included in summary financial statements	<u>\$ (99,009)</u>	<u>\$ (33,003)</u>	<u>\$ (24,935)</u>



**NOTE A7. BANK INDEBTEDNESS:**

**NOTE A8. DEMAND LOANS:**

2019 2018

Royal Bank of Canada, demand loan, repayable in monthly installments of \$1,534 including interest at 4.42%, secured by a general security agreement, due December 2022	\$ 107.167	\$ 120.524
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City of Salmon Arm, municipal service debt, repayable in monthly installments of \$1,191 including interest at 2.4%, unsecured, due December 2026	<u>101,997</u>	<u>113,699</u>
	<b>209,164</b>	<b>234,223</b>

Royal Bank of Canada, demand loan, repayable in monthly installments of \$2,207 including interest at 2.23%, secured by a general security agreement, due June 2022	191,660	213,612
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Royal Bank of Canada, demand loan, repayable in monthly installments of \$264 including interest at 4.65%, secured by a general security agreement, due January 2020	14,028	16,481
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Royal Bank of Canada, demand loan, repayable in monthly installments of \$595 including interest at 2.60%, secured by a general security agreement, due January 2020	5,813	12,699
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Royal Bank of Canada, demand loan, repayable in monthly installments of \$793 including interest at 4.45%, secured by a general security agreement, due January 2023	34,155	41,963
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Royal Bank of Canada, demand loan, repayable in monthly installments of \$330 including interest at 4%, secured by a general security agreement, due April 2021	7,804	11,373
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All Nations Trust Company, demand loan, repayable in monthly installments of \$1,288 including interest ANTCO's minimum lending rate plus 0.50%, secured by a general security agreement, due March 2019	57,737	-
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All Nations Trust Company, demand loan, repayable in monthly installments of \$524 including interest at ANTCO's minimum lending rate minus 0.60%, secured by a general security agreement, due March 2019	22,945	-
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Royal Bank of Canada, demand loan, repayable in interest only payments at the bank's prime rate plus 0.50%, secured by a general security agreement, due May 2020	<u>144,000</u>	-
	<u>478,142</u>	296,128
	<b>\$ 687,306</b>	<b>\$ 530,351</b>

Principal repayments due in the ensuing 5 years are approximately as follows:

2020	\$	95,976
2021		223,392
2022		79,026
2023		227,809
2024		21,993
Thereafter		39,110

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
Year ended March 31, 2019

NOTE A9. <b>MORTGAGES PAYABLE:</b>	<b>2019</b>	2018
<u>Social Housing Operation - Pre-1997 mortgages:</u>		
All Nations Trust Company, repaid during the year.	\$ -	\$ 9,876
All Nations Trust Company, repayable in monthly installments of \$2,139 including interest at 1.30% per annum, secured by buildings with a carrying value of \$166,185, due April 2022.	<b>77,525</b>	102,009
All Nations Trust Company, repayable in monthly installments of \$2,619 including interest at 2.50% per annum, secured by buildings with a carrying value of \$213,994, due June 2023.	<b>126,641</b>	154,700
	<b><u>204,166</u></b>	<b><u>266,585</u></b>
<u>Social Housing Operation - Post-1996 mortgages:</u>		
All Nations Trust Company, repayable in monthly installments of \$2,386 including interest at 1.85% per annum, secured by buildings with a carrying value of \$148,904, due August 2019	<b>140,976</b>	166,745
All Nations Trust Company, repayable in monthly installments of \$2,660 including interest at 2.50% per annum, secured by buildings with a carrying value of \$246,918, due June 2023	<b>202,605</b>	229,347
All Nations Trust Company, repayable in monthly installments of \$3,074 including interest at 1.82% per annum, secured by buildings with a carrying value of \$247,801, due September 2019	<b>192,916</b>	225,974
	<b><u>536,497</u></b>	<b><u>622,066</u></b>
	<b><u>\$ 740,663</u></b>	<b><u>\$ 888,651</u></b>

The Social Housing mortgages are guaranteed by Indigenous Services Canada.

Principal repayments due in the ensuing 5 years are approximately as follows:

2020	\$ 414,446
2021	82,289
2022	84,063
2023	62,229
2024	97,636

NOTE A10. <b>TANGIBLE CAPITAL ASSETS:</b>	<b>2019</b>	2018
Tangible capital assets consist of the following:		
Buildings	<b>\$ 2,155,112</b>	\$ 488,305
Automotive equipment	<b>53,035</b>	77,447
Furniture and equipment	<b>32,092</b>	55,203
Fencing	<b>35,327</b>	49,739
Infrastructure	<b>13,656</b>	33,172
Social Housing	<b>1,023,803</b>	1,355,570
	<b><u>\$ 3,313,025</u></b>	<b><u>\$ 2,059,436</u></b>

For additional information, see the Summary Schedule of Tangible Capital assets (Appendix 1).

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
Year ended March 31, 2019

**NOTE A11. ACCUMULATED SURPLUS:**

	2019	2018
Accumulated surplus consists of individual fund surpluses and reserves as follows:		
Surplus from operations	<u>\$ 1,563,963</u>	<u>\$ 1,572,453</u>
Invested in investments	<u>5,110</u>	<u>5,110</u>
Invested in tangible capital assets	<u>2,094,220</u>	<u>874,657</u>
Funded Reserves:		
Operating Reserve Fund (CMHC) (Note A3)	176,220	159,286
Replacement Reserve Fund (CMHC) (Note A3)	366,256	376,207
Ottawa Trust Funds (Note A3)	<u>1,294,560</u>	<u>1,229,556</u>
	<u>1,837,036</u>	<u>1,765,049</u>
	<u><u>\$ 5,500,329</u></u>	<u><u>\$ 4,217,269</u></u>

**NOTE A12. FEDERAL ASSISTANCE PAYMENTS:**

The Neskonlith Indian Band Housing Project has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56-1 of the National Housing Act to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of assistance received through March 31, 2019 was \$158,412 (2018 - \$96,418). This assistance will continue, providing the Band is not in default of the agreement.

**NOTE A13. COMMITMENTS AND CONTINGENCIES:**

**Commitments:**

The Band leases office equipment under long-term lease agreements the longest of which expires September 2021.

Future minimum lease payments as at March 31, 2019, are as follows:

2020	\$ 18,550
2021	14,550
2022	<u>4,625</u>
	<u><u>\$ 37,725</u></u>

**Contingencies:**

a) Social Housing:

The Band is guarantor of various Housing loans, secured by Ministerial guarantees, including \$740,663 for Social Housing (Note A9) and \$242,604 for capital housing for a total of \$983,267.

b) Pension Plan:

The Band and its employees contribute to a defined contribution pension plan. There is no obligation for past service or periods in which an employee was not employed. Total contributions to the plan during the year were \$39,391 (2018 \$45,130).

c) Indigenous Services Canada:

The Band receives a portion of its funding under a contribution agreement with Indigenous Services Canada (ISC) which, if unexpended, may be refundable to ISC. Further, amounts which are overexpended may be reimbursed by ISC to the Band. No amounts have been recorded in the financial statements as refundable or reimbursable.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**Year ended March 31, 2019**

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**NOTE A13. COMMITMENTS AND CONTINGENCIES (continued):**

**d) Guarantees:**

The Band has provided a guarantee for the bank indebtedness of Sk'atsin Resources Limited Liability Partnership. The Band holds 99% of the partnership units in Sk'atsin Resources Limited Liability Partnership. At March 31, 2019, the outstanding loan balances were \$Nil. The maximum liability to the Band with respect to these loans is \$75,000.

The Band has provided a guarantee for the bank indebtedness of Sexqeltkemoc Limited Partnership. The Band holds 33% of the partnership units in Sexqeltkemoc Limited Partnership. At March 31, 2019, the outstanding loan balances were \$175,000. The maximum liability to the Band with respect to these loans is \$300,000.

**NOTE A14. SEGMENTED INFORMATION:**

The Neskonlith Indian Band is a First Nations government institution that provides a range of programs and services to its members, including administration, community welfare, operations and maintenance, education, economic development, health services, Government - Tmicw, capital, local revenue and social housing. For management reporting purposes the First Nations operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

**Administration**

Administration relates to the operations of the Neskonlith Indian Band itself and cannot be directly attributed to a specific segment.

**Community Welfare**

Community Welfare provides services to help the Members by providing a variety of programs, community services and social assistance.

**Operations and Maintenance**

Operations and maintenance provides services relating to the development, maintenance and service of the Neskonlith Indian Band's assets, infrastructure and common property.

**Education**

Education provides educational services through the operations of an on reserve school, post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Neskonlith Indian Band's Members.

**Economic Development**

Economic development provides for the development of economic opportunities to the Members.

**Health Services**

Health services provides for health-related services and programs to the Members.

**Government - Tmicw**

Government - Tmicw provides exploration of natural resources and development of natural resource revenues.

**Capital**

Capital provides for the development of new capital projects and infrastructure programs on the reserve.

**Local Revenue**

Local Revenue assists in the maintenance of roads, streets, and facilities through revenue raised under local revenue laws.

**Social Housing**

Social housing provides for social housing to the Members.

The accounting policies used in these segments are consistent with those followed in the preparation of the summary financial statements as disclosed in Note A1. For additional information see the Statement of Financial Activities - Segmented (Appendix 2).

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**Year ended March 31, 2019**

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**NOTE A15. RELATED PARTY TRANSACTIONS:**

During the year, the Band received, \$NIL (2018 - \$1,716) for reimbursable travel from Sexqeltkemoc Limited Partnership, a significantly influenced partnership.

During the year, the Band earned \$44,831 (2018 - \$2,234) in contract services, \$NIL (2018 - \$751) in miscellaneous office costs, \$5,116 (2018 - \$4,477) in interest and \$18,672 (2018 - \$18,597) in rent from Sk'atsin Resources Limited Liability Partnership. The Band paid \$248,928 (2018 - \$364,849) for contract services, and \$476,840 (2018 - \$344,000) for FCRSA to Sk'atsin Resources Limited Liability Partnership. An amount received of \$7,263 was due from Sk'atsin Resources Limited Liability Partnership to the Band and is subject to normal trade terms. An amount payable of \$146,589 (2018 - \$124,956) was due to Sk'atsin Resources Limited Liability Partnership from the Band and is subject to normal trade terms. The Band holds 99% of the partnership units in Sk'atsin Resources Limited Liability Partnership.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**NOTE A16. ECONOMIC DEPENDENCE:**

The Band receives revenues pursuant to a Funding Agreement with Indigenous Services Canada. In the current fiscal year, funding from Indigenous Services Canada accounted for 37% (2018 - 40%) of the Band's gross revenues.

**NOTE A17. CASH FLOW INFORMATION:**

During the year, the Band paid interest on demand loans and mortgages payable of \$24,274 (2018 - \$31,381) and received interest of \$32,672 (2018 - \$27,433).

**NOTE A18. SUBSEQUENT EVENTS**

Subsequent to the year end, the Band received loan proceeds from the Royal Bank of Canada in the amount of \$660,000 to be used towards construction of the multiplex. The Band also withdrew \$670,000 from the Ottawa Trust Fund - Revenue account which will be used to pay off the Royal Bank of Canada loan.

**NESKONLITH INDIAN BAND**  
**SUMMARY SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year ended March 31, 2019**

	Buildings	Automotive Equipment	Furniture and Equipment	Fencing	Infrastructure	Social Housing	2019	2018
Cost								
Balance, beginning of year	\$ 3,222,214	\$ 419,407	\$ 852,465	\$ 144,122	\$ 5,817,470	\$ 4,014,225	\$ 14,469,903	\$ 14,060,227
Add: Additions during the year	1,741,850	-	6,716	-	-	-	1,748,566	409,676
Less: Disposals during the year	(87,353)	(19,000)	(2,800)	-	-	(62,908)	(172,061)	-
Transfer during the year	432,124	-	-	-	-	(432,124)	-	-
Balance, end of year	5,308,835	400,407	856,381	144,122	5,817,470	3,519,193	16,046,408	14,469,903
Accumulated amortization								
Balance, beginning of year	2,733,909	341,960	797,262	94,383	5,784,298	2,658,655	12,410,467	11,977,429
Add: Amortization	98,006	24,412	29,827	14,412	19,516	228,494	414,667	433,038
Less: Disposals during the year	(69,951)	(19,000)	(2,800)	-	-	-	(91,751)	-
Transfer during the year	391,759	-	-	-	-	(391,759)	-	-
Balance, end of year	3,153,723	347,372	824,289	108,795	5,803,814	2,495,390	12,733,383	12,410,467
Net Book Value of Tangible Capital Assets	\$ 2,155,112	\$ 53,035	\$ 32,092	\$ 35,327	\$ 13,656	\$ 1,023,803	\$ 3,313,025	\$ 2,059,436

Included in Buildings are tangible capital assets under construction of \$2,076,425 (2018 - \$334,575). These assets have not been amortized.

**NESKONLITH INDIAN BAND**  
**STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2019**

	Admini- stration	Community Welfare	Operations & maintenance	Education	Economic Development	Health Services	Government - Tmicw	Capital	Local Revenue	Social Housing	<b>Total 2019</b>	Total 2018
<b>REVENUE:</b>												
Indigenous Services Canada	\$ 468,087	\$ 819,185	\$ 469,238	\$ 1,378,099	\$ 62,558	\$ 6,993	\$ -	\$ -	\$ -	\$ -	<b>\$ 3,204,160</b>	\$ 2,939,668
Leases and rentals	125,260	-	-	-	-	-	-	-	-	197,125	<b>322,385</b>	336,427
CMHC	-	-	-	-	-	-	-	-	-	158,412	<b>158,412</b>	96,418
Province of BC	15,000	3,000	-	10,769	-	67,453	925,841	-	-	-	<b>1,022,063</b>	1,230,495
Interest and tax penalties	65,004	-	-	-	-	-	-	-	-	4,127	<b>69,131</b>	80,753
First Nations Health Authority	-	-	-	-	-	551,102	-	191,669	-	-	<b>742,771</b>	624,782
Admin recoveries	246,512	-	-	-	-	-	12,092	-	-	-	<b>258,604</b>	336,026
Miscellaneous	80,196	26,810	157,874	489,958	90,768	87,906	1,859,747	-	77,133	-	<b>2,870,392</b>	1,723,633
	<u>1,000,059</u>	<u>848,995</u>	<u>627,112</u>	<u>1,878,826</u>	<u>153,326</u>	<u>713,454</u>	<u>2,797,680</u>	<u>191,669</u>	<u>77,133</u>	<u>359,664</u>	<b><u>8,647,918</u></b>	<u>7,368,202</u>
<b>EXPENSES:</b>												
Administration fees	12,782	17,285	61,064	65,574	700	59,655	9,911	-	2,000	31,247	<b>260,218</b>	323,493
Advertising	-	-	-	-	-	-	4,389	-	-	-	<b>4,389</b>	-
Amortization	186,173	-	-	-	-	-	-	-	-	228,494	<b>414,667</b>	433,038
Assistance	-	543,695	-	218,572	-	-	-	-	-	-	<b>762,267</b>	648,448
Community development	-	-	-	-	-	9,733	-	-	-	-	<b>9,733</b>	25,361
Contract services	9,690	12,893	166,556	2,744	6,740	41,924	744,776	-	1,396	-	<b>986,719</b>	953,041
Education	-	-	-	695,098	-	-	-	-	-	-	<b>695,098</b>	675,532
Gifts and donations	-	38	-	-	-	-	15,652	-	-	-	<b>15,690</b>	96,192
Honorarium	350	905	-	10,201	-	2,645	392,720	-	-	-	<b>406,821</b>	444,112
Insurance	16,497	-	12,584	5,135	-	6,818	1,784	-	-	19,085	<b>61,903</b>	61,325
Leases	13,060	-	-	4,808	-	7,913	6,157	-	-	-	<b>31,938</b>	28,682
Licences, dues and fees	2,229	-	288	-	-	20	915	-	-	-	<b>3,452</b>	2,620
Loss on write down of property	-	-	-	-	-	-	-	-	-	80,310	<b>80,310</b>	-
Interest on demand loans and mortgages payable	5,447	-	-	-	-	380	2,363	-	12	16,072	<b>24,274</b>	31,381
Materials and supplies	66,778	7,225	14,316	103,926	23,607	71,702	70,876	-	1	-	<b>358,431</b>	243,693
Meetings	125	4,081	-	362	-	-	29,618	-	-	-	<b>34,186</b>	36,246
Office and other	119,851	-	-	56,541	-	2,607	9,989	-	27	87	<b>189,102</b>	119,506
Professional fees	57,330	-	-	-	-	-	98,685	-	-	6,600	<b>162,615</b>	109,896
Programs	5,795	-	81,475	66,295	-	40,532	-	-	-	-	<b>194,097</b>	192,447
Repairs and maintenance	257,675	-	96,105	25,361	-	3,269	2,121	-	-	66,044	<b>450,575</b>	296,535
Telephone	20,480	2,235	5,195	4,820	300	9,394	3,123	-	-	-	<b>45,547</b>	47,528
Training	2,343	783	45	75,131	1,500	8,431	6,368	-	-	-	<b>94,601</b>	63,395
Travel	26,554	22,824	14,951	75,448	3,289	97,718	16,212	-	995	-	<b>257,991</b>	161,499
Utilities	20,214	-	54,148	14,247	-	13,356	4,293	-	-	-	<b>106,258</b>	91,926
Wages and benefits	441,771	85,217	187,301	394,856	123,425	285,488	195,918	-	-	-	<b>1,713,976</b>	1,633,220
	<u>1,265,144</u>	<u>697,181</u>	<u>694,028</u>	<u>1,819,119</u>	<u>159,561</u>	<u>661,585</u>	<u>1,615,870</u>	<u>-</u>	<u>4,431</u>	<u>447,939</u>	<b><u>7,364,858</u></b>	<u>6,719,116</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<b>\$ (265,085)</b>	<b>\$ 151,814</b>	<b>\$ (66,916)</b>	<b>\$ 59,707</b>	<b>\$ (6,235)</b>	<b>\$ 51,869</b>	<b>\$ 1,181,810</b>	<b>\$ 191,669</b>	<b>\$ 72,702</b>	<b>\$ (88,275)</b>	<b>\$ 1,283,060</b>	<b>\$ 649,086</b>

See accompanying notes to financial statements.

**NESKONLITH INDIAN BAND**  
**STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2018**

	Admini- stration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Government - Tmicw	Capital	Social Housing	Total 2018
<b>REVENUE:</b>										
Indigenous Services Canada	\$ 593,138	\$ 486,771	\$ 442,846	\$ 1,308,066	\$ 101,893	\$ 6,954	\$ -	\$ -	\$ -	\$ 2,939,668
Leases and rentals	116,079	-	-	-	-	-	-	-	220,348	336,427
CMHC	-	-	-	-	-	-	-	-	96,418	96,418
Province of BC	458,336	3,000	-	-	-	66,465	702,694	-	-	1,230,495
Interest and tax penalties	79,442	-	-	-	-	-	-	-	1,311	80,753
Health Canada	-	-	-	-	-	500,508	-	124,274	-	624,782
Admin recoveries	259,940	-	-	-	-	625	75,461	-	-	336,026
Miscellaneous	94,680	4,937	153,272	254,052	26,419	51,710	1,138,563	-	-	1,723,633
	<u>1,601,615</u>	<u>494,708</u>	<u>596,118</u>	<u>1,562,118</u>	<u>128,312</u>	<u>626,262</u>	<u>1,916,718</u>	<u>124,274</u>	<u>318,077</u>	<u>7,368,202</u>
<b>EXPENSES:</b>										
Administration fees	36,002	10,882	40,377	71,625	5,133	54,455	75,461	-	29,558	323,493
Amortization	174,296	-	-	-	-	-	-	-	258,742	433,038
Assistance	-	466,335	-	182,113	-	-	-	-	-	648,448
Community development	-	-	-	-	-	25,361	-	-	-	25,361
Contract services (recovery)	155,067	16,060	175,770	21,723	(16,023)	18,022	582,422	-	-	953,041
Education	-	-	-	675,532	-	-	-	-	-	675,532
Gifts and donations	-	1,500	-	-	-	-	94,692	-	-	96,192
Honorarium	-	2,300	-	5,440	-	-	436,372	-	-	444,112
Insurance	20,542	-	11,949	2,908	-	5,193	1,668	-	19,065	61,325
Leases	11,851	-	-	4,433	-	6,741	5,657	-	-	28,682
Licences, dues and fees	1,272	-	133	-	-	-	1,215	-	-	2,620
Interest on demand loans and mortgages payable	6,916	-	-	-	-	521	7,521	-	16,423	31,381
Materials and supplies	82,042	16,899	17,916	55,109	5,630	37,831	28,266	-	-	243,693
Meetings	450	5,076	-	1,051	1,020	3,568	25,081	-	-	36,246
Office and other	70,911	-	3,896	28,953	-	2,343	13,362	-	41	119,506
Professional fees	42,950	-	-	-	-	-	60,446	-	6,500	109,896
Programs	14,137	-	80,596	26,419	-	71,249	46	-	-	192,447
Repairs and maintenance	86,487	-	102,401	28,900	-	9,730	10,307	-	58,710	296,535
Telephone	21,547	1,804	5,417	4,157	720	10,404	3,479	-	-	47,528
Training	1,393	3,386	2,001	29,429	103	17,386	9,697	-	-	63,395
Travel	20,668	7,834	8,584	28,754	9,447	63,776	22,436	-	-	161,499
Utilities	15,489	-	46,839	12,957	-	11,989	4,652	-	-	91,926
Wages and benefits	458,112	96,325	189,782	298,860	103,512	252,752	233,877	-	-	1,633,220
	<u>1,220,132</u>	<u>628,401</u>	<u>685,661</u>	<u>1,478,363</u>	<u>109,542</u>	<u>591,321</u>	<u>1,616,657</u>	<u>-</u>	<u>389,039</u>	<u>6,719,116</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<u>\$ 381,483</u>	<u>\$ (133,693)</u>	<u>\$ (89,543)</u>	<u>\$ 83,755</u>	<u>\$ 18,770</u>	<u>\$ 34,941</u>	<u>\$ 300,061</u>	<u>\$ 124,274</u>	<u>\$ (70,962)</u>	<u>\$ 649,086</u>

See accompanying notes to financial statements.



**NESKONLITH INDIAN BAND**  
**SUPPLEMENTARY FINANCIAL INFORMATION**

**March 31, 2019**

EXHIBIT

***SUPPLEMENTARY FINANCIAL INFORMATION:***

H	INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT
H1	SCHEDULE OF REMUNERATION AND EXPENSES - CHIEF AND COUNCILLORS



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Kevin Cooper, CPA, CA  
Incorporated Professionals

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members,  
NESKONLITH INDIAN BAND

EXHIBIT H

We have reviewed the accompanying consolidated schedule of remuneration and expenses paid to elected officials ("the schedule") of the NESKONLITH INDIAN BAND for the year ended March 31, 2019. The schedule has been prepared by management of the NESKONLITH INDIAN BAND based on the First Nations Financial Transparency Act.

### ***Management's Responsibility for the Schedule***

Management of the NESKONLITH INDIAN BAND is responsible for the preparation of the schedule in accordance with the First Nations Financial Transparency Act, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

### ***Practitioner's Responsibility***

Our responsibility is to express a conclusion on the schedule based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of the schedule in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on this schedule.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the schedule is not prepared, in all material respects, in accordance with the First Nations Financial Transparency Act.

Kamloops, BC  
July 16, 2019

*Daley & Company LLP*

Chartered Professional Accountants

**NESKONLITH INDIAN BAND**  
**SCHEDULE OF REMUNERATION AND EXPENSES**  
**CHIEF AND COUNCILLORS**  
**For the year ended March 31, 2019**

<b>Name of Individual</b>	<b>Position Title</b>	<b>Number of Months</b>	<b>Remuneration</b>	<b>Expenses</b>	<b>Reimbursements from Others</b>
JUDY WILSON	CHIEF	12	\$ 56,400	\$ 35,650	\$ 31,807
DUANE MANUEL	COUNCILLOR	11	46,329	8,928	4,398
ARTHUR ANTHONY	COUNCILLOR	4	17,446	-	-
JOAN MANUEL-HOOPER	COUNCILLOR	12	50,400	26,627	17,510
FAY GINTHER	COUNCILLOR	12	50,400	10,794	5,661
LOUIS THOMAS	COUNCILLOR	12	50,400	2,397	185
BRAD ARNOUSE	COUNCILLOR	2	8,917	684	52
CORA ANTHONY	COUNCILLOR	2	8,917	1,003	1,005
			\$ 289,209	\$ 86,083	\$ 60,618

Note:

Council travel is representative of the various National, Provincial, Regional, and local political tables.