

**NESKONLITH INDIAN BAND**  
**SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2020**

**EXHIBIT**

***SUMMARY FINANCIAL STATEMENTS:***

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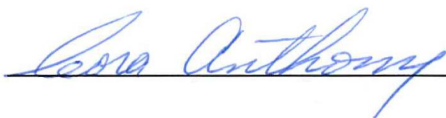
## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

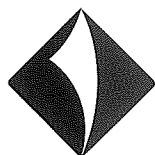
The financial statements of Neskonlith Indian Band have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on 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 generally accepted auditing standards.

A handwritten signature in black ink, appearing to read "Judy Wilson", positioned above a horizontal line.A handwritten signature in blue ink, appearing to read "Lisa Anthony", positioned above a horizontal line.



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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, 2020, and the summary statement of accumulated surplus, summary statement of operations, summary statement of remeasurement gains and losses, 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, 2020, 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 33 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.

The outbreak of COVID-19, which has been declared by the World Health Organization in March 2020 as a pandemic has spread across the globe and is impacting worldwide economic activity. A public health pandemic such as COVID-19, poses the risk that employees, contractors, suppliers, and other entities may be prevented from conducting business activities for an indefinite period, including due to shutdowns that may be requested or mandated by governmental authorities. While it is not possible at this time to estimate the impact that COVID-19 could have on the First Nation's business, the continued spread of COVID-19 and the measures taken by governments could disrupt regular operations of the First Nation and adversely impact the First Nation's business, financial condition or results of operations. The extent to which the COVID-19 outbreak impacts the financial results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and the actions to contain its impact. It is not possible to reliably estimate the length and severity of these developments or quantify the impact this pandemic may have on the financial results and condition of the First Nation in future periods. Estimates and judgements made by management in the preparation of the financial statements are increasingly difficult and subject to a higher degree of measurement uncertainty during this volatile period. Management has not made any adjustments or reclassification of assets and liabilities resulting from the COVID-19 pandemic.

### *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 audit. We also:

- 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 First 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.

*Saley + Company LLP*

Chartered Professional Accountants

Kamloops, BC  
September 15, 2020

**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF FINANCIAL POSITION**  
**March 31, 2020**

<b>FINANCIAL ASSETS</b>	<b>2020</b>	<b>2019</b>
Cash	<b>\$ 2,460,524</b>	\$ 690,383
Restricted cash (Note A3)	<b>1,222,857</b>	1,862,669
Grants and accounts receivable (Note A4)	<b>410,923</b>	449,854
Investments (Note A5)	<b>4,603,065</b>	2,476,303
	<b><u>8,697,369</u></b>	<u>5,479,209</u>
<b>LIABILITIES</b>		
Accounts payable and accruals	<b>588,937</b>	1,688,818
Deferred revenue	-	200,000
Demand loans (Note A7)	<b>1,920,893</b>	687,306
Mortgages payable (Note A8)	<b>600,099</b>	740,663
	<b><u>3,109,929</u></b>	<u>3,316,787</u>
<b>NET FINANCIAL ASSETS</b>	<b><u>5,587,440</u></b>	<u>2,162,422</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	<b>17,363</b>	24,882
Tangible capital assets (Note A9)	<b>4,378,511</b>	3,313,025
	<b><u>4,395,874</u></b>	<u>3,337,907</u>
<b>ACCUMULATED SURPLUS (Note A10)</b>	<b>\$ 9,983,314</b>	\$ 5,500,329

COMMITMENTS AND CONTINGENCIES (Note A12)

APPROVED BY THE BAND:

  
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**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF ACCUMULATED SURPLUS**  
**Year ended March 31, 2020**

	2020	2019
ACCUMULATED SURPLUS, beginning of year	\$ 5,500,329	\$ 4,217,269
EXCESS OF REVENUE OVER EXPENSES	<u>4,482,985</u>	<u>1,283,060</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 9,983,314</u>	<u>\$ 5,500,329</u>

See accompanying notes to financial statements.

**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF OPERATIONS**  
**Year ended March 31, 2020**

	Budget	2020	2019
<b>REVENUE:</b>			
Indigenous Services Canada	\$ 2,786,628	\$ 3,976,452	\$ 3,204,160
First Nations Health Authority	551,102	681,131	742,771
First Nations Education Steering Committee	75,000	295,747	256,301
Province of British Columbia	686,460	2,754,390	1,072,063
Leases and rentals	140,880	311,900	322,385
Income - Ottawa Trust Funds	199,655	29,344	65,004
Canada Mortgage and Housing Corporation	73,810	116,019	158,412
Income from investment in government business enterprise	-	2,055,305	1,537,903
Interest and investment income	-	6,475	4,127
Other income	2,679,627	1,476,114	1,284,792
	<u>7,193,162</u>	<u>11,702,877</u>	<u>8,647,918</u>
<b>EXPENSES:</b>			
Administration	2,430,379	1,224,816	1,265,144
Community Welfare	642,308	745,222	697,181
Operations and Maintenance	679,105	662,449	694,028
Education	1,412,842	2,111,251	1,819,119
Economic Development	-	89,026	159,561
Health Services	677,625	636,832	661,585
Government - Tmicw	889,434	1,140,407	1,615,870
Capital	-	235,251	-
Local Revenue	9,200	9,200	4,431
Social Housing	250,854	365,438	447,939
	<u>6,991,747</u>	<u>7,219,892</u>	<u>7,364,858</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 201,415</b>	<b>\$ 4,482,985</b>	<b>\$ 1,283,060</b>

See accompanying notes to financial statements.

**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
**Year ended March 31, 2020**

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	<b>2020</b>	2019
ACCUMULATED REMEASUREMENT GAINS, beginning of year	\$ -	\$ -
UNREALIZED GAINS ATTRIBUTED TO:		
Equity in partnerships (Note A5)	<u>20,238</u>	<u>-</u>
ACCUMULATED REMEASUREMENT GAINS, end of year	<u><b>\$ 20,238</b></u>	<u><b>\$ -</b></u>

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**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**Year ended March 31, 2020**

	Budget	2020	2019
EXCESS OF REVENUE OVER EXPENSES	\$ 201,415	\$ 4,482,985	\$ 1,283,060
Acquisition of tangible capital assets	-	(1,448,155)	(1,748,565)
Amortization of tangible capital assets	-	382,668	414,667
Change in prepaid expenses	-	7,520	19,038
Loss on write down of property	-	-	80,310
INCREASE IN NET FINANCIAL ASSETS	201,415	3,425,018	48,510
NET FINANCIAL ASSETS, beginning of year	2,162,422	2,162,422	2,113,912
NET FINANCIAL ASSETS, end of year	\$ 2,363,837	\$ 5,587,440	\$ 2,162,422

See accompanying notes to financial statements.

**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF CASH FLOWS**  
Year ended March 31, 2020

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess of revenue over expenses	\$ 4,482,985	\$ 1,283,060
Non-operating item:		
Amortization	382,668	414,667
(Increase) decrease in:		
Grants and accounts receivable	38,931	29,874
Prepaid expenses	7,519	19,038
Increase (decrease) in:		
Accounts payable and accruals	(1,099,870)	751,313
Deferred revenue	(200,000)	198,762
Cash flows from operations	<u>3,612,233</u>	<u>2,696,714</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Restricted cash	639,812	58,950
New borrowings	1,285,780	233,400
Repayment of demand loans and mortgages payable	(192,757)	(224,433)
Write off of investment	(10)	-
Cash flows from financing	<u>1,732,825</u>	<u>67,917</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investments	(2,126,762)	(1,190,311)
Cash flows used in investing	<u>(2,126,762)</u>	<u>(1,190,311)</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>		
Loss on write down of property	-	80,310
Purchase of tangible capital assets	(1,448,155)	(1,748,566)
Cash flows used in capital	<u>(1,448,155)</u>	<u>(1,668,256)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>1,770,141</b>	<b>(93,936)</b>
<b>CASH, beginning of year</b>	<b><u>690,383</u></b>	<b><u>784,319</u></b>
<b>CASH, end of year</b>	<b><u>\$ 2,460,524</u></b>	<b><u>\$ 690,383</u></b>

See accompanying notes to financial statements.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

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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. (including the entity's interest in 1202453 B.C. 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:

- Sexqeltkemoc Enterprises Inc.
- Sexqeltkemoc 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, 2020**

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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, 2020**

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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.

Housing rents are reported monthly on the basis of the lease 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.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
Year ended March 31, 2020

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

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

**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:**

	2020	2019
Replacement Reserve	\$ 389,974	\$ 406,525
Operating Reserve	178,979	161,584
Ottawa Trust Funds	653,904	1,294,560
	<u>\$ 1,222,857</u>	<u>\$ 1,862,669</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 \$34,221 (2019 - \$35,554) 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.

	2020	2019
Balance, beginning of year	\$ 366,256	\$ 376,207
Allocation during the year	34,221	35,554
Supplemental assistance	-	36,918
Transfer of CMHC supplemental assistance	34,859	-
Interest on account	3,718	2,042
Adjustment due to matured units	(28,101)	(30,697)
Approved expenditures	(62,413)	(53,768)
	<u>(17,716)</u>	<u>(9,951)</u>
Balance, end of year	<u>\$ 348,540</u>	<u>\$ 366,256</u>
The Replacement Reserve is represented by:		
Cash	<u>\$ 389,974</u>	<u>\$ 406,525</u>

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
Year ended March 31, 2020

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

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.

	2020	2019
Balance, beginning of year	<u>\$ 176,220</u>	<u>\$ 159,286</u>
Allocation for the year	13,306	10,630
Supplemental assistance	-	4,219
Interest	<u>2,757</u>	<u>2,085</u>
	<u>16,063</u>	<u>16,934</u>
Balance, end of year	<u><u>\$ 192,283</u></u>	<u><u>\$ 176,220</u></u>
The Operating Reserve is represented by:		
Cash	<u><u>\$ 178,979</u></u>	<u><u>\$ 161,584</u></u>

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.

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

	2020	2019
Grants and Accounts Receivable	<u>\$ 1,396,835</u>	<u>\$ 1,341,232</u>
Less: Allowance for doubtful accounts	<u>985,912</u>	<u>891,378</u>
	<u><u>\$ 410,923</u></u>	<u><u>\$ 449,854</u></u>

**NOTE A5. INVESTMENTS:**

	2020	2019
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 in income	<u>26,634</u>	<u>7,483</u>
	<u><u>68,623</u></u>	<u><u>49,472</u></u>

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
Year ended March 31, 2020

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

Financial information for Sk'atsin Resources Ltd.:

	2020	2019
Assets	\$ 357,216	\$ 48,979
Liabilities	<u>(612,850)</u>	<u>(42,296)</u>
Equity (Deficit)	<u>\$ (255,634)</u>	<u>\$ 6,683</u>
Revenue	\$ 1,085,932	\$ 16,791
Expenses	<u>1,349,048</u>	<u>1,026</u>
Net Income (Loss)	<u>\$ (263,116)</u>	<u>\$ 15,765</u>

Sk'atsin Resources Limited Liability Partnership:

Capital account - 99% interest	990	990
Advances, unsecured, noninterest bearing, no stated terms of repayment	(1,673,147)	(1,673,147)
Accumulated equity in income	6,202,614	4,159,774
Loan receivable, repayable in monthly installments of \$1,534 including interest at 4.42% per annum, unsecured	<u>93,222</u>	<u>107,167</u>
	<u>4,623,679</u>	<u>2,594,784</u>

Financial information for Sk'atsin Resources Limited Liability Partnership:

	Total	Band's Share 2020	Band's Share 2019
Assets	\$ 5,102,578	\$ 5,051,552	\$ 2,873,173
Liabilities	<u>(502,014)</u>	<u>(496,994)</u>	<u>(361,051)</u>
Partner's Capital	<u>\$ 4,600,564</u>	<u>\$ 4,554,558</u>	<u>\$ 2,512,122</u>
Revenues	\$ 3,884,087	\$ 3,845,246	\$ 2,779,565
Expenses	1,841,054	1,822,643	1,117,287
Other comprehensive income	<u>20,442</u>	<u>20,238</u>	<u>-</u>
Net Income	<u>\$ 2,063,475</u>	<u>\$ 2,042,841</u>	<u>\$ 1,662,278</u>

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



**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
Year ended March 31, 2020

NOTE A5. <b>INVESTMENTS (continued):</b>	2020	2019
Sexqeltkemoc Enterprises Inc. (33%):		
10 Common shares, par value \$1	-	10
B.C. First Nations Revenue Share Limited Partnership		
0.45% interest in partnership:		
Balance, beginning of year	-	-
Net income allocation	408,015	-
Contributions	100	-
Drawings	(394,499)	-
Balance, end of year	13,616	-
Share in the General Partner, BCFN GRS GP Inc., a corporation incorporated under the BC Business Corporations Act. Share represents a 0.45% interest in the Company at March 31, 2020.	10	-
Sexqeltkemoc Limited Partnership:		
Capital account - 33% interest	10	10
Partner deficiency	(106,873)	(171,973)
	(106,863)	(171,963)
	<u>\$ 4,603,065</u>	<u>\$ 2,476,303</u>

Financial information for Sexqeltkemoc Limited Partnership:

	Total	Band's Share 2020	Band's Share 2019
Current Assets	\$ 120,357	\$ 40,115	\$ 84,279
Long-term Assets	5	2	2
Current Liabilities	(441,003)	(146,980)	(256,244)
Partner's Capital	<u>\$ (320,641)</u>	<u>\$ (106,863)</u>	<u>\$ (171,963)</u>
Revenues	\$ 69,461	\$ 23,151	\$ 21,749
Expenses	32,064	10,687	146,123
Net Income (Loss)	<u>\$ 37,397</u>	<u>\$ 12,464</u>	<u>\$ (124,374)</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.

**NOTE A6. BANK INDEBTEDNESS:**

Under a line of credit with the Royal Bank of Canada, the Band may borrow up to \$200,000 on such terms as the Band and bank may mutually agree upon. This arrangement does not have a termination date and can be withdrawn at the bank's option. At March 31, 2020, the unused portion of the credit line was \$200,000.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

NOTE A7. <b>DEMAND LOANS:</b>	<b>2020</b>	2019
<u>Operating Fund:</u>		
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	<b>\$ 93,222</b>	\$ 107,167
City of Salmon Arm, municipal service debt, repayable in monthly installments of \$1,191 including interest at 2.4%, unsecured, due December 2026	<b>90,012</b>	101,997
Royal Bank of Canada, demand loan, repayable in monthly installments of \$3,410 including interest at bank's prime rate, secured by a general security agreement, due May 2020	<b>34,987</b>	-
	<b>218,221</b>	209,164
<u>Capital Fund:</u>		
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	<b>169,239</b>	191,660
Royal Bank of Canada, demand loan, repayable in monthly installments of \$268 including interest at 3.87%, secured by a general security agreement, due January 2021	<b>11,437</b>	14,028
Royal Bank of Canada, demand loan, repayable in monthly installments of \$793 including interest at 4.45%, secured by a general security agreement, due February 2023	<b>25,999</b>	34,155
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	<b>4,090</b>	7,804
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 July 2023	<b>46,316</b>	57,737
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 July 2023	<b>15,811</b>	22,945
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	<b>1,429,780</b>	144,000
Royal Bank of Canada, demand loan, repaid during the year.	<b>-</b>	5,813
	<b>1,702,672</b>	478,142
	<b>\$ 1,920,893</b>	\$ 687,306

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

2021	\$ 1,555,596
2022	79,027
2023	227,689
2024	19,470
2025	13,503
Thereafter	25,608

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

**NOTE A8. MORTGAGES PAYABLE:**

**2020**

**2019**

Social Housing Operation - Pre-1997 mortgages:

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 \$127,448, due April 2022.

**\$ 52,722**      **\$ 77,525**

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 \$169,444, due June 2023.

**98,041**      126,641

**150,763**      204,166

Social Housing Operation - Post-1996 mortgages:

All Nations Trust Company, repayable in monthly installments of \$2,379 including interest at 1.73% per annum, secured by buildings with a carrying value of \$106,529, due May 2024

**114,693**      140,976

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 \$196,726, due June 2023

**175,432**      202,605

All Nations Trust Company, repayable in monthly installments of \$3,064 including interest at 1.69% per annum, secured by buildings with a carrying value of \$195,433, due September 2024

**159,211**      192,916

**449,336**      536,497

**\$ 600,099**      **\$ 740,663**

The Social Housing mortgages are guaranteed by Indigenous Services Canada.

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

2021	\$ 143,401
2022	146,227
2023	125,462
2024	180,426
2025	4,583

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
Year ended March 31, 2020

NOTE A9. <b>TANGIBLE CAPITAL ASSETS:</b>	2020	2019
Tangible capital assets consist of the following:		
Buildings	\$ 3,481,344	\$ 2,155,112
Automotive equipment	56,675	53,035
Furniture and equipment	14,922	32,092
Fencing	25,277	35,327
Infrastructure	4,984	13,656
Social Housing	795,309	1,023,803
	<u>\$ 4,378,511</u>	<u>\$ 3,313,025</u>

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

NOTE A10. <b>ACCUMULATED SURPLUS:</b>	2020	2019
Accumulated surplus consists of individual fund surpluses and reserves as follows:		
Surplus from operations	\$ 6,707,637	\$ 1,563,963
Invested in investments	5,210	5,110
Invested in tangible capital assets	2,075,740	2,094,220
Funded Reserves:		
Operating Reserve Fund (CMHC) (Note A3)	192,283	176,220
Replacement Reserve Fund (CMHC) (Note A3)	348,540	366,256
Ottawa Trust Funds (Note A3)	653,904	1,294,560
	<u>1,194,727</u>	<u>1,837,036</u>
	<u>\$ 9,983,314</u>	<u>\$ 5,500,329</u>

**NOTE A11. 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, 2020 was \$77,611 (2019 - \$158,412). This assistance will continue, providing the Band is not in default of the agreement.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

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**NOTE A12. COMMITMENTS AND CONTINGENCIES:**

**Commitments:**

The Band leases office equipment under long-term lease agreements the longest of which expires March 2025.

Future minimum lease payments as at March 31, 2020, are as follows:

2021	\$	22,500
2022		19,350
2023		17,100
2024		17,100
2025		11,850
		<u>          </u>
	\$	<u>87,900</u>

**Contingencies:**

**a) Social Housing:**

The Band is guarantor of various Housing loans, secured by Ministerial guarantees, including \$600,099 for Social Housing (Note A8) and \$237,849 for capital housing for a total of \$837,948.

**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 \$34,573 (2019 - \$39,391).

**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.

**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, 2020, the outstanding loan balances were \$Nil. The maximum liability to the Band with respect to these loans is \$75,000.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

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**NOTE A13. 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, 2020**

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**NOTE A14. RELATED PARTY TRANSACTIONS:**

During the year, the Band earned \$5,492 (2019 - \$44,831) in contract services, \$4,457 (2019 - \$5,116) in interest, \$61,448 (2019 - \$NIL) in management fees and \$18,672 (2019 - \$18,672) in rent from Sk'atsin Resources Limited Liability Partnership. The Band paid \$169,749 (2019 - \$248,928) for contract services, and \$NIL (2019 - \$476,840) for FCRSA to Sk'atsin Resources Limited Liability Partnership. An amount receivable of \$63,004 (2019 - \$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 \$131,141 (2019 - \$146,589) 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.

During the year, the Company purchased \$6,423 (2019 - \$NIL) in fuel from 1202453 B.C. Ltd., a commonly controlled entity. As at March 31, 2020, amounts payable of \$626 is payable to 1202453 B.C. Ltd. This amount is included in accounts payable.

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 A15. 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 35% (2019 - 37%) of the Band's gross revenues.

**NOTE A16. CASH FLOW INFORMATION:**

During the year, the Band paid interest on demand loans and mortgages payable of \$22,171 (2019 - \$24,274) and received interest of \$6,475 (2019 - \$32,672).

**NOTE A17. SUBSEQUENT EVENT:**

Subsequent to year end, the Band received a loan in the amount of \$1,789,480 from First Nations Finance Authority (FNFA) to support the construction of the Salmon Arm Daycare. The Salmon Arm Daycare is expected to be completed in the 2021 fiscal year with a remaining budget of \$247,793 for completion.

**NESKONLITH INDIAN BAND**  
**SUMMARY SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year ended March 31, 2020**

	Buildings	Automotive Equipment	Furniture and Equipment	Fencing	Infrastructure	Social Housing	2020	2019
Cost								
Balance, beginning of year	\$ 5,308,835	\$ 400,407	\$ 856,381	\$ 144,122	\$ 5,817,470	\$ 3,519,193	\$ 16,046,408	\$ 14,469,903
Add: Additions during the year	1,416,985	31,169	-	-	-	-	1,448,154	1,748,566
Less: Disposals during the year	-	-	-	-	-	-	-	(172,061)
Balance, end of year	6,725,820	431,576	856,381	144,122	5,817,470	3,519,193	17,494,562	16,046,408
Accumulated amortization								
Balance, beginning of year	3,153,723	347,372	824,289	108,795	5,803,814	2,495,390	12,733,383	12,410,467
Add: Amortization	90,753	27,529	17,170	10,050	8,672	228,494	382,668	414,667
Less: Disposals during the year	-	-	-	-	-	-	-	(91,751)
Balance, end of year	3,244,476	374,901	841,459	118,845	5,812,486	2,723,884	13,116,051	12,733,383
Net Book Value of Tangible Capital Assets	<u>\$ 3,481,344</u>	<u>\$ 56,675</u>	<u>\$ 14,922</u>	<u>\$ 25,277</u>	<u>\$ 4,984</u>	<u>\$ 795,309</u>	<u>\$ 4,378,511</u>	<u>\$ 3,313,025</u>

Included in Buildings are tangible capital assets under construction of \$3,493,410 (2019 - \$2,076,425). These assets have not been amortized.



**NESKONLITH INDIAN BAND**  
**STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2020**

	Admini- stration	Community Welfare	Operations & maintenance	Education	Economic Development	Health Services	Government - Tmicw	Capital	Local Revenue	Social Housing	<b>Total 2020</b>	Total 2019
<b>REVENUE:</b>												
Indigenous Services Canada	\$ 832,142	\$ 853,150	\$ 430,967	\$ 1,504,068	\$ 76,779	\$ 42,087	\$ -	\$ 237,259	\$ -	\$ -	<b>\$ 3,976,452</b>	\$ 3,204,160
Leases and rentals	134,230	-	-	-	-	-	-	-	-	177,670	<b>311,900</b>	322,385
CMHC	19,414	-	-	-	-	-	-	-	-	77,191	<b>96,605</b>	158,412
Province of BC	-	-	-	-	-	68,032	2,686,358	-	-	-	<b>2,754,390</b>	1,072,063
Interest and tax penalties	29,344	-	-	-	-	-	-	-	-	6,475	<b>35,819</b>	69,131
First Nations Health Authority	-	-	-	-	-	681,131	-	-	-	-	<b>681,131</b>	742,771
Admin recoveries	337,065	-	-	-	-	-	10,000	-	-	-	<b>347,065</b>	258,604
Miscellaneous	21,016	51,908	102,568	822,865	7,364	159,906	2,254,697	-	71,430	7,761	<b>3,499,515</b>	2,820,392
	<u>1,373,211</u>	<u>905,058</u>	<u>533,535</u>	<u>2,326,933</u>	<u>84,143</u>	<u>951,156</u>	<u>4,951,055</u>	<u>237,259</u>	<u>71,430</u>	<u>269,097</u>	<b><u>11,702,877</u></b>	<u>8,647,918</u>
<b>EXPENSES:</b>												
Administration fees	22,918	19,417	39,821	133,358	3,163	92,965	10,000	19,941	-	25,249	<b>366,832</b>	260,218
Advertising	-	-	-	647	-	-	15,724	-	-	-	<b>16,371</b>	-
Amortization	154,174	-	-	-	-	-	-	-	-	228,494	<b>382,668</b>	419,056
Assistance	-	594,741	-	167,239	-	-	-	-	-	-	<b>761,980</b>	762,267
Community development	-	-	-	-	-	900	-	-	-	-	<b>900</b>	9,733
Contract services	85,975	16,872	137,064	222,380	28,471	19,198	283,149	215,310	1,500	-	<b>1,009,919</b>	986,719
Education	-	-	-	807,589	-	-	-	-	-	-	<b>807,589</b>	695,098
Gifts and donations	-	-	-	-	-	-	19,589	-	-	-	<b>19,589</b>	15,690
Honorarium	28	68	500	35,821	-	-	466,142	-	-	-	<b>502,559</b>	406,821
Insurance	21,364	-	12,909	4,193	-	5,195	3,251	-	-	16,978	<b>63,890</b>	61,903
Leases	18,600	-	-	10,694	-	5,009	5,471	-	-	-	<b>39,774</b>	31,938
Licences, dues and fees	849	-	380	-	-	711	965	-	684	-	<b>3,589</b>	3,452
Loss on write down of property	-	-	-	-	-	-	-	-	-	-	<b>-</b>	80,310
Interest on demand loans and mortgages payable	4,126	-	-	-	-	236	4,211	-	16	13,582	<b>22,171</b>	24,274
Materials and supplies	66,683	4,631	13,277	85,496	50,005	69,220	19,843	-	1,500	-	<b>310,655</b>	358,431
Meetings	4,411	11,901	952	356	-	-	57,113	-	-	-	<b>74,733</b>	34,186
Office and other	84,264	-	-	55,759	-	1,565	19,423	-	-	-	<b>161,011</b>	189,102
Professional fees	55,259	-	-	-	-	-	64,073	-	-	5,500	<b>124,832</b>	162,615
Programs	4,344	-	101,318	76,811	-	27,319	-	-	-	-	<b>209,792</b>	194,097
Repairs and maintenance	314,890	-	71,205	14,184	-	8,492	3,938	-	-	75,635	<b>488,344</b>	450,575
Telephone	15,678	660	5,690	5,435	-	10,504	2,689	-	-	-	<b>40,656</b>	45,547
Training	234	4,555	2,005	14,583	-	6,075	7,847	-	5,000	-	<b>40,299</b>	94,601
Travel	12,717	17,158	13,595	52,772	-	53,560	11,307	-	500	-	<b>161,609</b>	257,991
Utilities	15,626	-	48,843	13,003	-	15,552	4,058	-	-	-	<b>97,082</b>	106,258
Wages and benefits	342,676	75,219	214,890	410,931	7,387	320,331	141,614	-	-	-	<b>1,513,048</b>	1,713,976
	<u>1,224,816</u>	<u>745,222</u>	<u>662,449</u>	<u>2,111,251</u>	<u>89,026</u>	<u>636,832</u>	<u>1,140,407</u>	<u>235,251</u>	<u>9,200</u>	<u>365,438</u>	<b><u>7,219,892</u></b>	<u>7,364,858</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<u><b>\$ 148,395</b></u>	<u><b>\$ 159,836</b></u>	<u><b>\$ (128,914)</b></u>	<u><b>\$ 215,682</b></u>	<u><b>\$ (4,883)</b></u>	<u><b>\$ 314,324</b></u>	<u><b>\$ 3,810,648</b></u>	<u><b>\$ 2,008</b></u>	<u><b>\$ 62,230</b></u>	<u><b>\$ (96,341)</b></u>	<u><b>\$ 4,482,985</b></u>	<u><b>\$ 1,283,060</b></u>

See accompanying notes to financial statements.

**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	Total 2019
<b>REVENUE:</b>											
Indigenous Services Canada	\$ 468,087	\$ 819,185	\$ 469,238	\$ 1,378,099	\$ 62,558	\$ 6,993	\$ -	\$ -	\$ -	\$ -	\$ 3,204,160
Leases and rentals	125,260	-	-	-	-	-	-	-	-	197,125	322,385
CMHC	-	-	-	-	-	-	-	-	-	158,412	158,412
Province of BC	15,000	3,000	-	10,769	-	67,453	975,841	-	-	-	1,072,063
Interest and tax penalties	65,004	-	-	-	-	-	-	-	-	4,127	69,131
Health Canada	-	-	-	-	-	551,102	-	191,669	-	-	742,771
Admin recoveries	246,512	-	-	-	-	-	12,092	-	-	-	258,604
Miscellaneous	80,196	26,810	157,874	489,958	90,768	87,906	1,809,747	-	77,133	-	2,820,392
	<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>	<u>8,647,918</u>
<b>EXPENSES:</b>											
Administration fees	12,782	17,285	61,064	65,574	700	59,655	9,911	-	2,000	31,247	260,218
Amortization	186,173	-	-	-	-	-	4,389	-	-	228,494	419,056
Assistance	-	543,695	-	218,572	-	-	-	-	-	-	762,267
Community development	-	-	-	-	-	9,733	-	-	-	-	9,733
Contract services	9,690	12,893	166,556	2,744	6,740	41,924	744,776	-	1,396	-	986,719
Education	-	-	-	695,098	-	-	-	-	-	-	695,098
Gifts and donations	-	38	-	-	-	-	15,652	-	-	-	15,690
Honorarium	350	905	-	10,201	-	2,645	392,720	-	-	-	406,821
Insurance	16,497	-	12,584	5,135	-	6,818	1,784	-	-	19,085	61,903
Leases	13,060	-	-	4,808	-	7,913	6,157	-	-	-	31,938
Licences, dues and fees	2,229	-	288	-	-	20	915	-	-	-	3,452
Loss on write down of property	-	-	-	-	-	-	-	-	-	80,310	80,310
Interest on demand loans and mortgages payable	5,447	-	-	-	-	380	2,363	-	12	16,072	24,274
Materials and supplies	66,778	7,225	14,316	103,926	23,607	71,702	70,876	-	1	-	358,431
Meetings	125	4,081	-	362	-	-	29,618	-	-	-	34,186
Office and other	119,851	-	-	56,541	-	2,607	9,989	-	27	87	189,102
Professional fees	57,330	-	-	-	-	-	98,685	-	-	6,600	162,615
Programs	5,795	-	81,475	66,295	-	40,532	-	-	-	-	194,097
Repairs and maintenance	257,675	-	96,105	25,361	-	3,269	2,121	-	-	66,044	450,575
Telephone	20,480	2,235	5,195	4,820	300	9,394	3,123	-	-	-	45,547
Training	2,343	783	45	75,131	1,500	8,431	6,368	-	-	-	94,601
Travel	26,554	22,824	14,951	75,448	3,289	97,718	16,212	-	995	-	257,991
Utilities	20,214	-	54,148	14,247	-	13,356	4,293	-	-	-	106,258
Wages and benefits	441,771	85,217	187,301	394,856	123,425	285,488	195,918	-	-	-	1,713,976
	<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>	<u>7,364,858</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<u>\$ (265,085)</u>	<u>\$ 151,814</u>	<u>\$ (66,916)</u>	<u>\$ 59,707</u>	<u>\$ (6,235)</u>	<u>\$ 51,869</u>	<u>\$ 1,181,810</u>	<u>\$ 191,669</u>	<u>\$ 72,702</u>	<u>\$ (88,275)</u>	<u>\$ 1,283,060</u>

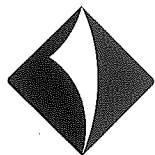
See accompanying notes to financial statements.

**NESKONLITH INDIAN BAND**  
**SUPPLEMENTARY FINANCIAL INFORMATION**  
**March 31, 2020**

EXHIBIT

***SUPPLEMENTARY FINANCIAL INFORMATION:***

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



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Shawn Birkenhead, CPA, CA  
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, 2020. 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  
September 15, 2020

*Daley & Company LLP*

Chartered Professional Accountants

**NESKONLITH INDIAN BAND**  
**SCHEDULE OF REMUNERATION AND EXPENSES**  
**CHIEF AND COUNCILLORS**  
**For the year ended March 31, 2020**

<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	\$ 64,368	\$ 40,224	\$ 30,881
JOAN MANUEL-HOOPER	COUNCILLOR	12	58,154	26,108	16,870
FAY GINTHER	COUNCILLOR	12	58,154	11,548	7,536
LOUIS THOMAS	COUNCILLOR	12	58,154	4,030	685
BRAD ARNOUSE	COUNCILLOR	12	58,154	6,455	1,385
CORA ANTHONY	COUNCILLOR	12	58,154	16,056	11,722
			\$ 355,138	\$ 104,421	\$ 69,079

Note:

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