

NESKONLITH INDIAN BAND
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023

EXHIBIT

CONSOLIDATED 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 Grant Thornton LLP in accordance with Canadian generally accepted auditing standards.



Nov 6 / 2023

Grant Thornton LLP
Suite 200
206 Seymour Street
Kamloops, BC
V2C 6P5
T +1 250 374 5577
F +1 250 374 5573

INDEPENDENT AUDITOR'S REPORT

To the members of NESKONLITH INDIAN BAND

Opinion

We have audited the consolidated financial statements of NESKONLITH INDIAN BAND (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statement of accumulated surplus, consolidated statement of operations, consolidated statement of change in net financial assets and consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2023, 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

We draw attention to the fact the supplementary information included in Exhibits B1 to B3, C1 to C2, D1 to D2, and Schedules 1 to 30 do not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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)

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 consolidated 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.



Chartered Professional Accountants

NESKONLITH INDIAN BAND
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
March 31, 2023

FINANCIAL ASSETS	2023	2022
Cash	\$ 14,973,611	\$ 12,313,653
Restricted cash (Note A5)	1,585,508	1,221,419
Grants and accounts receivable (Note A6)	1,643,670	394,811
Deposits receivable	124,842	118,311
Investments (Note A7)	4,110	4,110
Investments in government business enterprises (Note A8)	6,904,845	5,692,460
	<u>25,236,586</u>	<u>19,744,764</u>
LIABILITIES		
Accounts payable and accruals	517,364	1,284,066
Deferred revenue	-	7,500
Demand loans (Note A10)	207,066	280,593
Mortgages payable (Note A11)	184,890	310,372
Promissory note payable (Note A12)	2,135,389	2,192,409
	<u>3,044,709</u>	<u>4,074,940</u>
NET FINANCIAL ASSETS	<u>22,191,877</u>	<u>15,669,824</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	73,315	51,784
Tangible capital assets (Note A13)	3,290,874	3,749,050
	<u>3,364,189</u>	<u>3,800,834</u>
ACCUMULATED SURPLUS (Note A14)	<u>\$ 25,556,066</u>	<u>\$ 19,470,658</u>

COMMITMENTS AND CONTINGENCIES (Note A16)

APPROVED BY THE BAND:

See accompanying notes to financial statements.

NESKONLITH INDIAN BAND
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS
Year ended March 31, 2023

	2023	2022
ACCUMULATED SURPLUS, beginning of year	\$ 19,470,658	\$ 13,605,435
EXCESS OF REVENUE OVER EXPENSES	<u>6,085,408</u>	<u>5,865,223</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 25,556,066</u>	<u>\$ 19,470,658</u>

See accompanying notes to financial statements.

NESKONLITH INDIAN BAND
CONSOLIDATED STATEMENT OF OPERATIONS
Year ended March 31, 2023

	Budget	2023	2022
REVENUE:			
Indigenous Services Canada	\$ 2,933,613	\$ 5,852,762	\$ 5,553,304
First Nations Health Authority	573,196	629,581	638,374
First Nations Education Steering Committee	216,535	1,100,149	731,103
Province of British Columbia	1,618,797	4,282,357	4,928,660
Leases and rentals	338,532	344,606	367,641
Income - Ottawa Trust Funds	-	361,062	30,440
Canada Mortgage and Housing Corporation	77,124	66,239	211,648
Interest and investment income	-	365,087	31,274
Equity earnings from government business enterprises	-	1,214,744	567,412
Other income	600,762	3,110,805	2,206,253
	<u>6,358,559</u>	<u>17,327,392</u>	<u>15,266,109</u>
EXPENSES:			
Administration	1,687,689	2,501,573	1,883,198
Community Welfare	764,553	696,648	612,801
Operations and Maintenance	631,437	1,092,534	1,054,192
Education	1,615,874	3,246,744	2,734,484
Economic Development	34,268	267,578	162,911
Health Services	640,681	1,147,604	1,130,786
Government - Tmicw	967,975	1,967,644	1,378,197
Local Revenue	-	12,839	2,107
Social Housing	236,607	308,820	442,210
	<u>6,579,084</u>	<u>11,241,984</u>	<u>9,400,886</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (220,525)	\$ 6,085,408	\$ 5,865,223

See accompanying notes to financial statements.

NESKONLITH INDIAN BAND
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended March 31, 2023

	Budget	2023	2022
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (220,525)	\$ 6,085,408	\$ 5,865,223
Acquisition of tangible capital assets	-	(117,827)	(132,632)
Amortization of tangible capital assets	-	388,341	464,572
Change in prepaid expenses	-	(21,531)	(40,216)
Loss on disposal of property	-	187,662	-
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(220,525)	6,522,053	6,156,947
NET FINANCIAL ASSETS, beginning of year	15,669,824	15,669,824	9,512,877
NET FINANCIAL ASSETS, end of year	\$ 15,449,299	\$ 22,191,877	\$ 15,669,824

See accompanying notes to financial statements.

NESKONLITH INDIAN BAND
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended March 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenue over expenses	\$ 6,085,408	\$ 5,865,223
Non-operating item:		
Equity earnings from government business enterprises	(1,214,744)	(567,412)
Reinvested earnings from investments	-	-
Amortization	388,341	464,572
Loss on disposal of tangible capital assets	187,662	-
(Increase) decrease in:		
Grants and accounts receivable	(1,248,859)	242,707
Prepaid expenses	(21,531)	(40,216)
Deposits receivable	(6,531)	(1,790)
Increase (decrease) in:		
Accounts payable and accruals	(766,702)	96,982
Deferred revenue	(7,500)	7,500
Cash flows from operations	<u>3,395,544</u>	<u>6,067,566</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Restricted cash	(364,089)	(43,214)
Repayment of demand loans, mortgages payable and promissory note payable	(256,029)	(284,719)
Cash flows used in financing	<u>(620,118)</u>	<u>(327,933)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments	2,359	(112,910)
Cash flows from (used in) investing	<u>2,359</u>	<u>(112,910)</u>
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Purchase of tangible capital assets	(117,827)	(132,632)
Cash flows used in capital	<u>(117,827)</u>	<u>(132,632)</u>
INCREASE IN CASH	2,659,958	5,494,091
CASH, beginning of year	<u>12,313,653</u>	<u>6,819,562</u>
CASH, end of year	<u>\$ 14,973,611</u>	<u>\$ 12,313,653</u>

See accompanying notes to financial statements.

NESKONLITH INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE A1. ADOPTION OF NEW STANDARDS:

Effective April 1, 2022, Neskonlith Indian Band adopted new Public Sector Accounting Standards Sections PS 3450 Financial Instruments, PS 3041 Portfolio Investments, PS 2601 Foreign Currency Translation and Section 1201 Financial Statement Presentation along with the related amendments. New Section PS 3450 requires the fair value measurement of derivatives and portfolio investments in equities quoted in an active market. All other financial assets and liabilities are measured at cost or amortized cost (using the effective interest method), or, by policy choice, at fair value when the entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis. For items denominated in a foreign currency, unrealized foreign exchange gains and losses between the transaction date and subsequent financial statement dates are recognized in the statement of remeasurement gains and losses until they are settled, upon which they are recognized in the statement of operations.

The measurement requirements were applied prospectively. The recognition, derecognition, and measurement policies followed in the comparative period had no impact on the comparative figures.

Effective April 1, 2022, Neskonlith Indian Band adopted new Public Sector Accounting Standard Section PS 3280 Asset Retirement Obligations (ARO) which recognizes legal obligations associated with the retirement of tangible capital assets. The financial statements of the comparative year have not been restated to reflect this change in the accounting policy, which has been applied prospectively. Under the prospective application method, all ARO incurred before and after the transition date have been recognized in accordance with the standard. For those tangible capital assets in productive use, there was a related increase in the carrying amount of the related tangible capital asset by the same amount; for those tangible capital assets no longer in productive use, an expense was recognized for the same amount as the liability.

As a result of the adoption of this new accounting policy there was no impact on the financial statements as at April 1, 2022.

NOTE A2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

a) Reporting Entity and Principles of Financial Reporting:

The Neskonlith Indian Band reporting entity includes the Band government and all related entities which are controlled by the First Nation. Control is defined as the power to govern the financial and operating policies of another with expected benefits or the risk of loss to the government from the other organizations' activities. Control exists regardless of whether the government chooses to exercise its power to govern so long as it has the ability to govern. Control must exist at the financial statement date, without the need to amend agreements.

These financial statements consolidate the assets, liabilities and results of operations for the following programs 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.

NESKONLITH INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE A2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):

Government business entities 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 consolidated 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

All investments in entities that are not controlled are considered to be portfolio investments. They are reported at cost less any write-downs associated with a loss in value that is other than a temporary decline. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

b) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

c) 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 declining balance 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.

d) Contributions of Tangible Capital Assets:

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

e) 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.

NESKONLITH INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE A2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):

f) Government Transfers:

Government transfers (revenue from non-exchange transactions with governments) are recognized as revenues when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made, except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

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 funding 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.

Revenues, other than government transfers, that are externally restricted through stipulations imposed by an agreement with an external party, legislation, or regulation that specify the purpose or purpose for which the resources are to be used are deferred on the consolidated statement of financial position. The revenue is recognized in the year in which it is used for the specified purpose.

Revenue related to fees or services received in advance of the fee being earned or the service performed are deferred and recognized when the fee is earned or service is performed.

Rental income is recognized when earned. Deposits recorded in advance are deferred until they are repaid or applied against outstanding accounts.

Own source revenues derived from such sources as housing rents, resource based revenues, interest income, and property taxes, etc. are recognized upon transfer of title of the product or upon performance of the service and when collectability is reasonably assured.

h) Financial instruments

All financial instruments are recorded at their cost or amortized cost except for portfolio investments in equity instruments quoted in an active market which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the statement of remeasurement gains and losses. Once realized, remeasurement gains and losses are transferred to the statement of operations. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the statement of operations.

Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs related to financial instruments recorded at their fair values are expensed as incurred.

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.

NESKONLITH INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE A2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

i) 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.

j) Statement of remeasurement gains and losses:

The statement of remeasurement gains and losses has not been included in the consolidated financial statement as there have been no remeasurement gains or losses as of March 31, 2023 or accumulated gains or losses from prior fiscal periods.

k) Asset retirement obligations:

A liability for an asset retirement obligation is recognized when all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is measured at Neskonlith Indian Band's best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities. The costs also include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset and the costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

Upon initial recognition of the liability for an asset retirement obligation, the carrying amount of the corresponding tangible capital asset (or component thereof) is increased by the same amount. The capitalized asset retirement cost is expensed in a rational and systematic manner over the useful life of the tangible capital asset (or a component thereof). For obligations for which there is no tangible capital asset recognized or for tangible capital assets that are no longer in productive use, the asset retirement costs are expensed immediately. Subsequently, the liability is reviewed at each financial statement reporting date and adjusted for changes as a result of the passage of time with corresponding accretion expense and adjusted for any revisions to the timing, amount of the original estimate of undiscounted cash flows, or the discount rate. Adjustments to the liability as a result of revisions to the timing, amount of the estimate of undiscounted cash flows or the discount rate are adjusted to the cost of the related tangible capital asset and the revised carrying amount of the related tangible capital asset is amortized except for adjustments related to tangible capital assets that are not recognized or no longer in productive use, which are expensed in the period they are incurred.

The asset retirement costs are amortized on a declining balance basis over their estimated useful lives of the asset.

A recovery related to asset retirement obligation is recognized when the recovery can be appropriately measured; reasonably estimated and it is expected that future economic benefits will be obtained. The recovery is not netted against the liability.

NESKONLITH INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE A3. FUTURE ACCOUNTING CHANGES:

PS 3400 Revenues

This section establishes standards on how to account for and report on revenue. This section applies to fiscal years beginning on or after April 1, 2023, with early adoption permitted.

PS 3160 Public Private Partnerships

New Section PS 3160 Public Private Partnerships establishes standards on how to account for public private partnerships between public and private sector entities where infrastructure is procured by a public sector entity using a private sector partner that is obligated to design, build, acquire or better infrastructure; finance the infrastructure past the point where the infrastructure is ready for use and operate and/or maintain the infrastructure. This section applies to fiscal years beginning on or after April 1, 2023, with early adoption permitted.

PS 1000 Financial Statement Concepts

Section PS 1000 has been amended to remove the prohibition of recognition of purchased intangibles in public sector financial statements. This section applies to fiscal years beginning on or after April 1, 2023, with early adoption permitted.

NOTE A4. FINANCIAL INSTRUMENTS:

Classification

The following table provides the carrying amount information of the Band's financial instruments by category. The maximum exposure to credit risk for the financial assets would be the carrying values shown below.

Financial Instrument	2023	2022
	Amortized cost / cost	Amortized cost / cost
Cash	\$ 14,973,611	\$ 12,313,653
Restricted cash	1,585,508	1,221,419
Grants and accounts receivable	1,643,670	394,811
Deposits receivable	124,842	118,311
Accounts payable and accruals	517,364	1,284,066
Demand loans	207,066	280,593
Mortgages payable	184,890	310,372
Promissory note payable	2,135,389	2,192,409

NESKONLITH INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE A4. FINANCIAL INSTRUMENTS (continued):

Credit risk

Credit risk is the risk of financial loss to the Band if a debtor fails to discharge their obligation (e.g., pay the accounts receivable owing to the Band). The Band is exposed to this risk arising from its cash, grants receivable, accounts receivable and deposits receivable. The Band holds its cash accounts with two federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Band's cash accounts are insured up to \$100,000 with each bank.

Accounts receivable is primarily due from government corporations and individuals. Credit risk is mitigated by the highly diversified nature of the debtors and other customers. The Band measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Band's historical experience regarding collections. In the current and prior years, all of the impairment allowance related to the other receivables. There were no changes in exposures to credit risk during the period. The amounts outstanding at year end were as follows:

	Current	31-60 days	61-90 days	Over 90 days	Total
Government receivables	\$ 1,374,672	\$ -	\$ -	\$ 19,217	\$ 1,393,889
Other accounts receivable	76,232	49,428	10,246	995,158	1,131,064
Total	1,450,904	49,428	10,246	1,014,375	2,524,953
Less impairment allowance	(3,303)	(4,313)	(5,170)	(868,497)	(881,283)
Net receivable	<u>\$ 1,447,601</u>	<u>\$ 45,115</u>	<u>\$ 5,076</u>	<u>\$ 145,878</u>	<u>\$ 1,643,670</u>

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, 2023, the outstanding loan balances were \$Nil. The maximum liability to the Band with respect to these loans is \$75,000.

Liquidity risk

Liquidity risk is the risk that the Band will not be able to meet all cash outflow obligations as they come due. The Band mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

NESKONLITH INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE A5. RESTRICTED CASH:

	2023	2022
Replacement Reserve	\$ 297,218	\$ 305,134
Operating Reserve	215,172	204,229
Ottawa Trust Funds	<u>1,073,118</u>	<u>712,056</u>
	<u>\$ 1,585,508</u>	<u>\$ 1,221,419</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 \$26,592 (2022 - \$34,221) annually plus interest. These funds, along with accumulated interest, must be held in a separate bank account 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.

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 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.

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 A6. GRANTS AND ACCOUNTS RECEIVABLE:

	2023	2022
Grants and accounts receivable	\$ 2,524,953	\$ 1,398,935
Less: Allowance for doubtful accounts	<u>881,283</u>	<u>1,004,124</u>
	<u>\$ 1,643,670</u>	<u>\$ 394,811</u>

NOTE A7. INVESTMENTS:

Portfolio investments:

All Nations Trust Company:

2,000 Class A shares, par value \$1	<u>\$ 4,000</u>	<u>\$ 4,000</u>
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B.C. First Nations Revenue Share Limited Partnership (0.45% interest)

<u>100</u>	<u>100</u>
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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, 2023.

<u>10</u>	<u>10</u>
<u>\$ 4,110</u>	<u>\$ 4,110</u>

NESKONLITH INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE A8. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES:

	2023	2022
Sk'atsin Resources Ltd. (100% interest)	<u>\$ 86,336</u>	<u>\$ 74,192</u>

Financial information for Sk'atsin Resources Ltd.:

Assets	\$ 378,399	\$ 305,885
Liabilities	<u>(481,091)</u>	<u>(469,297)</u>
Equity (Deficit)	<u>\$ (102,692)</u>	<u>\$ (163,412)</u>
Revenue	\$ 95,169	\$ 114,132
Expenses	<u>34,445</u>	<u>47,240</u>
Net Income (Loss)	<u>\$ 60,724</u>	<u>\$ 66,892</u>

Sk'atsin Resources Limited Liability Partnership (99% interest)	<u>6,818,509</u>	<u>5,618,268</u>
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Financial information for Sk'atsin Resources Limited Liability Partnership:

	Total	Band's Share 2023	Band's Share 2022
Assets	\$ 7,466,255	\$ 7,391,592	\$ 5,985,086
Liabilities	<u>(611,350)</u>	<u>(605,237)</u>	<u>(411,042)</u>
Partner's Capital	<u>\$ 6,854,905</u>	<u>\$ 6,786,355</u>	<u>\$ 5,574,044</u>
Revenues	\$ 3,650,537	\$ 3,614,032	\$ 4,272,068
Expenses	<u>2,423,522</u>	<u>2,399,287</u>	<u>3,704,656</u>
Net Income	<u>\$ 1,227,015</u>	<u>\$ 1,214,745</u>	<u>\$ 567,412</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.

<u>\$ 6,904,845</u>	<u>\$ 5,692,460</u>
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NOTE A9. 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, 2023, the unused portion of the credit line was \$200,000.

NESKONLITH INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE A10. DEMAND LOANS:	2023	2022
Royal Bank of Canada, demand loan, repayable in monthly installments of \$1,589 including interest at 6.81%, secured by a general security agreement, due December 2025	\$ 48,919	\$ 63,422
City of Salmon Arm, municipal service debt, repayable in monthly installments of \$1,191 including interest at 2.4%, unsecured, due December 2026	52,295	65,168
Royal Bank of Canada, demand loan, repayable in monthly installments of \$2,381 including interest at 5.04%, secured by a general security agreement, due June 2025	99,613	122,848
Royal Bank of Canada, demand loan repaid during the year	-	8,543
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	6,239	20,612
	<u>\$ 207,066</u>	<u>\$ 280,593</u>

Principal repayments due in the ensuing 4 years are approximately as follows:

2024	\$ 59,756
2025	56,222
2026	79,296
2027	11,792
	<u>\$ 207,066</u>

NOTE A11. MORTGAGES PAYABLE:	2023	2022
<u>Social Housing Operation - Pre-1997 mortgages:</u>		
All Nations Trust Company, repayable in monthly installments of \$2,619 including interest at 2.50% per annum, secured by land and buildings with a carrying value of \$96,000, due June 2023.	\$ 7,829	\$ 38,648
All Nations Trust Company, repaid during the year.	-	2,138
	<u>7,829</u>	<u>40,786</u>

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 land and buildings with a carrying value of \$21,000, due May 2024.	32,948	60,666
All Nations Trust Company, repayable in monthly installments of \$2,660 including interest at 2.50% per annum, secured by land and buildings with a carrying value of \$96,343, due June 2023.	89,701	118,988

NESKONLITH INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE A11. MORTGAGES PAYABLE (continued):

All Nations Trust Company, repayable in monthly installments of \$3,064 including interest at 1.69% per annum, secured by land and buildings with a carrying value of \$90,696, due September 2024.

54,412	89,932
177,061	269,586
\$ 184,890	\$ 310,372

The Social Housing mortgages are guaranteed by Indigenous Services Canada.

Principal repayments due in the ensuing 2 years are approximately as follows:

2024	\$ 161,853
2025	23,037
	\$ 184,890

NOTE A12. PROMISSORY NOTE PAYABLE:

2023

2022

First Nations Finance Authority, repayable in annual installments of \$52,753 plus semi-annual interest payments at 2.15% per annum, due June 2030.

\$ 2,135,389	\$ 2,192,409
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Principal repayments due in the ensuing 5 years are approximately as follows:

2024	\$ 52,753
2025	52,753
2026	52,753
2027	52,753
2028	52,753
Thereafter	1,871,624
	\$ 2,135,389

NOTE A13. TANGIBLE CAPITAL ASSETS:

2023

2022

Tangible capital assets consist of the following:

Buildings	\$ 2,885,710	\$ 3,031,323
Automotive equipment	21,443	26,803
Furniture and equipment	201,674	191,724
Fencing	26,735	29,705
Infrastructure	55,564	69,455
Social Housing	99,748	400,040
	\$ 3,290,874	\$ 3,749,050

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

NESKONLITH INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE A14. ACCUMULATED SURPLUS:	2023	2022
Accumulated surplus consists of individual program surpluses and reserves as follows:		
Surplus from operations	<u>\$ 22,778,658</u>	<u>\$ 17,224,758</u>
Invested in investments	<u>5,210</u>	<u>5,210</u>
Invested in tangible capital assets	<u>1,322,919</u>	<u>1,094,266</u>
Funded Reserves:		
Operating Reserve Fund (CMHC)	229,344	213,018
Replacement Reserve Fund (CMHC)	146,817	221,350
Ottawa Trust Funds	<u>1,073,118</u>	<u>712,056</u>
	<u>1,449,279</u>	<u>1,146,424</u>
	<u>\$ 25,556,066</u>	<u>\$ 19,470,658</u>

NOTE A15. 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, 2023 was \$66,239 (2022 - \$77,114). This assistance will continue, providing the Band is not in default of the agreement.

NOTE A16. COMMITMENTS AND CONTINGENCIES:

Commitments:

The Band leases office equipment under long-term lease agreements the longest of which expires June 2026.

Future minimum lease payments as at March 31, 2023, are as follows:

2024	\$ 18,540
2025	13,290
2026	1,440
2027	<u>360</u>
	<u><u>\$ 33,630</u></u>

Contingencies:

a) The Band is guarantor of various individual members' loans, secured by Ministerial guarantees, for a total of \$380,211.

b) 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 CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE A16. COMMITMENTS AND CONTINGENCIES (continued):

c) 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, 2023, the outstanding loan balances were \$Nil. The maximum liability to the Band with respect to these loans is \$75,000.

NOTE A17. DEFINED CONTRIBUTION PENSION PLAN:

The Band provides a defined contribution pension plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount whereby the employer matches that paid by the employee. Total contributions to the plan during the year were \$71,241 (2022 - \$59,250). The pension rate for employees is 5.5%.

NOTE A18. 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 program. Programs 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 programs. 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.

NESKONLITH INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE A18. SEGMENTED INFORMATION (continued):

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 consolidated financial statements as disclosed in Note A1. For additional information see the Statement of Financial Activities - Segmented (Appendix 2).

NOTE A19. 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% (2022 - 36%) of the Band's gross revenues.

NOTE A20. CASH FLOW INFORMATION:

During the year, the Band paid interest on demand loans and mortgages payable of \$63,491 (2022 - \$66,373) and received interest of \$142,229 (2022 - \$16,705).

NESKONLITH INDIAN BAND
SUMMARY SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year ended March 31, 2023

	Buildings	Automotive Equipment	Furniture and Equipment	Fencing	Infrastructure	Social Housing	2023	2022
Cost								
Balance, beginning of year	\$ 6,773,161	\$ 431,576	\$ 1,092,783	\$ 156,832	\$ 5,906,325	\$ 3,519,193	\$ 17,879,870	\$ 17,747,238
Add: Additions during the year	-	-	117,827	-	-	-	117,827	132,632
Less: Disposals during the year	-	-	(64,168)	-	-	(280,463)	(344,631)	-
Transfer during the year	368,925	-	-	-	-	(368,925)	-	-
Balance, end of year	7,142,086	431,576	1,146,442	156,832	5,906,325	2,869,805	17,653,066	17,879,870
Accumulated amortization								
Balance, beginning of year	3,741,838	404,773	901,059	127,127	5,836,870	3,119,153	14,130,820	13,666,248
Add: Amortization	213,434	5,360	50,126	2,970	13,891	102,560	388,341	464,572
Less: Disposals during the year	-	-	(6,417)	-	-	(150,552)	(156,969)	-
Transfer during the year	301,104	-	-	-	-	(301,104)	-	-
Balance, end of year	4,256,376	410,133	944,768	130,097	5,850,761	2,770,057	14,362,192	14,130,820
Net Book Value of Tangible Capital Assets	\$ 2,885,710	\$ 21,443	\$ 201,674	\$ 26,735	\$ 55,564	\$ 99,748	\$ 3,290,874	\$ 3,749,050

Included in Buildings are tangible capital assets under construction of \$1,072,304 (2022 - \$1,072,304). These assets have not been amortized.

NESKONLITH INDIAN BAND
STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED
Year ended March 31, 2023

	Admini- stration	Community Welfare	Operations & maintenance	Education	Economic Development	Health Services	Government - Tmicw	Capital	Local Revenue	Social Housing	Total 2023	Total 2022
REVENUE:												
Indigenous Services Canada	\$ 852,571	\$ 1,080,393	\$ 1,165,299	\$ 2,154,580	\$ 497,621	\$ 102,298	\$ -	\$ -	\$ -	\$ -	\$ 5,852,762	\$ 5,553,304
Leases and rentals	171,937	-	-	-	-	-	18,672	-	-	153,997	344,606	367,641
CMHC	-	-	-	-	-	-	-	-	-	66,239	66,239	192,234
Province of BC	286,791	-	-	559,679	100,000	71,641	3,264,246	-	-	-	4,282,357	4,928,660
Interest and tax penalties	361,062	-	-	-	-	-	-	-	-	4,025	365,087	31,274
First Nations Health Authority	-	-	-	-	-	629,581	-	-	-	-	629,581	638,374
Admin recoveries	650,375	-	-	-	-	-	-	-	-	-	650,375	579,153
Equity earnings from government business enterprises	-	-	-	-	-	-	1,214,744	-	-	-	1,214,744	567,412
Miscellaneous	980,076	99	593,898	1,188,174	-	763,705	291,829	-	98,599	5,261	3,921,641	2,408,057
	3,302,812	1,080,492	1,759,197	3,902,433	597,621	1,567,225	4,789,491	-	98,599	229,522	17,327,392	15,266,109
EXPENSES:												
Administration fees	24,968	29,244	149,794	182,927	59,762	142,690	26,447	-	10,000	12,164	637,996	568,393
Advertising	-	-	-	-	-	971	1,561	-	-	-	2,532	10,537
Amortization	285,781	-	-	-	-	-	-	-	-	102,560	388,341	464,572
Assistance	-	505,517	-	269,653	-	-	-	-	-	-	775,170	676,623
Community development	-	-	-	-	-	32,480	-	-	-	-	32,480	22,173
Contract services	67,314	-	253,854	40,321	204,319	100,083	611,364	-	2,824	-	1,280,079	1,147,801
Education	-	-	-	786,637	-	-	-	-	-	-	786,637	771,178
Gifts and donations	312	-	-	-	-	-	30,735	-	-	-	31,047	31,827
Honorarium	6,401	-	-	23,200	-	3,600	423,618	-	-	-	456,819	452,367
Insurance	43,767	-	16,444	4,318	-	6,284	3,245	-	-	21,289	95,347	77,097
Leases	18,645	-	-	33,300	-	1,591	6,000	-	-	-	59,536	76,598
Licences, dues and fees	493	-	506	-	-	690	1,905	-	-	-	3,594	4,082
Interest on demand loans and mortgages payable	45,016	-	-	-	-	-	1,416	-	15	5,097	51,544	62,152
Materials and supplies	179,638	76,722	82,088	327,750	-	270,574	83,370	-	-	129,912	1,150,054	877,722
Meetings	-	565	112	3,175	248	-	48,869	-	-	-	52,969	35,067
Office and other	20,386	-	-	69,790	-	6,677	10,343	-	-	927	108,123	295,684
Professional fees	122,303	-	-	-	3,249	-	465,378	-	-	4,703	595,633	97,234
Programs	269,114	-	168,630	373,641	-	68,270	165	-	-	-	879,820	493,643
Repairs and maintenance	228,125	-	118,392	56,803	-	14,304	60,616	-	-	32,168	510,408	539,672
Telephone	8,662	1,560	6,369	10,385	-	11,965	2,926	-	-	-	41,867	38,754
Training	7,178	1,750	146	218,667	-	17,258	13,215	-	-	-	258,214	160,973
Travel	10,349	8,004	15,588	28,510	-	62,903	19,818	-	-	-	145,172	94,829
Utilities	23,344	-	48,640	21,697	-	14,714	12,109	-	-	-	120,504	117,203
Wages and benefits	1,139,777	73,286	231,971	795,970	-	392,550	144,544	-	-	-	2,778,098	2,284,705
	2,501,573	696,648	1,092,534	3,246,744	267,578	1,147,604	1,967,644	-	12,839	308,820	11,241,984	9,400,886
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 801,239	\$ 383,844	\$ 666,663	\$ 655,689	\$ 330,043	\$ 419,621	\$ 2,821,847	\$ -	\$ 85,760	\$ (79,298)	\$ 6,085,408	\$ 5,865,223

See accompanying notes to financial statements.

NESKONLITH INDIAN BAND
STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED
Year ended March 31, 2022

	Admini- stration	Community Welfare	Operations & maintenance	Education	Economic Development	Health Services	Government - Tmicw	Capital	Local Revenue	Social Housing	Total 2022
REVENUE:											
Indigenous Services Canada	\$ 468,698	\$ 1,025,539	\$ 1,170,961	\$ 2,352,267	\$ 280,262	\$ 255,577	\$ -	\$ -	\$ -	\$ -	\$ 5,553,304
Leases and rentals	169,930	-	-	-	-	-	18,672	-	-	179,039	367,641
CMHC	-	-	-	-	-	-	-	-	-	192,234	192,234
Province of BC	151,339	-	337	47,208	-	71,603	4,658,173	-	-	-	4,928,660
Interest and tax penalties	30,440	-	-	-	-	-	-	-	-	834	31,274
First Nations Health Authority	-	-	-	-	-	638,374	-	-	-	-	638,374
Admin recoveries	579,153	-	-	-	-	-	-	-	-	-	579,153
Equity earnings from government business enterprises	-	-	-	-	-	-	567,412	-	-	-	567,412
Miscellaneous	405,981	-	175,639	817,231	40,000	769,693	82,187	-	101,484	15,842	2,408,057
	<u>1,805,541</u>	<u>1,025,539</u>	<u>1,346,937</u>	<u>3,216,706</u>	<u>320,262</u>	<u>1,735,247</u>	<u>5,326,444</u>	<u>-</u>	<u>101,484</u>	<u>387,949</u>	<u>15,266,109</u>
EXPENSES:											
Administration fees	15,915	21,056	80,404	168,478	29,827	153,873	61,969	-	-	36,871	568,393
Advertising	-	-	1,019	5,521	304	1,672	2,021	-	-	-	10,537
Amortization	290,507	-	-	-	-	-	-	-	-	174,065	464,572
Assistance	-	482,956	-	193,667	-	-	-	-	-	-	676,623
Community development	-	-	-	-	-	22,173	-	-	-	-	22,173
Contract services	17,209	3,600	290,546	27,803	128,355	124,888	553,763	-	1,637	-	1,147,801
Education	-	-	-	771,178	-	-	-	-	-	-	771,178
Gifts and donations	47	-	-	1,750	-	-	30,030	-	-	-	31,827
Honorarium	3,945	-	-	9,100	-	2,050	437,272	-	-	-	452,367
Insurance	34,137	-	12,752	3,641	-	4,448	2,305	-	-	19,814	77,097
Leases	28,748	-	-	33,300	-	8,550	6,000	-	-	-	76,598
Licences, dues and fees	2,184	-	498	50	-	-	900	-	450	-	4,082
Interest on demand loans and mortgages payable	52,602	-	-	-	-	-	1,719	-	10	7,821	62,152
Materials and supplies	121,219	6,418	126,793	348,635	1,925	251,586	21,146	-	-	-	877,722
Meetings	568	2,773	-	730	-	-	30,996	-	-	-	35,067
Office and other	133,040	-	-	153,428	-	4,287	3,965	-	-	964	295,684
Professional fees	46,642	-	-	-	2,500	-	41,342	-	-	6,750	97,234
Programs	2,251	-	140,727	257,523	-	93,142	-	-	-	-	493,643
Repairs and maintenance	188,495	-	115,923	29,147	-	4,581	5,601	-	-	195,925	539,672
Telephone	7,892	840	5,524	9,295	-	12,859	2,344	-	-	-	38,754
Training	2,049	137	103	134,572	-	24,112	-	-	-	-	160,973
Travel	7,347	5,467	5,847	37,980	-	35,153	3,025	-	10	-	94,829
Utilities	24,708	-	58,322	17,305	-	14,571	2,297	-	-	-	117,203
Wages and benefits	903,693	89,554	215,734	531,381	-	372,841	171,502	-	-	-	2,284,705
	<u>1,883,198</u>	<u>612,801</u>	<u>1,054,192</u>	<u>2,734,484</u>	<u>162,911</u>	<u>1,130,786</u>	<u>1,378,197</u>	<u>-</u>	<u>2,107</u>	<u>442,210</u>	<u>9,400,886</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>\$ (77,657)</u>	<u>\$ 412,738</u>	<u>\$ 292,745</u>	<u>\$ 482,222</u>	<u>\$ 157,351</u>	<u>\$ 604,461</u>	<u>\$ 3,948,247</u>	<u>\$ -</u>	<u>\$ 99,377</u>	<u>\$ (54,261)</u>	<u>\$ 5,865,223</u>

See accompanying notes to financial statements.