

SIMPCW FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

EXHIBIT

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of SIMPCW FIRST NATION 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 integrity and reliability of SIMPCW FIRST NATION's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

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 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.


Chief


Administrator



**DALEY &
COMPANY LLP**

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INDEPENDENT AUDITORS' REPORT

To the members of SIMPCW FIRST NATION

EXHIBIT A1

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of SIMPCW FIRST NATION, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statement of accumulated surplus, consolidated statement of operations, consolidated statement of remeasurement gains and losses, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of SIMPCW FIRST NATION as at March 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

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 37 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Daley & Company LLP
Chartered Professional Accountants


Kamloops, BC
June 18, 2018

SIMPCW FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
March 31, 2018

FINANCIAL ASSETS	2018	2017
Cash	\$ 2,901,732	\$ 5,416,923
Term deposits	-	22,500
Restricted cash (Note A3)	192,035	177,495
Investments held in trust (Note A4)	3,449,581	3,334,887
Marketable securities (Note A5)	8,310,201	1,541,295
Grants and accounts receivable (Note A6)	622,940	436,371
Loan receivable (Note A7)	19,784	26,984
Investment in partnership (Note A8)	5,638,000	3,342,950
Investments and advances (Note A9)	42,162	42,162
Investments in controlled entities (Note A10)	2	2
	<u>21,176,437</u>	<u>14,341,569</u>
LIABILITIES		
Accounts payable and accruals	685,832	582,037
Prepaid rents	1,206	1,169
Term loans (Note A12)	138,053	128,780
Mortgages payable (Note A13)	229,625	273,296
Deferred revenue (Note A14)	901,501	537,220
	<u>1,956,217</u>	<u>1,522,502</u>
NET FINANCIAL ASSETS	<u>19,220,220</u>	<u>12,819,067</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note A15)	7,428,950	6,869,210
Prepaid expenses	123,344	148,995
	<u>7,552,294</u>	<u>7,018,205</u>
ACCUMULATED SURPLUS (Note A16)	<u>\$ 26,772,514</u>	<u>\$ 19,837,272</u>

COMMITMENTS AND CONTINGENCIES (Note A17)

APPROVED BY THE BAND:

 Chief

 Administrator

**SIMPCW FIRST NATION
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS
Year ended March 31, 2018**

	2018	2017
ACCUMULATED SURPLUS, beginning of year	\$ 19,837,272	\$ 16,058,455
EXCESS OF REVENUE OVER EXPENSES	6,887,893	3,737,974
UNREALIZED GAINS (Exhibit A5)	<u>47,349</u>	<u>40,843</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 26,772,514</u>	<u>\$ 19,837,272</u>

See accompanying notes to financial statements

SIMPCW FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
Year ended March 31, 2018

	Budget	2018	2017
REVENUE:			
Indigenous and Northern Affairs Canada	\$ 3,122,903	\$ 3,231,135	\$ 2,964,881
First Nations Health Authority	1,131,020	1,157,579	1,025,656
Canada Mortgage & Housing Corporation	54,093	46,306	52,920
Province of B.C.	811,167	1,298,461	864,598
Rental	84,612	80,358	76,427
Fisheries & Oceans Canada	133,000	133,000	133,000
Impact Benefit Agreements	125,000	4,074,277	3,276,162
Investment income	210,000	536,524	308,023
Income - Ottawa Trust Funds	-	3,329	3,042
Income from investment in government business enterprise	-	2,302,226	421,577
Other	1,946,836	2,804,064	2,114,414
	<u>7,618,631</u>	<u>15,667,259</u>	<u>11,240,700</u>
EXPENSES:			
Band Revenue	240,826	884,838	155,625
Band Government	1,432,700	1,779,305	1,396,189
Social Services	362,771	371,149	326,890
Education	2,013,602	1,839,988	1,770,046
Community Development	603,369	760,646	767,459
Natural Resources	1,600,558	1,644,203	1,698,547
Health	1,311,968	1,243,239	1,163,350
Housing	216,460	255,998	224,620
	<u>7,782,254</u>	<u>8,779,366</u>	<u>7,502,726</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES			
	\$ (163,623)	\$ 6,887,893	\$ 3,737,974

SIMPCW FIRST NATION
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
Year ended March 31, 2018

	2018	2017
ACCUMULATED REMEASUREMENT GAINS, beginning of year	\$ 303,166	\$ 262,323
UNREALIZED GAINS ATTRIBUTED TO:		
Equity in partnerships (Note A8)	<u>47,349</u>	<u>40,843</u>
ACCUMULATED REMEASUREMENT GAINS, end of year	<u>\$ 350,515</u>	<u>\$ 303,166</u>

See accompanying notes to financial statements

SIMPCW FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended March 31, 2018

	Budget	2018	2017
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ (163,623)	\$ 6,887,893	\$ 3,737,974
Acquisition of tangible capital assets	(88,646)	(971,132)	(963,840)
Amortization of tangible capital assets	-	349,189	307,164
Unrealized gains (Exhibit A5)	-	47,349	40,843
Change in prepaid expenses	-	25,651	(80,715)
Loss on disposal of assets	-	32,203	14,520
Proceeds on disposal of assets	-	30,000	64,000
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(252,269)	6,401,153	3,119,946
NET FINANCIAL ASSETS, beginning of year	12,819,067	12,819,067	9,699,121
NET FINANCIAL ASSETS, end of year	\$ 12,566,798	\$ 19,220,220	\$ 12,819,067

SIMPCW FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended March 31, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenue over expenses	\$ 6,887,893	\$ 3,737,975
Non-cash charges to operations:		
Amortization	349,189	307,164
Loss on disposal of assets	32,203	14,520
(Increase) decrease in:		
Grants and accounts receivable	(186,569)	90,778
Loan receivable	7,200	7,200
Prepaid expenses	25,651	(80,715)
Increase (decrease) in:		
Accounts payable and accruals	103,795	(153,428)
Deferred revenue	364,281	212,260
Prepaid rents	37	(183)
Cash flows from operations	<u>7,583,680</u>	<u>4,135,571</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Demand loan reduction	-	(644,821)
Proceeds from term loan	68,366	148,417
Repayments on term loan	(59,094)	(54,766)
Mortgages payable reduction	(43,671)	(48,470)
Cash flows used in financing	<u>(34,399)</u>	<u>(599,640)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in partnership	(2,295,050)	2,624,811
Interest on investments and advances capitalized	1	1
Equity in partnerships	47,349	40,843
Restricted cash / cash held in trust	(129,234)	(79,447)
Cash flows from (used in) investing	<u>(2,376,934)</u>	<u>2,586,208</u>
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Acquisition of tangible capital assets	(971,132)	(963,840)
Proceeds from disposal of assets	30,000	64,000
Cash flows used in capital	<u>(941,132)</u>	<u>(899,840)</u>
INCREASE IN CASH RESOURCES	4,231,215	5,222,299
CASH RESOURCES, beginning of year	<u>6,980,718</u>	<u>1,758,419</u>
CASH RESOURCES, end of year	\$ 11,211,933	\$ 6,980,718
CASH RESOURCES IS REPRESENTED BY:		
Cash	\$ 2,901,732	\$ 5,416,923
Term deposits	-	22,500
Marketable securities	<u>8,310,201</u>	<u>1,541,295</u>
	\$ 11,211,933	\$ 6,980,718

See accompanying notes to financial statements

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

NOTE A1. 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 significant accounting policies are summarized as follows:

a) Fund Accounting:

Simpcw First Nation 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 consolidated financial statements. Details of the operations of each fund are set out in the supplementary schedules. Simpcw First Nation 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 Post-1996 Program which reports the social housing assets of the First Nation, together with related activities.

b) Reporting Entity and Principles of Financial Reporting:

The Simpcw First Nation reporting entity includes the 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:

- Simpcw First Nation Band Operations Fund
- Simpcw First Nation Trust Fund
- Simpcw First Nation Capital Fund
- Simpcw First Nation Social Housing Fund - Post-1996 Program
- Simpcw Holdings Limited
- Simpcw Resources Ltd.

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 Simpcw First Nation 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:

- Simpcw Resources LLP (including the entity's interest in Estsek' Environmental Services LLP, Tknémentem Energy Solutions LLP, and Tmicw-kt Cultural Services (TCS) LLP)

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

c) Cash equivalents

Cash include instruments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

d) Term Deposits:

Term deposits are recorded at cost plus accrued interest.

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

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

e) **Marketable Securities:**

Marketable securities are recorded at the lower of cost and net realizable value.

f) **Investments:**

Investments are recorded at cost.

g) **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 revenue over expenses, provides the Change in Net Financial Assets for the year.

1) **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:

Roads and trails	10 to 75 years
Buildings and other	20 to 70 years
Water Systems	50 to 80 years
Automotive	5 to 10 years
Equipment	5 to 10 years

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.

2) **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.

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.

h) **Accrual Method:**

The accrual method is used in accounting for all funds.

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

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

- 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 expenses.
- j) **Replacement Reserve:**
The Replacement Reserve account is funded by an annual charge against earnings as opposed to an appropriation of surplus.
- k) **Deferred Revenue:**
Revenue is recorded in the period to which it relates.
- l) **Revenue Recognition:**
The Simpcw First Nation derives revenues from a number of sources.

Amounts received from Indigenous and Northern Affairs Canada (INAC) are reported in accordance with the terms of the funding arrangement. Amounts specified as set funding are reported as revenue as program terms and conditions are met and delivered. Any resulting surpluses are repayable to INAC and any deficits incurred are refundable by INAC. 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. Grants received from INAC are unconditional and are reported as revenue when received or receivable and collection is reasonably assured. Amounts received under block funding arrangements are reported as revenue when received or receivable and collection is reasonably assured.

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

Own source revenues derived from such sources as housing rents, resource based revenues, interest income, etc. are reported on an accrual basis.

- m) **Use 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.

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

NOTE A2. FINANCIAL INSTRUMENTS:

Fair Value of Financial Assets and Financial Liabilities:

The carrying values of cash, term deposits, marketable securities, grants and accounts receivable, loan 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 values of term loans and mortgages payable approximate fair value as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

Interest Risk:

Demand loans, term loan and mortgages have fixed interest rates and interest expense will decrease with principal repayment of the loans.

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.

NOTE A3. RESTRICTED CASH:

	2018	2017
Operating reserve	\$ 630	\$ 630
Replacement reserve	113,563	102,352
Ottawa Trust Funds	77,842	74,513
	<u>\$ 192,035</u>	<u>\$ 177,495</u>

a) Operating Reserve Fund:

Under the terms of the agreement with Canada Mortgage & Housing Corporation, after the payment of all costs and expenditures including the allocation of the Replacement Reserve, any surplus revenue will be retained by the First Nation within an Operating Reserve fund. Interest earnings must accrue to and be maintained in the Operating Reserve fund. The Project's Operating Reserve fund may only be used for the ongoing operating costs of the housing projects committed under the On-Reserve Program. Accordingly, future years' deficits may be recovered from the Operating Reserve fund. The First Nation agrees to maintain Operating Reserve funds 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 mutually agreed to by the First Nation and CMHC.

	2018	2017
Balance, beginning of year	\$ -	\$ -
Allocation for the year	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>
The Operating Reserve is represented by:		
Cash	<u>\$ 630</u>	<u>\$ 630</u>

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

NOTE A3. RESTRICTED CASH (continued):

b) Replacement Reserve Fund:

Under the terms of the agreement with Canada Mortgage & Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$9,017 annually plus interest. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts of instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage & Housing Corporation from time to time. Withdrawals are credited to interest first and then principal.

	2018	2017
Balance, beginning of year	\$ 102,469	\$ 95,221
Allocation for the year	9,017	10,350
Interest income	861	392
Transfer Phase 13 reserve to Band	(27,345)	-
Approved expenditures	(3,324)	(3,494)
	<u>\$ 81,678</u>	<u>\$ 102,469</u>
Balance, end of year	<u>\$ 81,678</u>	<u>\$ 102,469</u>
The Replacement Reserve is represented by:		
Cash and equivalents	<u>\$ 113,563</u>	<u>\$ 102,352</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. INVESTMENTS HELD IN TRUST:

	2018	2017
Dunn Lake Road Relocation	<u>\$ 111,850</u>	<u>\$ 111,850</u>

Simpco Trust (see Schedule 10 for revenue and expenses):

	Market Value		
Cash and cash equivalents	\$ 54,070	\$ 54,070	\$ 218,482
Marketable Securities:			
Fixed income	1,458,284	1,453,105	1,365,879
Common stocks and equivalents	1,523,718	1,106,520	1,015,627
Common shares (U.S. Dollar account)	960,523	724,036	623,049
	<u>\$ 3,996,595</u>	<u>3,337,731</u>	<u>3,223,037</u>
		<u>\$ 3,449,581</u>	<u>\$ 3,334,887</u>

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

NOTE A4. INVESTMENTS HELD IN TRUST (continued):

a) Dunn Lake Road Relocation:

Cash held in trust by the Band's lawyer consists of monies received from the Ministry of Transportation and Highways in January 1995, of \$116,910 less \$27,000, released for the ball field relocation. These funds are held pending a complete agreement with the Ministry. The balance in trust at March 31, 2018 includes interest. The reporting of the revenue has been deferred until the funds are released.

b) Simpcw Trust:

Simpcw First Nation has entered into various accommodation agreements with proponents wishing to develop projects in Simpcw First Nation's traditional territory. Simpcw Trust (the "Trust") was established on January 1, 2009 to hold payments received pursuant to the agreements and any income therefrom for the benefit of current and future generations of Simpcw First Nation. Royal Trust Corporation of Canada will administer the trust in accordance with the trust agreement. The trust agreement governs the distribution of income earned and distributed from the trust in the best interest of the Band and its members.

Distributions from the trust may only be made in areas of community development which includes social services, transportation for members, support for families for hardship, housing, elders, children, youth and family development, health, education and training, economic development, disaster relief and fire control, cultural awareness, recreation and recreational infrastructure, improvement to reserve lands, preparation and advancement of claims, justice and police and acquisition of fee simple lands for community benefits.

NOTE A5. MARKETABLE SECURITIES:

The market value of the marketable securities, at March 31, 2018, is \$8,298,003 (2017 - \$1,618,625).

NOTE A6. GRANTS AND ACCOUNTS RECEIVABLE:

	2018	2017
Grants and Accounts Receivable	\$ 931,740	\$ 778,843
Less: Allowance for doubtful accounts	<u>(308,800)</u>	<u>(342,472)</u>
	<u>\$ 622,940</u>	<u>\$ 436,371</u>

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

NOTE A7. LOAN RECEIVABLE:

2018

2017

Band members, repayable in monthly installments of \$600, non-interest bearing, secured by a single-wide manufactured home, due September 2021

	\$ 19,784	\$ 26,984
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NOTE A8. INVESTMENT IN PARTNERSHIP:

2018

2017

Simpcw Resources LLP, unsecured, noninterest bearing, no stated terms of repayment. No amounts are due within the year.

Partnership units (99.99%)

	\$ 999	\$ 999
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Partnership interest:

Balance, beginning of year

	3,341,951	5,321,941
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Net income allocation

	2,349,575	357,420
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Contributions

	45,475	408,290
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Drawings

	(100,000)	(2,745,700)
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Balance, end of year

	5,637,001	3,341,951
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	\$ 5,638,000	\$ 3,342,950
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Financial information for Simpcw Resources LLP:

2018

2017

Assets

	\$ 8,069,304	\$ 5,606,568
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Liabilities

	2,430,608	2,263,157
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Equity

	\$ 5,638,696	\$ 3,343,411
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Revenues

	\$ 13,227,625	\$ 6,107,634
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Expenses

	10,925,164	5,791,021
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Other comprehensive income

	47,349	40,843
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Net income

	\$ 2,349,810	\$ 357,456
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Simpcw Resources LLP is domiciled in Canada and has a registered office at 7555 Dunn Lake Road, Barriere, BC. The Partnership is engaged in logging operations and other environmental contract work. The Partnership is controlled by Simpcw First Nation (Limited Partner 99.99%). Net income of the Partnership is allocated to the respective Partners annually.

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

NOTE A9. INVESTMENTS AND ADVANCES:	2018	2017
a) <u>All Nations Trust Company:</u>		
2,057 Common shares, par value \$10.01	\$ 20,570	\$ 20,570
b) <u>Community Futures Development Corporation of Central Interior First Nations:</u>		
Loan Administration Agreement, direct loans to a maximum of \$5,000 and Micro Lending Circles of up to \$4,000, direct loans at 12% per annum and on Micro Lending Circles interest at a percentage of prime per annum		
Cash and equivalents	21,592	21,592
TOTAL INVESTMENTS AND ADVANCES	<u>\$ 42,162</u>	<u>\$ 42,162</u>

NOTE A10. INVESTMENTS IN CONTROLLED ENTITIES:	2018	2017
Simpco Resources Ltd. (100%):		
Shares	1	1
Simpco Holdings Limited (100%):		
Shares	1	1
TOTAL INVESTMENTS IN CONTROLLED ENTITIES	<u>\$ 2</u>	<u>\$ 2</u>

Shares for these entities are held in trust by specified Band Members under a trust agreement.

NOTE A11. LINE OF CREDIT:

Under a line of credit arrangement with the Royal Bank of Canada, the Band may borrow up to \$150,000 on such terms as the Band and the 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, 2018, the unused portion of the credit line was \$150,000.

NOTE A12. TERM LOAN:	2018	2017
<u>Capital fund:</u>		
Royal Bank of Canada, repayable in monthly installments of \$2,065 including interest at 3.00% per annum, secured by specific automotive equipment. The loan matures on October 26, 2019.	\$ 38,267	\$ 61,516
Ford Credit, repayable in monthly installments of \$1,254 including interest at 5.39% per annum, secured by specific automotive equipment. The loan matures on September 26, 2018.	49,000	67,264
Ford Credit, repayable in monthly installments of \$1,055 including interest at 6.99% per annum, secured by specific automotive equipment. The loan matures on May 15, 2021.	25,393	-

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

NOTE A12. TERM LOAN (continued):

2018

2017

Ford Credit, repayable in monthly installments of \$1,055 including interest at 6.99% per annum, secured by specific automotive equipment. The loan matures on May 15, 2021.

25,393	-
\$ 138,053	\$ 128,780

NOTE A13. MORTGAGES PAYABLE:

2018

2017

Social Housing Operations:

Canada Mortgage and Housing Corporation, repayable in monthly installments of \$1,715 including interest at 1.83% per annum, secured by buildings with a carrying value of \$200,110, due October 2019

32,101 51,904

Canada Mortgage and Housing Corporation, repayable in monthly installments of \$1,583 including interest at 1.14% per annum, secured by buildings with a carrying value of \$231,289 due June 2021

148,119 165,330

Canada Mortgage and Housing Corporation, repayable in monthly installments of \$285 including interest at 1.83% per annum, secured by a building with a carrying value of \$69,621, due December 2019

49,405 51,905

Canada Mortgage and Housing Corporation, repaid during the year

-	4,157
\$ 229,625	\$ 273,296

The mortgages are guaranteed by Indigenous and Northern Affairs Canada.

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

2019	\$ 38,466
2020	78,047
2021	17,805
2022	<u>95,307</u>
Total	<u><u>\$ 229,625</u></u>

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

NOTE A14. DEFERRED REVENUE:

2018

2017

Amounts deferred are summarized below:

Land Management - NT4X - Geothermal Energy Talking Table	\$ 17,238	\$ -
Kinder Morgan Canada Inc.	312,301	375,370
Province of B.C. - Land Selection Agreement	435,152	-
Province of B.C. - Rural Dividend Program	-	50,000
Miscellaneous projects	24,960	-
Dunn Lake Road Relocation	111,850	111,850
	<u>\$ 901,501</u>	<u>\$ 537,220</u>

a) Indigenous and Northern Affairs Canada:

The Band has received a fixed contribution of \$17,238 for the Geothermal Energy Talking Table project. This project will be completed in the next fiscal year and the payment will be applied towards project costs as they are incurred.

b) Kinder Morgan Canada Inc.:

The Band has received \$520,000 in prior years as a result of signing a Mutual Benefits Agreement with Kinder Morgan Canada Inc. The payments are to be applied towards program costs as they are incurred. As of March 31, 2018 \$207,699 in costs have been incurred.

c) Province of B.C. - Land Selection Agreement

The Province of B.C. and the Band have signed a Land Selection Agreement as part of accommodation measures for the Valemount Glacier Destination resort. The Province has agreed to transfer \$1.5 million worth of Crown land to the Band. At March 31, 2018 the parcels to be transferred have been identified and valued at \$1,064,848. The Band has accepted an amendment to the original agreement whereby the remaining value of the transfer (\$435,152) has been accepted in cash as "residual funds" to be used for survey costs and property transfer taxes to be paid by the Band as part of the legal transfer of the identified parcels. This amount has been deferred and will be applied towards these costs as they are incurred.

d) Miscellaneous projects

The Band has received contributions of \$24,960 for various projects that have not commenced as of March 31, 2018. These projects will be completed in the next fiscal year and the payments will be applied towards project costs as they are incurred.

e) Dunn Lake Road Relocation:

This is represented by cash held in trust by the Band's lawyer and consists of monies received from the Ministry of Transportation and Highways in January 1995, of \$116,910 less \$27,000, released for the ball field relocation. These funds are held pending a complete agreement with the Ministry. The balance in trust at March 31, 2018 includes interest. The reporting of the revenue has been deferred until the funds are released.

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

NOTE A15. TANGIBLE CAPITAL ASSETS:

2018

2017

Tangible capital assets at net book value consist of the following:

Roads	\$ 344,892	\$ 296,462
Buildings and other	2,353,080	2,073,536
Water systems	2,995,797	3,061,588
Land	681,722	605,577
Automotive	727,579	605,397
Equipment	325,880	226,650
	<u>\$ 7,428,950</u>	<u>\$ 6,869,210</u>

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

NOTE A16. ACCUMULATED SURPLUS:

2018

2017

Accumulated surplus consists of individual fund surpluses and reserves as follows:

Surplus from operations	\$ 9,902,629	\$ 9,563,541
Invested in tangible capital assets	7,061,272	6,467,134
Investments in controlled entities	2	2
Funded Reserves:		
Replacement Reserve Fund (CMHC) (Note A3)	81,678	102,469
Ottawa Trust Funds	77,842	74,513
	<u>159,520</u>	<u>176,982</u>
Committed Reserves (Note A18):		
Own source revenue reserves	6,311,360	406,576
Simpchw Trust	3,337,731	3,223,037
	<u>9,649,091</u>	<u>3,629,613</u>
	<u>\$ 26,772,514</u>	<u>\$ 19,837,272</u>

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

NOTE A17. COMMITMENTS AND CONTINGENCIES:

Lease Commitments:

The Band leases office equipment and automobiles under long-term agreements which expire between March 2019 and February 2023, and has a contract from a 3rd party for I.T. services which expires March 31, 2019.

Future minimum lease payments as at March 31, 2018, are as follows:

2019	\$	201,763
2020		89,920
2021		80,960
2022		63,460
2023		<u>49,280</u>
	\$	<u><u>485,383</u></u>

Contingencies:

- a) The Band receives a portion of its funding under a contribution authority with Indigenous and Northern Affairs Canada which, if unexpended, may be refundable to Indigenous and Northern Affairs Canada. Further, amounts which are overexpended may be reimbursed by Indigenous and Northern Affairs Canada to the Band. No amounts have been recorded in the financial statements as refundable or reimbursable.
- b) **Social Housing Mortgages:**
The Band is guarantor of various Social Housing mortgages, secured by Ministerial guarantees, totaling \$534,475.
- c) **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 \$40,017 (2017 - \$39,720).
- d) **Guarantee:**
The Band has guaranteed a loan to the Royal Bank of Canada on behalf of Simpcw Resources LLP in the amount of \$900,000. The balance of the loan as of March 31, 2018 is \$873,801. The Band has not charged a guarantee fee for this loan.

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

NOTE A18. COMMITTED RESERVES:

The Band has set up reserves for future education, social development, health and other needs of Band members. These reserves are funded from Health surpluses and funds received from Kinder Morgan Canada Inc. under the Mutual Benefits Agreement and Canadian Hydro Developer's Inc. under the Impact Benefit Agreement.

The reserves are summarized as follows:

Own source revenue reserves:	
Future Generations	\$ 504,940
Legal Defense	442,826
Rights & Titles Research	535,244
Community Development	1,816,670
Heritage	209,180
School	46,262
Band Administration	976,581
Health Board	1,063,347
Deficit	504,965
TransAlta	211,345
	<u>\$ 6,311,360</u>

Simpcw Trust:

These funds consist of monies received from Kinder Morgan Canada Inc. under the Mutual Benefits Agreement and Canadian Hydro Developer's Inc. under the Impact Benefit Agreement. See Note A5 for further detail.

\$ 3,337,731

NOTE A19. SEGMENTED INFORMATION:

The Simpcw First Nation is a First Nations government institution that provides a range of programs and services to its members, including band revenue, administration, social development, education, community development, capital works and natural resources. For management reporting purposes the First Nation's 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:

Band Revenue:

The Band Revenue department is responsible for administering projects the Band is involved in annually and on an on-going basis relating to the overall objectives of the First Nation.

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

NOTE A19. SEGMENTED INFORMATION (continued):

Band Government:

Administration supports the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, band government, economic development, community services and technical services.

Social Services:

Social Services provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

Education:

Education supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs. It also provides services for students at the elementary/secondary and post secondary level, including; instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

Community Development:

Community development supports the construction, operation and basic maintenance of community facilities and services such as water and sewage, roads, electrification, schools and fire protection. It is also responsible for ensuring that the facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Natural Resources:

Natural Resources is responsible for the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, as well as research and advocacy. It also manages economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects.

Health:

Health supports the concept of promoting holistic health, and the Community Health Plan, which is based on health needs identified by a community needs assessment. It provides services to the community with programs such as home and community care, addictions counselling and public health services, as well as children, adult and elder wellness prevention and education programs.

Housing:

Housing is responsible for the administration and management of Social Housing units, Band-owned housing units and renovation projects for private homeowners.

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).

SIMPCW FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2018

NOTE A20. ECONOMIC DEPENDENCE:

The Band receives a major portion of its revenues pursuant to a Funding Arrangement with Indigenous and Northern Affairs Canada.

NOTE A21. RELATED PARTY TRANSACTIONS:

The Band paid \$47,959 (2017 - \$34,993) for environmental services to Estsek' Environmental Services LLP, a partnership owned 50% by Simpcw Resources LLP. As at March 31, 2018, an amount payable of 5,514 (2017 - \$21,092) is owing to Estsek' Environmental Services LLP and is subject to normal trade terms.

NOTE A22. COMPARATIVE FIGURES:

Some of the comparative figures have been reclassified to conform to the current year's presentation.

SIMPCW FIRST NATION
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year ended March 31, 2018

	Band Operations					Simpco Holdings Limited	Social Housing Operations	Totals	
	Roads and trails	Land	Buildings and other	Water Systems	Automotive	Equipment		2018	2017
Cost									
Balance, beginning of year	\$ 660,082	\$ 297,423	\$ 3,428,404	\$ 3,683,907	\$ 1,567,069	\$ 710,213	\$ 1,041,463	\$ 11,696,715	\$ 10,847,831
Add: Additions during the year	58,248	76,145	421,435	-	250,489	164,815	-	971,132	963,840
Less: Disposals during the year	-	-	-	-	(176,241)	-	(85,725)	(261,966)	(114,956)
Transfers	-	-	85,725	-	-	-	(85,725)	-	-
Balance, end of year	718,330	373,568	3,935,564	3,683,907	1,641,317	875,028	870,013	12,405,881	11,696,715
Accumulated amortization									
Balance, beginning of year	363,620	-	1,969,970	622,319	961,672	483,563	426,361	4,827,505	4,556,777
Add: Amortization	9,818	-	68,868	65,791	107,158	65,585	31,969	349,189	307,164
Less: Disposals during the year	-	-	-	-	(155,092)	-	(44,671)	(199,763)	(36,436)
Transfers	-	-	44,671	-	-	-	(44,671)	-	-
Balance, end of year	373,438	-	2,083,509	688,110	913,738	549,148	368,988	4,976,931	4,827,505
Net Book Value of Tangible Capital Assets	\$ 344,892	\$ 373,568	\$ 1,852,055	\$ 2,995,797	\$ 727,579	\$ 325,880	\$ 501,025	\$ 7,428,950	\$ 6,869,210

See accompanying notes to financial statements

SIMPCW FIRST NATION
STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED
Year ended March 31, 2018

	Band Revenue	Band Government	Social Services	Education	Community Development	Natural Resources	Health	Housing	Other	Total 2018	Total 2017
REVENUE:											
Indigenous and Northern Affairs Canada	\$ 5,538	\$ 596,822	\$ 316,071	\$ 1,223,466	\$ 578,033	\$ 465,000	\$ 46,205	\$ -	\$ -	\$ 3,231,135	\$ 2,964,881
First Nations Health Authority	-	-	-	-	-	-	1,157,579	-	-	1,157,579	1,025,656
CMHC	-	-	-	-	-	-	-	46,306	-	46,306	52,920
Province of B.C.	-	29,996	30,000	145,460	50,000	1,043,005	-	-	-	1,298,461	864,598
Rental	-	-	-	-	-	133,000	-	80,358	-	80,358	76,427
Fisheries & Oceans Canada	-	-	-	-	-	-	-	-	-	133,000	133,000
Impact Benefit Agreements	3,000,000	1,074,277	-	-	-	-	-	-	-	4,074,277	3,276,162
Investment income	128,971	406,692	-	-	-	-	-	861	3,329	539,853	311,065
Income from G.B.E.'s	-	-	-	-	-	2,302,226	-	-	-	2,302,226	421,577
Other	294,276	828,136	-	370,240	63,715	1,102,669	138,282	6,746	-	2,804,064	2,114,414
	<u>3,428,785</u>	<u>2,935,923</u>	<u>346,071</u>	<u>1,739,166</u>	<u>691,748</u>	<u>5,045,900</u>	<u>1,342,066</u>	<u>134,271</u>	<u>3,329</u>	<u>15,667,259</u>	<u>11,240,700</u>
EXPENSES:											
Administration fees	53,538	44,933	34,238	190,501	6,121	208,925	189,428	5,400	-	733,084	631,129
Amortization	-	150,664	-	14,231	118,899	3,418	12,861	49,116	-	349,189	307,164
Assistance	-	-	73,705	-	-	-	-	-	-	73,705	59,371
Bad debts and writedowns	8,657	-	-	-	-	(35,772)	-	-	-	(27,115)	50,795
Contract services	595	278,453	27,129	60,946	-	6,308	84,790	-	-	458,221	535,066
Distributions	721,000	-	-	-	-	-	-	-	-	721,000	-
Fees and tuition	-	8,893	-	407,163	-	-	-	-	-	416,056	449,899
Honorarium	-	139,124	-	-	-	100	9,029	-	-	148,253	168,584
Insurance	-	9,980	-	-	21,657	4,159	700	12,360	-	48,856	55,248
Interest and bank charges	37,366	15,567	-	-	-	-	-	3,499	-	56,432	44,828
Loss on disposal of assets	-	-	-	-	-	-	-	41,054	-	41,054	-
Materials and supplies	6,970	172,193	85,779	122,451	230,310	462,275	198,909	99,773	-	1,378,660	719,678
Office and other	15,393	92,306	10,882	-	-	-	11,892	851	-	131,324	136,628
Professional fees	23,985	157,125	3,884	-	-	141,115	933	4,250	-	331,292	483,588
Repairs and maintenance	4,000	60,632	-	17,071	-	15,366	11,897	6,687	-	115,653	220,961
Training	719	56,101	37,659	281,710	-	3,226	-	1,354	-	380,769	443,765
Travel	-	89,355	8,336	30,296	2,339	95,350	67,897	-	-	293,573	256,639
Utilities	-	40,989	9,373	-	119,816	19,848	-	-	-	190,026	164,157
Wages and benefits	12,615	462,990	80,164	715,619	261,504	719,885	654,903	31,654	-	2,939,334	2,775,226
	<u>884,838</u>	<u>1,779,305</u>	<u>371,149</u>	<u>1,839,988</u>	<u>760,646</u>	<u>1,644,203</u>	<u>1,243,239</u>	<u>255,998</u>	<u>-</u>	<u>8,779,366</u>	<u>7,502,726</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	2,543,947	1,156,618	(25,078)	(100,822)	(68,898)	3,401,697	98,827	(121,727)	3,329	6,887,893	3,737,974
INTERFUND TRANSFERS	(236,491)	(487,492)	45,080	131,624	8,248	(4,995,889)	(557,565)	100,355	-	(5,992,130)	405,987
ANNUAL SURPLUS (DEFICIT)	\$ 2,307,456	\$ 669,126	\$ 20,002	\$ 30,802	\$ (60,650)	\$ (1,594,192)	\$ (458,738)	\$ (21,372)	\$ 3,329	\$ 895,763	\$ 4,143,961

See accompanying notes to financial statements

SIMPCW FIRST NATION
STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED
Year ended March 31, 2017

	Band Revenue	Band Government	Social Services	Education	Community Development	Capital Works	Natural Resources	Health	Housing	Other	Total 2017
REVENUE:											
Indigenous and Northern Affairs Canada	\$ 40,000	\$ 562,947	\$ 291,109	\$ 1,284,068	\$ 741,367	\$ -	\$ -	\$ 45,390	\$ -	\$ -	\$ 2,964,881
First Nations Health Authority	-	-	-	-	-	-	-	1,025,656	-	-	1,025,656
CMHC	-	-	-	-	-	-	-	-	52,920	-	52,920
Province of B.C.	-	-	-	158,848	44,536	-	661,214	-	-	-	864,598
Rental	-	-	-	-	-	-	-	-	76,427	-	76,427
Fisheries & Oceans Canada	-	-	-	-	-	-	133,000	-	-	-	133,000
Impact Benefit Agreements	3,276,162	-	-	-	-	-	-	-	-	-	3,276,162
Investment income	89,720	217,911	-	-	-	-	-	-	392	3,042	311,065
Income from G.B.E.'s	-	-	-	-	-	-	421,577	-	-	-	421,577
Other	(3,784)	574,681	-	245,446	65,598	-	1,126,042	93,623	12,808	-	2,114,414
	<u>3,402,098</u>	<u>1,355,539</u>	<u>291,109</u>	<u>1,688,362</u>	<u>851,501</u>	<u>-</u>	<u>2,341,833</u>	<u>1,164,669</u>	<u>142,547</u>	<u>3,042</u>	<u>11,240,700</u>
EXPENSES:											
Administration fees	13,240	10,561	34,249	157,734	-	-	243,804	165,441	6,100	-	631,129
Amortization	-	100,222	-	13,230	126,203	-	-	15,957	51,552	-	307,164
Assistance	-	-	59,371	-	-	-	-	-	-	-	59,371
Bad debts and writedowns	11,699	-	-	(519)	-	-	39,772	-	(157)	-	50,795
Contract services	60,000	159,244	17,067	66,052	-	-	123,191	109,512	-	-	535,066
Fees and tuition	-	8,352	-	441,547	-	-	-	-	-	-	449,899
Honorarium	-	165,096	-	-	-	-	-	3,488	-	-	168,584
Insurance	-	10,784	-	-	27,786	-	2,636	4,300	9,742	-	55,248
Interest and bank charges	32,579	6,779	-	841	-	-	-	-	4,629	-	44,828
Materials and supplies	3,779	70,116	42,954	116,493	159,575	-	79,076	141,837	105,848	-	719,678
Office and other	523	78,226	10,745	11,175	-	-	9,065	26,050	844	-	136,628
Professional fees	8,062	93,067	3,933	-	-	-	374,276	-	4,250	-	483,588
Repairs and maintenance	2,000	55,163	-	23,387	81,953	-	34,904	12,951	10,603	-	220,961
Training	-	73,495	62,597	288,364	-	-	12,758	6,058	493	-	443,765
Travel	12,925	63,676	2,658	25,329	4,504	-	87,486	60,061	-	-	256,639
Utilities	-	39,584	12,425	-	96,007	-	16,141	-	-	-	164,157
Wages and benefits	10,818	461,824	80,891	626,413	271,431	-	675,438	617,695	30,716	-	2,775,226
	<u>155,625</u>	<u>1,396,189</u>	<u>326,890</u>	<u>1,770,046</u>	<u>767,459</u>	<u>-</u>	<u>1,698,547</u>	<u>1,163,350</u>	<u>224,620</u>	<u>-</u>	<u>7,502,726</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	3,246,473	(40,650)	(35,781)	(81,684)	84,042	-	643,286	1,319	(82,073)	3,042	3,737,974
INTERFUND TRANSFERS	899,916	(358,955)	35,781	(597,557)	(50,211)	-	327,270	70,000	79,743	-	405,987
ANNUAL SURPLUS (DEFICIT)	<u>\$ 4,146,389</u>	<u>\$ (399,605)</u>	<u>\$ -</u>	<u>\$ (679,241)</u>	<u>\$ 33,831</u>	<u>\$ -</u>	<u>\$ 970,556</u>	<u>\$ 71,319</u>	<u>\$ (2,330)</u>	<u>\$ 3,042</u>	<u>\$ 4,143,961</u>

See accompanying notes to financial statements