

**SIMPCW FIRST NATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2020**

**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.

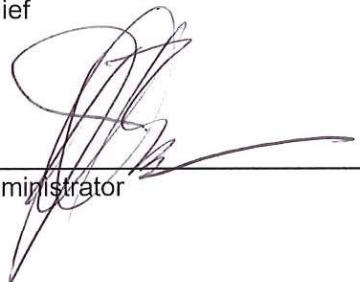
The integrity and reliability of SIMPCW FIRST NATION's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information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

  
COUNCILLOR

For Chief

  
Administrator



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## INDEPENDENT AUDITOR'S REPORT

To the members of SIMPCW FIRST NATION

EXHIBIT A1

### **Opinion**

We have audited the consolidated financial statements of SIMPCW FIRST NATION (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2020, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2020, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

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

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Exhibits B1 to B3, C1 to C2, D1 to D2, and Schedules 1 to 38 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

***Independent Auditor's Report to the Members of SIMPCW FIRST NATION (continued)***

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

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

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

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

***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 (which is the group entity) to express an opinion on the 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.



Chartered Professional Accountants

**SIMPCW FIRST NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**March 31, 2020**

<b>FINANCIAL ASSETS</b>	<b>2020</b>	<b>2019</b>
Cash	\$ 7,780,033	\$ 3,560,057
Term deposits	2,022,886	-
Restricted cash (Note A3)	196,742	195,991
Investments held in trust (Note A4)	3,504,832	3,545,813
Marketable securities (Note A5)	7,591,787	7,673,076
Grants and accounts receivable (Note A6)	1,007,575	557,920
Loan receivable (Note A7)	5,384	12,584
Investment in partnership (Note A8)	14,895,499	10,129,402
Investments and advances (Note A9)	57,201	42,916
Investments in controlled entities (Note A10)	2	2
	<u>37,061,941</u>	<u>25,717,761</u>
<b>LIABILITIES</b>		
Accounts payable and accruals	1,067,200	736,339
Prepaid rents	1,172	1,199
Term loans (Note A12)	13,154	72,200
Mortgages payable (Note A13)	157,378	189,505
Deferred revenue (Note A14)	2,914,671	759,794
	<u>4,153,575</u>	<u>1,759,037</u>
<b>NET FINANCIAL ASSETS</b>	<u>32,908,366</u>	<u>23,958,724</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note A15)	7,309,441	7,578,016
Prepaid expenses	66,273	79,298
	<u>7,375,714</u>	<u>7,657,314</u>
<b>ACCUMULATED SURPLUS (Note A16)</b>	<u>\$ 40,284,080</u>	<u>\$ 31,616,038</u>

COMMITMENTS AND CONTINGENCIES (Note A17)

APPROVED BY THE BAND:

Councillor Matthew for Chief  
[Signature] Administrator

**SIMPCW FIRST NATION**  
**CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS**  
**Year ended March 31, 2020**

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	<b>2020</b>	2019
ACCUMULATED SURPLUS, beginning of year	<b>\$ 31,616,038</b>	\$ 26,772,514
EXCESS OF REVENUE OVER EXPENSES	<b>8,604,183</b>	4,877,066
UNREALIZED GAINS (LOSSES) (Exhibit A5)	<u><b>63,859</b></u>	<u>(33,542)</u>
ACCUMULATED SURPLUS, end of year	<u><b>\$ 40,284,080</b></u>	<u>\$ 31,616,038</u>

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See accompanying notes to financial statements

**SIMPCW FIRST NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**Year ended March 31, 2020**

	Budget	2020	2019
<b>REVENUE:</b>			
Indigenous Services Canada	\$ 2,280,833	\$ <b>2,997,071</b>	\$ 2,755,870
First Nations Health Authority	1,741,802	<b>1,506,436</b>	1,239,655
Canada Mortgage & Housing Corporation	54,093	<b>33,279</b>	43,116
Province of B.C.	2,410,425	<b>3,707,173</b>	1,997,430
Rental	85,178	<b>105,361</b>	79,235
Fisheries & Oceans Canada	133,000	<b>133,000</b>	133,000
Impact Benefit Agreements	125,000	<b>166,277</b>	-
Investment income	236,231	<b>435,283</b>	498,777
Income - Ottawa Trust Funds	-	<b>2,963</b>	3,446
Income from investment in government business enterprise	-	<b>5,202,238</b>	4,524,944
BC First Nations Gaming Revenue Sharing Limited Partnership	350,000	<b>427,924</b>	-
Other	3,487,914	<b>3,064,537</b>	2,058,176
	<u>10,904,476</u>	<u><b>17,781,542</b></u>	<u>13,333,649</u>
<b>EXPENSES:</b>			
Band Revenue	192,776	<b>36,748</b>	727,222
Local Revenue	-	<b>732</b>	7,276
Band Government	1,656,544	<b>2,433,107</b>	2,024,335
Social Services	375,049	<b>494,778</b>	415,770
Education	1,707,043	<b>1,555,985</b>	1,698,013
Community Development	641,800	<b>807,909</b>	1,015,142
Natural Resources	2,177,560	<b>2,271,199</b>	1,049,070
Health	1,286,082	<b>1,245,088</b>	1,260,432
Housing	251,579	<b>331,813</b>	259,323
	<u>8,288,433</u>	<u><b>9,177,359</b></u>	<u>8,456,583</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 2,616,043</b>	<b>\$ 8,604,183</b>	<b>\$ 4,877,066</b>

**SIMPCW FIRST NATION**  
**CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
**Year ended March 31, 2020**

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	<b>2020</b>	2019
ACCUMULATED REMEASUREMENT GAINS, beginning of year	<b>\$ 316,973</b>	\$ 350,515
UNREALIZED GAINS (LOSSES) ATTRIBUTED TO:		
Equity in partnerships (Note A8)	<u><b>63,859</b></u>	<u>(33,542)</u>
ACCUMULATED REMEASUREMENT GAINS, end of year	<u><b>\$ 380,832</b></u>	<u>\$ 316,973</u>

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See accompanying notes to financial statements



**SIMPCW FIRST NATION**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**Year ended March 31, 2020**

	Budget	2020	2019
EXCESS OF REVENUE OVER EXPENSES	\$ 2,616,043	\$ <b>8,604,183</b>	\$ 4,877,066
Acquisition of tangible capital assets	-	<b>(329,610)</b>	(539,688)
Amortization of tangible capital assets	-	<b>423,096</b>	390,622
Unrealized gains (losses) (Exhibit A5)	-	<b>63,859</b>	(33,542)
Change in prepaid expenses	-	<b>13,025</b>	44,046
Loss on disposal of assets	-	<b>175,089</b>	-
INCREASE IN NET FINANCIAL ASSETS	2,616,043	<b>8,949,642</b>	4,738,504
NET FINANCIAL ASSETS, beginning of year	23,958,724	<b>23,958,724</b>	19,220,220
NET FINANCIAL ASSETS, end of year	\$ 26,574,767	\$ <b>32,908,366</b>	\$ 23,958,724

See accompanying notes to financial statements

**SIMPCW FIRST NATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
Year ended March 31, 2020

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess of revenue over expenses	\$ 8,604,183	\$ 4,877,066
Non-cash charges to operations:		
Amortization	423,096	390,622
Loss on disposal of assets	175,089	-
(Increase) decrease in:		
Grants and accounts receivable	(449,655)	65,020
Loan receivable	7,200	7,200
Prepaid expenses	13,025	44,046
Increase (decrease) in:		
Accounts payable and accruals	330,861	50,507
Deferred revenue	2,154,877	(141,707)
Prepaid rents	(27)	(7)
Cash flows from operations	<u>11,258,649</u>	<u>5,292,747</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayments on term loan	(59,046)	(65,853)
Mortgages payable reduction	(32,127)	(40,120)
Cash flows used in financing	<u>(91,173)</u>	<u>(105,973)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment in partnership	(4,766,097)	(4,491,402)
Investment in BC First Nations Gaming Revenue Sharing Limited Partnership	(14,285)	-
Drawings from marketable securities	81,289	637,125
Interest on investments and advances capitalized	-	(754)
Equity in partnerships	63,859	(33,542)
Restricted cash / cash held in trust	40,230	(100,188)
Cash flows used in investing	<u>(4,595,004)</u>	<u>(3,988,761)</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>		
Acquisition of tangible capital assets	(329,610)	(539,688)
<b>INCREASE IN CASH RESOURCES</b>	<b>6,242,862</b>	<b>658,325</b>
<b>CASH RESOURCES, beginning of year</b>	<b><u>3,560,057</u></b>	<b><u>2,901,732</u></b>
<b>CASH RESOURCES, end of year</b>	<b>\$ 9,802,919</b>	<b>\$ 3,560,057</b>
<b>CASH RESOURCES IS REPRESENTED BY:</b>		
Cash	\$ 7,780,033	\$ 3,560,057
Term deposits	<u>2,022,886</u>	<u>-</u>
	<b>\$ 9,802,919</b>	<b>\$ 3,560,057</b>

See accompanying notes to financial statements

**SIMPCW FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

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**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, Tmicw-kt Cultural Services (TCS) LLP, and Simpcw Ledcor Limited Partnership)

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

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Revenues and expenses have been translated at the average rates of exchange during the year.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

**SIMPCW FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

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

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) Marketable Securities:

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

e) Investments:

Investments are recorded at cost.

f) 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 First Nation 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 First Nation's interest in reserve lands is not reflected in these financial statements, as no consideration was paid by the First Nation to acquire these lands.

g) Accrual Method:

The accrual method is used in accounting for all funds.

**SIMPCW FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

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

h) 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.

i) Replacement Reserve:

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

j) Deferred Revenue:

Revenue is recorded in the period to which it relates.

k) Revenue Recognition:

The Simpcw First Nation 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 funding 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 First Nation provided delivery of the program is complete at March 31. Any resulting deficits are the responsibility of the First Nation. Grants received from ISC 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.

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

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

l) 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**  
**Year ended March 31, 2020**

**NOTE A2. FINANCIAL INSTRUMENTS:**

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

The carrying values of cash, term deposits, 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 First Nation 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:**

	<b>2020</b>	2019
Operating reserve	\$ 630	\$ 630
Replacement reserve	111,861	114,073
Ottawa Trust Funds	84,251	81,288
	<u>\$ 196,742</u>	<u>\$ 195,991</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.

	<b>2020</b>	2019
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**  
Year ended March 31, 2020

**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 \$6,350 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.

	2020	2019
Balance, beginning of year	\$ 117,362	\$ 81,677
Allocation for the year	6,350	8,350
Interest income	1,078	509
Transfer Phase 13 reserve to Band	-	27,345
Approved expenditures	<u>(698)</u>	<u>(519)</u>
Balance, end of year	<u>\$ 124,092</u>	<u>\$ 117,362</u>
The Replacement Reserve is represented by:		
Cash and equivalents	<u>\$ 111,861</u>	<u>\$ 114,073</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:**

**2020**                      **2019**

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

	Market Value (March 31, 2020)		
Cash and cash equivalents	\$ 263,976	\$ 263,976	\$ 109,812
Marketable Securities:			
Fixed income	1,315,128	1,292,127	1,496,183
Common stocks and equivalents	1,375,698	1,245,833	937,439
Common shares (U.S. Dollar account)	<u>752,868</u>	<u>702,896</u>	<u>1,002,379</u>
	<u>\$ 3,707,670</u>	<u>\$ 3,504,832</u>	<u>\$ 3,545,813</u>

**SIMPCW FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

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**NOTE A4. INVESTMENTS HELD IN TRUST (continued):**

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 First Nation 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, 2020, is \$6,952,811 (2019 - \$7,670,605).

<b>NOTE A6. GRANTS AND ACCOUNTS RECEIVABLE:</b>	<b>2020</b>	<b>2019</b>
Grants and Accounts Receivable	\$ 1,184,596	\$ 881,035
Less: Allowance for doubtful accounts	<u>(177,021)</u>	<u>(323,115)</u>
	<u><b>\$ 1,007,575</b></u>	<u><b>\$ 557,920</b></u>

<b>NOTE A7. LOAN RECEIVABLE:</b>	<b>2020</b>	<b>2019</b>
Band members, repayable in monthly installments of \$600, non-interest bearing, secured by a single-wide manufactured home, due September 2021	<u><b>\$ 5,384</b></u>	<u><b>\$ 12,584</b></u>



**SIMPCW FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
Year ended March 31, 2020

**NOTE A8. INVESTMENT IN PARTNERSHIP:**

**2020**

**2019**

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

Partnership units (99.99%)	<b>\$ 999</b>	<b>\$ 999</b>
Partnership interest:		
Balance, beginning of year	<b>10,128,403</b>	5,637,001
Net income allocation	<b>5,266,097</b>	4,491,402
Drawings	<b>(500,000)</b>	-
Balance, end of year	<b>14,894,500</b>	10,128,403
	<b>\$ 14,895,499</b>	<b>\$ 10,129,402</b>

Financial information for Simpcw Resources LLP:

	<b>2020</b>	<b>2019</b>
Assets	<b>\$ 22,426,485</b>	<b>\$ 13,903,910</b>
Liabilities	<b>7,529,314</b>	3,773,363
Equity	<b>\$ 14,897,171</b>	<b>\$ 10,130,547</b>
Revenues	<b>\$ 35,752,087</b>	<b>\$ 18,653,536</b>
Expenses	<b>30,549,322</b>	14,128,143
Other comprehensive income	<b>63,859</b>	(33,542)
Net income	<b>\$ 5,266,624</b>	<b>\$ 4,491,851</b>

Simpcw Resources LLP is domiciled in Canada and has a registered office at 6580 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**  
Year ended March 31, 2020

NOTE A9. INVESTMENTS AND ADVANCES:	2020	2019
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	22,346	22,346
c) <u>BC First Nations Gaming Revenue Sharing Limited Partnership:</u>		
0.47% interest in partnership:		
Balance, beginning of year	-	-
Net income allocation	427,922	-
Contributions	100	
Drawings	(413,747)	-
Balance, end of year	14,275	-
Share in the General Partner, BCFN GRS GP Inc., a corporation incorporated under the BC Business Corporations Act. Share represents a 0.47% interest in the Company at March 31, 2020.		
	10	-
TOTAL INVESTMENTS AND ADVANCES	\$ 57,201	\$ 42,916

NOTE A10. INVESTMENTS IN CONTROLLED ENTITIES:	2020	2019
Simpco Resources Ltd. (100%):		
Shares	\$ 1	\$ 1
Simpco Holdings Limited (100%):		
Shares	1	1
TOTAL INVESTMENTS IN CONTROLLED ENTITIES	\$ 2	\$ 2

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

**SIMPCW FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

**NOTE A11. LINE OF CREDIT:**

Under a line of credit arrangement with the Royal Bank of Canada, the First Nation may borrow up to \$150,000 on such terms as the First Nation 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, 2020, the unused portion of the credit line was \$150,000.

**NOTE A12. TERM LOANS:**

**2020**

**2019**

Capital fund:

Royal Bank of Canada, repaid during the year. \$ - \$ 14,310

Ford Credit, repayable in monthly installments of \$1,821 including interest at 6.09% per annum, secured by specific automotive equipment. The loan matures on August 7, 2020.

**8,970** 29,593

Royal Bank of Canada, 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, 2020.

**2,092** 14,149

Royal Bank of Canada, 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, 2020.

**2,092** 14,148

**\$ 13,154** **\$ 72,200**

**NOTE A13. MORTGAGES PAYABLE:**

**2020**

**2019**

Social Housing Operations:

Canada Mortgage and Housing Corporation, repaid during the year. \$ - \$ 11,934

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 \$200,451 due June 2021.

**113,109** 130,712

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 \$64,265, due December 2024.

**44,269** 46,859

**\$ 157,378** **\$ 189,505**

**SIMPCW FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
Year ended March 31, 2020

**NOTE A13. MORTGAGES PAYABLE (continued):**

The mortgages are guaranteed by Indigenous Services Canada.

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

2021	\$	20,442
2022		97,989
2023		2,735
2024		2,785
2025		<u>33,427</u>
Total	\$	<u>157,378</u>

**NOTE A14. DEFERRED REVENUE:**

**2020**

**2019**

Amounts deferred are summarized below:

Kinder Morgan Canada Inc.	\$	<b>125,645</b>	\$	245,558
Province of B.C. - Land Selection Agreement		<b>406,550</b>		406,550
Governance - NGAA - Policy Development		-		7,700
Governance - NG1E - Governance Capacity Development		-		5,000
Governance - NG1A - Governance Training for Chief and Council		-		5,059
Central Secwepemc - Mental Health Clinician		-		42,006
Trans Mountain Emergency Operation Centre		<b>783,902</b>		-
Minister of Transportation and Infrastructure		<b>1,497,851</b>		-
Miscellaneous projects		<u><b>100,723</b></u>		<u>47,921</u>
	\$	<u><b>2,914,671</b></u>	\$	<u>759,794</u>

a) Kinder Morgan Canada Inc.:

The First Nation 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, 2020 \$394,355 in costs have been incurred.

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

The Province of B.C and the First Nation have signed a Land Selection Agreement as part of accommodation measures for the Valemout Glacier Destination resort. The Province has agreed to transfer \$1.5 million worth of Crown land to the First Nation. At March 31, 2020, the parcels to be transferred have been identified and valued at \$1,093,450. The First Nation 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 First Nation 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.

c) Trans Mountain Emergency Operation Centre

The First Nation has received \$950,189 as a result of signing a Mutual Benefits Agreement with Trans Mountain Pipeline LP. The payments are to be applied towards program costs as they are incurred. As of March 31, 2020 \$166,287 in costs have been incurred.

**SIMPCW FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
Year ended March 31, 2020

**NOTE A14. DEFERRED REVENUE (continued):**

d) Minister of Transportation and Infrastructure

The First Nation has signed a Memorandum of Agreement with the Province of BC related to tenure to certain road areas within the Reserve that form part of Dunn Lake Road. Under this Agreement they have received \$1,497,851 for additional benefits to Simpcw First Nation. These additional benefits are for various specific projects and have been deferred and will be applied towards the costs of these projects as they are incurred.

c) Miscellaneous projects and ISC funding

The First Nation has received contributions for various projects that have not commenced as of March 31, 2020. These projects will be completed in the next fiscal year and the payments will be applied towards project costs as they are incurred.

**NOTE A15. TANGIBLE CAPITAL ASSETS:**

**2020**

**2019**

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

Roads	\$ 347,611	\$ 334,685
Buildings and other	2,291,484	2,382,654
Water systems	2,864,215	2,930,006
Land	681,722	681,722
Automotive	748,612	875,206
Equipment	375,797	373,743
	<u>\$ 7,309,441</u>	<u>\$ 7,578,016</u>

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

**NOTE A16. ACCUMULATED SURPLUS:**

**2020**

**2019**

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

Surplus from operations	<u>\$ 23,072,767</u>	<u>\$ 14,161,939</u>
Invested in tangible capital assets	<u>7,138,909</u>	<u>7,316,311</u>
Investments in controlled entities	<u>2</u>	<u>2</u>
Funded Reserves:		
Replacement Reserve Fund (CMHC) (Note A3)	124,092	117,362
Ottawa Trust Funds	<u>84,251</u>	<u>81,288</u>
	<u>208,343</u>	<u>198,650</u>
Committed Reserves (Note A18):		
Own source revenue reserves	6,359,227	6,393,698
Simpcw Trust	<u>3,504,832</u>	<u>3,545,438</u>
	<u>9,864,059</u>	<u>9,939,136</u>
	<u>\$ 40,284,080</u>	<u>\$ 31,616,038</u>

**SIMPCW FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

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**NOTE A17. COMMITMENTS AND CONTINGENCIES:**

**Lease Commitments:**

The First Nation leases office equipment and automobiles under long-term agreements which expire between June 2021 and August 2024.

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

2021	\$	150,173
2022		132,673
2023		69,396
2024		58,680
2025		<u>24,450</u>
	\$	<u><u>435,372</u></u>

**Other Commitments:**

Planning and design has started on a new multi-purpose facility. The budget for construction of the facility is \$16,530,000. The planning and design phase began in January 2020 and no expected completion date has been established. As at March 31, 2020, \$176,894 of costs have been incurred. Grants from various sources have been secured totalling approximately \$13,744,000. The remaining costs are to be paid from cash on hand.

**Contingencies:**

- a) The First Nation receives a portion of its funding under a contribution authority with Indigenous Services Canada which, if unexpended, may be refundable to Indigenous Services Canada. Further, amounts which are overexpended may be reimbursed by Indigenous Services Canada to the First Nation. No amounts have been recorded in the financial statements as refundable or reimbursable.
- b) **Social Housing Mortgages:**  
The First Nation is guarantor of various Housing mortgages, secured by Ministerial guarantees, including \$281,068 for capital housing and \$157,378 for Social Housing for a total of \$438,446.
- c) **Pension Plan:**  
The First Nation 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 \$46,630 (2019 - \$46,192).
- d) **Guarantee:**  
The First Nation 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, 2020 is \$779,746. The First Nation has not charged a guarantee fee for this loan.

**SIMPCW FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

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**NOTE A18. COMMITTED RESERVES:**

The First Nation 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	\$ 500,965
Legal Defense	439,651
Rights & Titles Research	529,189
Community Development	1,835,145
Heritage	213,293
School	44,322
Band Administration	998,907
Health Board	1,074,161
Unfunded Programs	510,100
TransAlta	213,494
	<u>\$ 6,359,227</u>

**Simpchw 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.

\$ 3,504,832

**NOTE A19. SEGMENTED INFORMATION:**

The Simpcw First Nation is a First Nation 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 First Nation is involved in annually and on an on-going basis relating to the overall objectives of the First Nation.

**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.

**SIMPCW FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

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**NOTE A19. SEGMENTED INFORMATION (continued):**

**Local Revenue:**

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

**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).

**NOTE A20. ECONOMIC DEPENDENCE:**

The First Nation receives a major portion of its core program revenues pursuant to a Funding Arrangement with Indigenous Services Canada.



**SIMPCW FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Year ended March 31, 2020**

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**NOTE A21. RELATED PARTY TRANSACTIONS:**

The First Nation paid \$33,464 (2019 - \$6,350) for environmental services to Estsek' Environmental Services LLP, a partnership owned 50% by Simpcw Resources LLP. As at March 31, 2020, an amount payable of \$16,577 (2019 - \$3,589) is owing to Estsek' Environmental Services LLP and is subject to normal trade terms.

The First Nation paid \$9,128 (2019 - \$43,096) for archaeological services to Tmicw-Kt Cultural Services LLP, a partnership owned 50% by Simpcw Resources LLP. As at March 31, 2020, an amount payable of \$32,224 (2019 - \$31,493) is owing to Tmicw-Kt Cultural Services LLP and is subject to normal trade terms.

**NOTE A22. SUBSEQUENT EVENT:**

Subsequent to year end the First Nation received \$2,500,000 in capacity funding from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development to provide capacity to the First Nation to support forestry and stewardship opportunities including the purchase of timber volume within Simpcw Territory. Timber volume is to be purchased in the 2020/21 fiscal year.

**NOTE A23. 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, 2020

	Band Operations					Simpco Holdings Limited		Social Housing Operations		Totals	
	Roads and trails	Land	Buildings and other	Water Systems	Automotive	Equipment	Land	Post-1996 Program (Buildings)		2020	2019
<b>Cost</b>											
Balance, beginning of year	\$ 718,330	\$ 373,568	\$ 4,074,970	\$ 3,683,907	\$ 1,910,318	\$ 1,006,309	\$ 308,154	\$ 870,013	\$ 12,945,569	\$ 12,405,881	
Add: Additions during the year	23,288	-	192,823	-	9,974	103,525	-	-	329,610	539,688	
Less: Disposals during the year	-	-	-	-	(17,833)	-	-	(379,165)	(396,998)	-	
Balance, end of year	741,618	373,568	4,267,793	3,683,907	1,902,459	1,109,834	308,154	490,848	12,878,181	12,945,569	
<b>Accumulated amortization</b>											
Balance, beginning of year	383,645	-	2,161,900	753,901	1,035,112	632,566	-	400,429	5,367,553	4,976,931	
Add: Amortization	10,362	-	79,127	65,791	134,907	101,471	-	31,438	423,096	390,622	
Less: Disposals during the year	-	-	-	-	(16,172)	-	-	(205,737)	(221,909)	-	
Balance, end of year	394,007	-	2,241,027	819,692	1,153,847	734,037	-	226,130	5,568,740	5,367,553	
Net Book Value of Tangible Capital Assets	\$ 347,611	\$ 373,568	\$ 2,026,766	\$ 2,864,215	\$ 748,612	\$ 375,797	\$ 308,154	\$ 264,718	\$ 7,309,441	\$ 7,578,016	

Included in buildings and other are two buildings under construction with a total net book value of \$239,922. These buildings are not amortized until they are put into use.

**SIMPCW FIRST NATION**  
**STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
Year ended March 31, 2020

	Band Revenue	Local Revenue	Band Government	Social Services	Education	Community Development	Natural Resources	Health	Housing	Other	Total 2020	Total 2019
<b>REVENUE:</b>												
Indigenous Services												
Canada	\$ 22,776	\$ -	\$ 946,900	\$ 359,888	\$ 1,147,434	\$ 380,945	\$ -	\$ 139,128	\$ -	\$ -	\$ 2,997,071	\$ 2,755,870
First Nations Health Authority	-	-	-	-	-	-	-	1,506,436	-	-	1,506,436	1,239,655
CMHC	-	-	-	-	-	-	-	-	33,279	-	33,279	43,116
Province of B.C.	1,593,737	-	-	30,000	307,074	1,585,333	178,000	13,029	-	-	3,707,173	1,997,430
Rental	-	-	32,787	-	-	-	-	-	72,374	-	105,361	79,235
Fisheries & Oceans Canada	-	-	-	-	-	-	133,000	-	-	-	133,000	133,000
Impact Benefit Agreements	-	-	166,277	-	-	-	-	-	-	-	166,277	-
Investment Income	52,234	-	381,971	-	-	-	-	-	1,078	2,963	438,246	502,223
Income from G.B.E.'s	-	-	-	-	-	-	5,202,238	-	-	-	5,202,238	4,524,944
BC First Nations Gaming Revenue	427,924	-	-	-	-	-	-	-	-	-	427,924	-
Sharing Limited Partnership	114,127	64,861	193,914	155,475	379,079	27,656	1,972,718	128,647	28,060	-	3,064,537	2,058,176
Other	2,210,998	64,861	1,721,849	545,363	1,833,587	1,993,934	7,485,956	1,787,240	134,791	2,963	17,781,542	13,333,649
<b>EXPENSES:</b>												
Administration fees	(48)	-	30,904	-	3,601	-	83,966	1,366	-	-	119,789	102,981
Amortization	-	-	212,622	-	17,874	121,755	8,831	13,429	48,585	-	423,096	390,622
Assistance	-	-	141,200	68,235	-	-	-	-	-	-	209,435	72,512
Bad debts and writedowns (recoveries)	(2,585)	-	-	-	-	-	14,239	-	-	-	11,654	8,803
Contract services	-	-	179,957	24,632	36,911	-	1,216	1,983	-	-	244,699	398,655
Distributions	-	-	-	-	-	-	-	-	-	-	-	696,000
Fees and tuition	-	-	62,599	-	387,075	-	-	-	-	-	449,674	411,566
Honorarium	-	-	307,956	-	-	-	2,290	-	-	-	310,246	223,335
Insurance	1,299	-	22,541	-	-	41,703	1,659	-	14,929	-	82,131	70,394
Interest and bank charges	282	-	12,275	-	-	-	-	-	2,266	-	14,823	15,229
Loss on disposal of assets	-	-	-	-	-	1,661	-	-	173,428	-	175,089	-
Materials and supplies	6,741	-	143,429	170,610	92,219	188,429	230,399	309,290	47,519	-	1,188,636	1,145,715
Office and other	3,881	500	101,079	10,287	-	-	-	9,600	-	-	125,347	120,955
Professional fees	6,015	-	276,639	18,718	11,050	44,877	796,220	54,025	23,306	-	1,230,850	581,046
Repairs and maintenance	3,302	-	-	-	36,359	-	9,028	17,010	698	-	105,808	121,211
Training	-	232	84,167	26,011	194,070	-	38,526	1,349	7,161	-	351,516	356,881
Travel	-	-	202,391	21,067	24,185	3,744	121,018	52,605	-	-	425,010	338,617
Utilities	1,448	-	31,005	7,966	-	126,990	23,368	3,803	-	-	194,590	188,912
Wages and benefits	16,413	-	584,932	147,252	752,641	278,750	940,439	780,628	13,921	-	3,514,976	3,233,149
	36,748	732	2,433,107	494,778	1,555,985	807,909	2,271,199	1,245,088	331,813	-	9,177,359	8,456,583
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	2,174,250	64,129	(711,258)	50,585	277,602	1,186,025	5,214,757	542,152	(197,022)	2,963	8,604,183	4,877,066
<b>INTERFUND TRANSFERS</b>	(740,841)	-	(43,789)	-	(32,865)	210,512	(17,287)	651,623	47,724	-	75,077	(317,390)
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 1,433,409	\$ 64,129	\$ (755,047)	\$ 50,585	\$ 244,737	\$ 1,396,537	\$ 5,197,470	\$ 1,193,775	\$ (149,298)	\$ 2,963	\$ 8,679,260	\$ 4,559,676

See accompanying notes to financial statements

**SIMPCW FIRST NATION**  
**STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2019**

	Band Revenue	Local Revenue	Band Government	Social Services	Education	Community Development	Natural Resources	Health	Housing	Other	Total 2019
<b>REVENUE:</b>											
Indigenous Services Canada	\$ 22,776	\$ -	\$ 681,296	\$ 320,678	\$ 1,213,392	\$ 455,860	\$ 17,238	\$ 44,630	\$ -	\$ -	\$ 2,755,870
First Nations Health Authority	-	-	-	-	-	-	-	1,239,655	-	-	1,239,655
CMHC	-	-	-	-	-	-	-	-	43,116	-	43,116
Province of B.C.	1,419,266	-	5,000	30,000	215,741	233,071	94,352	-	-	-	1,997,430
Rental	-	-	-	-	-	-	-	-	79,235	-	79,235
Fisheries & Oceans Canada	-	-	-	-	-	-	133,000	-	-	-	133,000
Impact Benefit Agreements	-	-	-	-	-	-	-	-	-	-	-
Investment Income	31,070	-	467,198	-	-	-	-	-	509	3,446	502,223
Income from G.B.E.'s	-	-	-	-	-	-	4,524,944	-	-	-	4,524,944
Other	295,819	62,692	282,694	40,000	526,596	20,035	605,566	219,874	4,900	-	2,058,176
	<u>1,768,931</u>	<u>62,692</u>	<u>1,436,188</u>	<u>390,678</u>	<u>1,955,729</u>	<u>708,966</u>	<u>5,375,100</u>	<u>1,504,159</u>	<u>127,760</u>	<u>3,446</u>	<u>13,333,649</u>
<b>EXPENSES:</b>											
Administration fees	10,559	-	53,244	831	7,764	12,432	2,100	16,051	-	-	102,981
Amortization	-	-	183,306	-	16,390	122,641	6,836	12,861	48,588	-	390,622
Assistance	-	-	-	72,512	-	-	-	-	-	-	72,512
Bad debts and writedowns	(8,010)	-	-	-	-	-	16,813	-	-	-	8,803
Contract services	-	-	240,208	20,228	47,762	-	4,106	86,351	-	-	398,655
Distributions	696,000	-	-	-	-	-	-	-	-	-	696,000
Fees and tuition	-	-	8,050	-	403,516	-	500	15,550	-	-	411,566
Honorarium	-	-	201,110	-	-	6,175	-	-	-	-	223,335
Insurance	-	-	15,149	-	-	35,420	3,603	-	16,222	-	70,394
Interest and bank charges	418	-	11,931	-	-	-	-	-	2,880	-	15,229
Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Materials and supplies	294	-	210,993	130,202	143,169	176,964	110,443	237,799	135,851	-	1,145,715
Office and other	2,738	7,276	89,073	9,246	-	-	-	12,622	-	-	120,955
Professional fees	8,310	-	215,194	3,933	35,608	42,568	270,372	811	4,250	-	581,046
Repairs and maintenance	-	-	53,504	1,798	29,464	-	14,381	16,272	5,792	-	121,211
Training	-	-	34,361	53,977	245,216	-	14,772	8,555	-	-	356,881
Travel	-	-	169,188	9,830	31,346	7,369	52,254	68,630	-	-	338,617
Utilities	-	-	34,527	12,581	-	104,188	17,616	-	-	-	168,912
Wages and benefits	16,913	-	504,497	100,632	737,778	507,385	535,274	784,930	45,740	-	3,233,149
	<u>727,222</u>	<u>7,276</u>	<u>2,024,335</u>	<u>415,770</u>	<u>1,698,013</u>	<u>1,015,142</u>	<u>1,049,070</u>	<u>1,260,432</u>	<u>259,323</u>	<u>-</u>	<u>8,456,583</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	1,041,709	55,416	(588,147)	(25,092)	257,716	(306,176)	4,326,030	243,727	(131,563)	3,446	4,877,066
<b>INTERFUND TRANSFERS</b>	(57,470)	-	(350,567)	44,415	77,531	-	(903,701)	778,967	93,435	-	(317,390)
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 984,239	\$ 55,416	\$ (938,714)	\$ 19,323	\$ 335,247	\$ (306,176)	\$ 3,422,329	\$ 1,022,694	\$ (38,128)	\$ 3,446	\$ 4,559,676

See accompanying notes to financial statements

**SIMPCW FIRST NATION**  
**SUPPLEMENTARY FINANCIAL INFORMATION**

**March 31, 2020**

**EXHIBIT**

***SUPPLEMENTARY FINANCIAL INFORMATION:***

- K INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT
- K1 SCHEDULE OF REMUNERATION AND EXPENSES - CHIEFS AND COUNCILLORS



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Incorporated Professionals

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members,  
SIMPCW FIRST NATION

EXHIBIT K

We have reviewed the accompanying consolidated schedule of remuneration and expenses paid to elected officials ("the schedule") of the SIMPCW FIRST NATION for the year ended March 31, 2020. The schedule has been prepared by management of the SIMPCW FIRST NATION based on the First Nations Financial Transparency Act.

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

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

### *Practitioner's Responsibility*

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

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

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

### *Conclusion*

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

*Daley & Company LLP*

Chartered Professional Accountants

Kamloops, BC  
August 26, 2020

**SIMPCW FIRST NATION  
SCHEDULE OF REMUNERATION AND EXPENSES  
CHIEFS AND COUNCILLORS  
For the year ended March 31, 2020**

<b>Name of Individual</b>	<b>Position Title</b>	<b>Number of Months</b>	<b>Remuneration</b>	<b>Expenses</b>
Ron Lampreau Jr	Councillor	12	\$ 40,807	\$ 37,442
George Lampreau	Councillor	12	47,383	40,474
Christine Donald	Councillor	12	30,691	24,479
Christine Donald	Wages	12	39,902	-
Shelly Loring	Chief	12	71,823	25,495
Alison Green	Councillor	12	24,296	4,966
Alison Green	Wages	12	32,864	-
Jules Philip	Councillor	12	53,292	23,982
Martha Matthew	Councillor	11	30,061	15,473
<b>Total</b>			<b>\$ 371,119</b>	<b>\$ 172,311</b>