

SPLATSIN
FINANCIAL STATEMENTS

March 31, 2020



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EXHIBIT

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of SPLATSIN 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 SPLATSIN'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.

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Position: _____

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Position: _____

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Position: _____



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INDEPENDENT AUDITOR'S REPORT

To the Members,
SPLATSIN

EXHIBIT A1

Opinion

We have audited the financial statements of SPLATSIN, which comprise the summary statement of financial position as at March 31, 2020, and the summary statement of members' equity, summary statement of operations, summary statement of remeasurement gains and losses, summary statement of change in net financial assets and summary statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SPLATSIN 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 SPLATSIN 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 41 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 summary 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 SPLATSIN (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 SPLATSIN'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 SPLATSIN or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing SPLATSIN'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 SPLATSIN'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 SPLATSIN'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 SPLATSIN 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.

Independent Auditor's Report to the Members of SPLATSIN (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation (which is the group entity) to express an opinion on the summary financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

A handwritten signature in black ink that reads "Datoy & Company LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Kamloops, BC
August 20, 2020

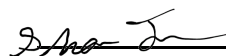
SPLATSIN
SUMMARY STATEMENT OF FINANCIAL POSITION
March 31, 2020

FINANCIAL ASSETS	2020	2019
Cash	\$ 13,397,828	\$ 9,477,736
Restricted cash (Note A3)	3,972,203	3,732,382
Grants and accounts receivable (Note A4)	809,660	751,804
Loans receivable (Note A5)	329,107	344,680
Investments and advances (Note A6)	<u>8,779,739</u>	<u>6,923,348</u>
	<u>27,288,537</u>	<u>21,229,950</u>
 LIABILITIES		
Accounts payable and accruals (Note A8)	1,338,754	1,281,909
Deferred revenue (Note A9)	2,324,085	1,115,437
Demand loans (Note A10)	564,489	1,881,390
Internally restricted funds payable (Note A3)	2,190,911	2,025,637
Mortgages payable (Note A11)	111,809	158,932
Long-term debt (Note A12)	<u>15,094,700</u>	<u>15,604,247</u>
	<u>21,624,748</u>	<u>22,067,552</u>
NET FINANCIAL ASSETS (DEBT)	<u>5,663,789</u>	<u>(837,602)</u>
 NON-FINANCIAL ASSETS		
Tangible capital assets (Note A13)	29,692,992	30,565,956
Prepaid expenses	<u>96,312</u>	<u>90,469</u>
	<u>29,789,304</u>	<u>30,656,425</u>
ACCUMULATED SURPLUS (Note A15)	<u>\$ 35,453,093</u>	<u>\$ 29,818,823</u>

COMMITMENTS AND CONTINGENCIES (Note A16)

APPROVED BY THE BAND:







See accompanying notes to financial statements.

SPLATSIN
SUMMARY STATEMENT OF MEMBERS' EQUITY
Year ended March 31, 2020

	2020	2019
ACCUMULATED SURPLUS, beginning of year	\$ 29,818,823	\$ 25,192,337
EXCESS OF REVENUE OVER EXPENSES	4,767,162	3,837,735
UNREALIZED GAINS (Exhibit A5)	867,108	788,751
ACCUMULATED SURPLUS, end of year	\$ 35,453,093	\$ 29,818,823

See accompanying notes to financial statements.

SPLATSIN
SUMMARY STATEMENT OF OPERATIONS
Year ended March 31, 2020

	Budget	2020	2019
REVENUE:			
Indigenous Services Canada	\$ 7,126,086	\$ 8,229,463	\$ 7,397,029
First Nations Health Authority	1,310,002	1,465,460	1,385,106
Consulting and contract	1,435,941	1,608,908	2,444,758
Forest Consultation and Revenue Sharing Agreement	1,779,258	1,502,708	1,779,258
Income from investment in Splatsin business enterprises	330,000	3,273,829	2,200,475
Interest and dividend income	57,240	304,521	201,849
Canada Mortgage and Housing Corporation	5,108	5,108	10,150
Leases, rentals and grants in lieu	485,931	452,881	496,365
Miscellaneous and recoveries	1,698,476	1,790,772	874,256
	<u>\$ 14,228,042</u>	<u>18,633,650</u>	<u>16,789,246</u>
EXPENSES:			
Administration	\$ 2,163,742	2,534,254	2,472,692
Local revenue	114,839	84,251	101,123
Community Operations	1,726,887	1,864,586	1,975,581
Economic Development	31,860	54,928	107,496
Education	2,788,136	2,307,472	1,989,270
Health	1,570,911	1,486,412	1,328,422
Housing	519,285	502,031	409,852
Infrastructure and Capital Improvements	83,040	76,547	72,120
Natural Resource and Title and Rights	650,348	488,467	573,874
Social Development	1,003,386	1,253,732	1,240,158
Splatsin Stsmamlt Services	3,515,626	3,213,808	2,680,923
	<u>\$ 14,168,060</u>	<u>13,866,488</u>	<u>12,951,511</u>
EXCESS OF REVENUE OVER EXPENSES		\$ 4,767,162	\$ 3,837,735

SPLATSIN
SUMMARY STATEMENT OF REMEASUREMENT GAINS AND LOSSES
Year ended March 31, 2020

	2020	2019
ACCUMULATED REMEASUREMENT GAINS, beginning of year	<u>\$ 2,569,342</u>	<u>\$ 1,780,591</u>
UNREALIZED GAINS ATTRIBUTED TO:		
Equity in partnerships (Note A6)	875,858	872,637
Losses in partnerships (Note A6)	<u>(8,750)</u>	<u>(83,886)</u>
	<u>867,108</u>	<u>788,751</u>
ACCUMULATED REMEASUREMENT GAINS, end of year	<u>\$ 3,436,450</u>	<u>\$ 2,569,342</u>

See accompanying notes to financial statements.

SPLATSIN
SUMMARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended March 31, 2020

	2020	2019
EXCESS OF REVENUE OVER EXPENSES	\$ 4,767,162	\$ 3,837,735
Acquisition of tangible capital assets	(264,937)	(961,779)
Amortization of tangible capital assets	1,137,901	1,100,430
Unrealized gains (Exhibit A5)	867,108	788,751
Change in prepaid expenses	<u>(5,844)</u>	<u>136,567</u>
INCREASE IN NET FINANCIAL ASSETS	6,501,390	4,901,704
NET FINANCIAL DEBT, beginning of year	<u>(837,601)</u>	<u>(5,739,305)</u>
NET FINANCIAL ASSETS (DEBT), end of year	<u>\$ 5,663,789</u>	<u>\$ (837,601)</u>

See accompanying notes to financial statements.

SPLATSIN
SUMMARY STATEMENT OF CASH FLOWS
Year ended March 31, 2020

	2020	2019
OPERATING ACTIVITIES:		
Excess of revenue over expenses	\$ 4,767,162	\$ 3,837,735
Non-cash charges to operations:		
Amortization	1,137,901	1,100,430
Adjustment for capital and investment transactions included in operations:		
Loss from investment in Splatsin business enterprises	(3,273,829)	(2,200,475)
(Increase) decrease in:		
Accounts receivable	(57,856)	1,189,491
Loans receivable	15,573	9,258
Prepaid expenses	(5,844)	136,567
Increase (decrease) in:		
Accounts payable and accruals	56,846	(866,167)
Deferred revenue	1,208,648	(78,125)
Funds held in trust	165,274	210,781
Cash flows from operations	<u>4,013,875</u>	<u>3,339,495</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New borrowings	-	239,635
Demand loans	(1,316,901)	163,681
Long-term debt reduction	(556,670)	(776,088)
Cash flows from (used in) financing	<u>(1,873,571)</u>	<u>(372,772)</u>
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Purchase of property and equipment	(264,937)	(961,779)
Cash used in capital	<u>(264,937)</u>	<u>(961,779)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Restricted cash	(239,821)	(284,254)
Equity in Partnerships	867,108	788,751
Long-term investments	1,417,438	(239,579)
Cash from investing	<u>2,044,725</u>	<u>264,918</u>
INCREASE (DECREASE) IN CASH	3,920,092	2,269,862
CASH, beginning of year	<u>9,477,736</u>	<u>7,207,874</u>
CASH, end of year	<u>\$ 13,397,828</u>	<u>\$ 9,477,736</u>

See accompanying notes to financial statements.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:

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

a) Fund Accounting:

Splatsin uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the summary financial statements. Details of the operations of each fund are set out in the supplementary schedules. Splatsin 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, plant and equipment of the First Nation, together with their related financing.
- The Social Housing Program Fund which reports the social housing assets of the First Nation, together with related activities.

b) Reporting Entity and Principles of Financial Reporting:

Splatsin reporting entity includes Splatsin 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:

- Splatsin Operating Fund
- Splatsin Trust Fund
- Splatsin Capital Fund
- Splatsin Social Housing Program Fund

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

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

- Quilakwa Investments Ltd.
- Splatsin Development Corporation
- Yucwmenlucwu ("Caretakers of the Land") 2007 LLP

Investments in government partnerships are included in the summary financial statements using the proportionate consolidation method. These include:

- Secwépemc Reconciliation Framework Agreement (RFA)

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

- Sexqeltkemoc Enterprises Inc.
- Sexqeltkemoc Limited Partnership

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

- BC First Nations Gaming Revenue Sharing Limited Partnership

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

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

c) Accrual Method:

The accrual method is used in accounting for all funds.

d) Replacement Reserve:

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

e) Non-financial Assets:

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

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 bridges	10 to 75 years
Buildings and housing	20 to 70 years
Water systems	50 to 80 years
Automotive and other equipment	10 to 15 years
Office 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.

f) Deferred Revenue:

Revenue is recorded in the period to which it relates.

g) As part of the Band's forest license agreement, the Band is required to perform reforestation on areas logged under conditions set out in the acts governing forestry operations. The Band estimates the costs of reforestation through to the free-to-grow stage and records the present value obligation of these costs as timber is harvested.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

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

h) Revenue Recognition:

Splatsin derives revenues from a number of sources.

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

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

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

i) 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.

NOTE A2. FINANCIAL INSTRUMENTS:

Fair Value of Financial Assets and Financial Liabilities:

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

The carrying value of mortgages payable and long-term debt approximate fair value as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

Credit Risk:

The Band is exposed to a credit risk by its funding agencies and suppliers. However, because the majority of funding is from government agencies and there is a large number of different suppliers, credit risk concentration is reduced to the minimum.

Interest Risk:

Mortgages payable have fixed interest rates on all mortgages. Therefore interest expense will decrease with the principal repayment of the mortgage and interest risk is reduced to the minimum.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

NOTE A3. RESTRICTED CASH:

	2020	2019
Internally restricted funds	\$ 2,190,911	\$ 2,025,637
Replacement reserve	113,333	111,097
Secured revenues trust account	595,149	541,847
Ottawa Trust Funds	<u>1,072,810</u>	<u>1,053,801</u>
	<u>\$ 3,972,203</u>	<u>\$ 3,732,382</u>

a) Internally restricted funds:

i) The funds consist of children's special allowances received in respect of children under the care of the Band. By way of Band Council resolution these monies are payable to children in the care of the Band upon their nineteenth birthday.

	2020	2019
Balance, beginning of year	\$ 1,575,605	\$ 1,351,542
Amounts received, including interest	247,375	319,564
Withdrawal to offset costs	-	(26,020)
Payments	<u>(65,014)</u>	<u>(69,481)</u>
Balance, end of year	<u>1,757,966</u>	<u>1,575,605</u>

ii) The funds consist of BC Hydro right of way lease payments payable to minors. These monies are payable upon their nineteenth birthday.

Balance, beginning of year	450,032	463,314
Payments	<u>(17,087)</u>	<u>(13,282)</u>
Balance, end of year	<u>432,945</u>	<u>450,032</u>
	<u>\$ 2,190,911</u>	<u>\$ 2,025,637</u>

b) Replacement Reserve Fund:

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$4,713 annually plus interest. These funds, along with accumulated interest, must be held in a separate bank account and / or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time. Withdrawals are credited to interest first and then principal.

	2020	2019
Balance, beginning of year	\$ 49,546	\$ 25,680
Allocation for the year	4,713	4,713
Interest earned	2,236	2,022
Canada Mortgage and Housing Corporation adjustment	-	20,829
Approved expenditures	<u>-</u>	<u>(3,698)</u>
Balance, end of year	<u>\$ 56,495</u>	<u>\$ 49,546</u>
The Replacement Reserve is represented by:		
Cash	<u>\$ 113,333</u>	<u>\$ 111,097</u>

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

NOTE A3. RESTRICTED CASH (continued):

- c) Secured revenues trust account:
The secured revenues trust account arises from a financing agreement with the First Nations Finance Authority (FNFA). Other revenues of Splatsin are deposited into this account to secure funds FNFA has lent to Splatsin. The account is managed by a third party which is required to pay amounts to FNFA under the terms of the borrowing agreement before paying any remaining amount from the account to Splatsin.
- d) 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 Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

NOTE A4. GRANTS AND ACCOUNTS RECEIVABLE:

	2020	2019
Accounts Receivable:		
Province of BC	\$ 132,750	\$ 3,338
BC Hydro	34,803	70,140
First Nations Education Steering	132,982	94,723
Amounts under \$50,000	718,750	426,753
Canada Mortgage and Housing Corporation	426	5,918
School District #83	-	46,782
Sexqeltkemoc Lakes Division	-	478
Secwepemc Fisheries Commission	-	60,299
South Enderby Boards & More	24,091	51,713
Qwelmintec - Secwepemc	67,750	-
SRFA	-	62,750
Indigenous Services Canada	57,739	189,435
	<u>1,169,291</u>	<u>1,012,329</u>
Rent Receivable	<u>1,011,956</u>	<u>1,011,956</u>
Band Members	<u>46,247</u>	<u>46,247</u>
	<u>2,227,494</u>	<u>2,070,532</u>
Less allowance for doubtful accounts	<u>(1,417,834)</u>	<u>(1,318,728)</u>
	<u>\$ 809,660</u>	<u>\$ 751,804</u>

NOTE A5. LOANS RECEIVABLE:

	2020	2019
Band member, loan receivable, no set terms of repayment, secured by land and building	\$ 45,651	\$ 50,061
Band member, loan receivable, repayable in monthly installments of \$490 including interest at the Bank's prime plus 1.5%, secured by land and building, due November 2037	46,519	49,790
Band member, loan receivable, repayable in monthly installments of \$360 including interest at the Bank's prime plus 1.5%, secured by land and building, due November 2027	26,683	29,450
Band member, loan receivable, repayable in monthly installments of \$1,535 including interest at the Bank's prime plus 1.5%, secured by land and building, due November 2038	210,254	215,379
	<u>\$ 329,107</u>	<u>\$ 344,680</u>

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

NOTE A6. INVESTMENTS AND ADVANCES:

	2020	2019
Splatsin Development Corporation:		
Share capital - 100%	<u>\$ 1</u>	<u>\$ 1</u>
Yucwmenlucwu ("Caretakers of the Land") 2007 LLP:		
Partnership interest:		
Balance, beginning of year	6,566,641	4,194,435
Net income allocation	3,868,776	2,866,206
Drawings	<u>(2,136,134)</u>	<u>(494,000)</u>
Balance, end of year	8,299,283	6,566,641
Capital account - 99% interest	<u>99</u>	<u>99</u>
	<u>8,299,382</u>	<u>6,566,740</u>
Quilakwa Investments Ltd.:		
Share capital - 100%	80	80
Advances to (from), noninterest bearing, unsecured, no stated terms of repayment	(363,897)	(1,471,517)
Add: demand loan included in capital fund (see Note A10)	-	1,326,033
Retained earnings	<u>918,441</u>	<u>658,745</u>
	<u>554,624</u>	<u>513,341</u>
All Nations Trust Company:		
Class A common shares, par value \$1	<u>15,220</u>	<u>15,220</u>
Sexqeltkcmc Enterprises Inc.:		
Share capital - 33%	<u>-</u>	<u>10</u>
Sexqeltkcmc Limited Partnership:		
Capital account - 33% interest	10	10
Partner deficiency (funded by a bank loan)	<u>(106,874)</u>	<u>(171,974)</u>
	<u>(106,864)</u>	<u>(171,964)</u>
BC First Nation Gaming Revenue Sharing Limited Partnership		
0.52% interest in partnership:		
Partnership units acquired	100	-
Net income allocation	472,925	-
Drawings	<u>(455,659)</u>	<u>-</u>
Balance, end of year	<u>17,366</u>	<u>-</u>
Share in the General Partner, BCFN GRS GP Inc. Share represents a 0.52% interest in the Company at March 31, 2020.	<u>10</u>	<u>-</u>
	<u>\$ 8,779,739</u>	<u>\$ 6,923,348</u>

Financial information for Yucwmenlucwu ("Caretakers of the Land") 2007 LLP:

	2020	2019
Cash	\$ 4,169,913	\$ 947,025
Current assets	4,331,664	5,246,186
Equipment	523,030	408,274
Non-current Assets	754,100	927,742
Current Liabilities	(1,333,855)	(884,505)
Long Term Debt	<u>(67,428)</u>	<u>(64,019)</u>
Partners' Capital	<u>\$ 8,377,424</u>	<u>\$ 6,580,703</u>
Revenues	\$ 13,148,690	\$ 9,881,175
Other Comprehensive Income	875,858	872,637
Expenses	<u>10,116,693</u>	<u>7,858,654</u>
Net Income	<u>\$ 3,907,855</u>	<u>\$ 2,895,158</u>

Yucwmenlucwu ("Caretakers of the Land") 2007 LLP is domiciled near Enderby, British Columbia. The Partnership is engaged primarily in logging operations and environmental services.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

NOTE A6. INVESTMENTS AND ADVANCES (continued):

Financial information for Quilakwa Investments Ltd.:

	2020	2019
Cash	\$ 441,707	\$ 399,967
Current Assets	616,889	1,793,285
Property and equipment	267,141	295,504
Current Liabilities	<u>(181,533)</u>	<u>(1,604,248)</u>
Shareholders' equity	<u>\$ 1,144,204</u>	<u>\$ 884,508</u>
Comprised of:		
Share capital	\$ 80	\$ 80
Contributed surplus	225,683	225,683
Retained earnings	<u>918,441</u>	<u>658,745</u>
	<u>\$ 1,144,204</u>	<u>\$ 884,508</u>
Revenues	\$ 10,061,450	\$ 9,453,137
Expenses	<u>9,801,754</u>	<u>9,205,743</u>
Net Income	<u>\$ 259,696</u>	<u>\$ 247,394</u>

Quilakwa Investments Ltd. is domiciled near Enderby, British Columbia. The primary business activity is the operation of a retail gas station.

Financial information for Sexqeltkmc Limited Partnership:

	Total	Band's Share 2020	Band's Share 2019
Cash	\$ -	\$ -	\$ 2,078
Other current assets	120,357	40,119	102,460
Long-term Assets	5	2	2
Current Liabilities	<u>(441,003)</u>	<u>(146,983)</u>	<u>(276,502)</u>
Partner's Capital	<u>\$ (320,641)</u>	<u>\$ (106,862)</u>	<u>\$ (171,962)</u>
Revenues	\$ 69,461	\$ 23,152	\$ (15,298)
Other Comprehensive Loss	(26,253)	(8,750)	(83,886)
Expenses	<u>5,811</u>	<u>1,937</u>	<u>25,190</u>
Net Loss	<u>\$ 37,397</u>	<u>\$ 12,465</u>	<u>\$ (124,374)</u>

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

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

NOTE A7. **PROPORTIONATELY CONSOLIDATED INTERESTS:** 2020 2019

The following are accounted for using the proportionate consolidation method:

Secwépemc Reconciliation Framework Agreement

Secwépemc Reconciliation Framework Agreement is an agreement signed between Secwepemc and the Province of B.C. Under the initial agreement the Secwepemc was comprised of the Tk'emlups to Secwepemc, Skeetchestn Indian Band, Adams Lake Indian Band, Splatsin and Shuswap Indian Band. The purpose of the agreement is to engage with the Province of B.C. in discussions associated with land and resource use within asserted traditional territories outside of the B.C. treaty process. This agreement has expired and the net assets have been distributed.

Financial information for Secwépemc Reconciliation Framework Agreement:

	Total	Band's Share 14%	Band's Share 14%
Cash	\$ -	\$ -	\$ 29,140
Accounts Receivable	-	-	1,325
Intangible asset	-	-	17,493
Current Liabilities	-	-	(5,219)
	\$ -	\$ -	\$ 42,739
Revenues	\$ -	\$ -	\$ 14,286
Expenses	-	-	66,877
Net income included in summary financial statements	\$ -	\$ -	\$ (52,591)

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

NOTE A8. ACCOUNTS PAYABLE AND ACCRUALS:	2020	2019
Miscellaneous (under \$50,000)	\$ 456,069	\$ 567,878
Indigenous Services Canada	144,257	144,257
Reforestation obligation	205,411	213,933
Per capita distributions - BC Hydro: right of way lease	106,069	114,006
Payroll - Vacation Payable	96,504	113,607
School District No. 83	114,822	-
Payroll - accrual	84,633	56,116
Yucwmenlucwu ("Caretakers of the Land") 2007 LLP	46,873	60,705
North Okanagan Junior Academy	84,116	-
Associated Engineering (BC) Ltd.	-	11,407
	<u>\$ 1,338,754</u>	<u>\$ 1,281,909</u>

NOTE A9. DEFERRED REVENUE:	2020	2019
Miscellaneous (under \$50,000)	\$ 17,852	\$ 3,251
First Nations Education Steering Committee	79,191	126,013
Province of BC - Reciprocal Tuition	47,561	-
Accommodation Agreements - Trans Canada Highway Project	1,629,565	-
Province of BC - Cultural & Spiritual Monitoring	148,344	-
Ministry of Environment - Caribou Recovery Planning	59,563	-
Strategic Forestry Initiative	41,394	185,543
First Nations Health Authority	-	184,494
Indigenous Services Canada:		
NT7E-001 Land Use Planning (Schedule 5)	-	100,000
Wildfire Agreements - Q3CI (Schedule 23)	54,966	-
CPMS #8943 FNWMS Enderby IR#2 Jackpine & Canyon (Schedule 21)	245,649	245,649
ICMS #9-00126350 BDG'16 Innovation - Hsg. Auth (Schedule 40)	-	46,578
ICMS #9-00126965 Renovation and additions (Schedule 40)	-	223,909
	<u>\$ 2,324,085</u>	<u>\$ 1,115,437</u>

NOTE A10. DEMAND LOANS:	2020	2019
<u>Capital Fund:</u>		
Bank of Montreal, demand loan, repayable in monthly installments of \$1,025 including interest at the bank's prime rate plus 1.5%, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada	\$ 61,022	\$ 69,767
Bank of Montreal, demand loan repaid during the year	-	7,683
RBC Royal Bank, vehicle loan, repayable in monthly installments of \$1,670 including interest and 3.54%, secured by a 2017 Blue Bird School Bus, due August 2021	27,646	46,335
RBC Royal Bank, vehicle loan, repayable in monthly installments of \$290 including interest and 3.39%, secured by a 2014 Dodge Caravan, due August 2020	1,438	4,807
RBC Royal Bank, equipment loan repaid during the year	-	4,867
RBC Royal Bank, demand loan, repayable in monthly installments of \$1,100 including interest at 3.70%, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada, due November 2022	87,780	97,545
Quilakwa Investments Ltd., demand loan repaid during the year	-	1,326,033
	<u>177,886</u>	<u>1,557,037</u>

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

NOTE A10. DEMAND LOANS (continued);	2020	2019
<u>Band Operations:</u>		
Bank of Montreal, mortgage, repayable in monthly installments of \$490 including interest at the bank's prime rate plus 1.5%, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada	46,519	49,790
Bank of Montreal, mortgage, repayable in monthly installments of \$360 including interest at the bank's prime rate plus 1.5%, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada	27,237	30,004
Bank of Montreal, mortgage, repayable in monthly installments of \$1,390 including interest at the bank's prime rate plus 1.5%, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada	211,022	216,146
Bank of Montreal, mortgage, repayable in monthly installments of \$185 including interest at the bank's prime rate plus 1.5% secured by Ministerial Guarantee of the Minister of Indigenous Services Canada	27,711	28,413
RBC Royal Bank, demand loan, repayable in monthly blended installments of \$3,410, bearing interest at RBC prime rate, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada, due May 2020	74,114	-
	386,603	324,353
	\$ 564,489	\$ 1,881,390

NOTE A11. MORTGAGES PAYABLE:	2020	2019
<u>Band Operations:</u>		
Bank of Montreal, mortgage, repayable in monthly installments of \$407 including interest at 3.64%, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada, due September 2020	\$ 5,173	\$ 9,716
<u>Capital Fund:</u>		
Royal Bank of Canada, demand loan, repayable in monthly installments of \$2,407 including interest at 3.59% per annum secured by Ministerial Guarantee of the Minister of Indigenous Services Canada, due December 2021	48,900	75,499

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

NOTE A11. MORTGAGE PAYABLE (continued):	2020	2019
<u>Social Housing Program:</u>		
All Nations Trust Company, repayable in monthly installments of \$1,471 including interest at 2.52% per annum, due August 2023	57,736	73,717
	\$ 111,809	\$ 158,932

Principal repayments of demand loans and mortgages due in the ensuing 5 years are approximately as follows:

2020	\$ 142,075
2021	117,049
2022	53,989
2023	45,845
2024	40,293

NOTE A12. LONG-TERM DEBT:	2020	2019
<u>Capital Fund:</u>		
First Nations Finance Authority, Promissory Note, repayable in monthly payments of \$42,299 including interest at 3.79%. The debt is secured through a secured revenues trust account with a ratio value of 2.04. Due June 2024	\$ 6,952,658	\$ 7,189,870
First Nations Finance Authority, Promissory Note, repayable in monthly payments of \$31,517 including interest at 2.9%, secured by a secured revenues trust account with a ratio value of 2.04. Due June 2024	6,939,572	7,111,972
First Nations Finance Authority, Promissory Note, repayable in monthly payments of \$10,598 including interest at 2.985%. The debt is secured through a secured revenues trust account. Due June 2024	2,235,801	2,294,513
Debt Reserve Fund investment, the Authority holds a deposit of 5% of the loans advanced in the Debt Reserve Fund. Interest is paid daily at 1.2%	(468,811)	(450,109)
Debt Reserve Fund investment, the Authority holds a deposit of 5% of the loans advanced in the Debt Reserve Fund. Interest is paid daily at 1.05%	(423,279)	(406,393)
Debt Reserve Fund investment, the Authority holds a deposit of 5% of the loans advanced in the Debt Reserve Fund. Interest is paid daily at 0.9%	(141,241)	(135,606)
	\$ 15,094,700	\$ 15,604,247

The Band has constructed a Multi Purpose Community Facility and a gas bar and convenience store located on Enderby Indian Reserve #2. Total financing from First Nations Finance Authority for these projects was \$18,259,622 (less debt reserve balances of 5%). The amount of annual debt servicing costs in connection with the total financing is \$1,012,968. The Band has committed approximately \$1,558,000 of revenue per year to be paid into the Secured Revenues Trust Account. The Secured Revenues Trust Account is managed by a third party which is required to pay amounts to FNFA under the terms of the borrowing agreement before paying any remaining amount from the account to Splatsin.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

NOTE A13. TANGIBLE CAPITAL ASSETS:	2020	2019
Tangible capital assets consist of the following:		
Land	\$ 60,325	\$ 60,325
Roads and bridges	1,251,496	1,281,304
Buildings and Housing	19,743,729	20,579,092
Water Systems	1,048,707	1,069,214
Automotive and Other Equipment	839,876	964,685
Office Equipment	214,906	139,396
Construction in-progress	6,533,953	6,471,940
	\$ 29,692,992	\$ 30,565,956

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

NOTE A14. CASH FLOW INFORMATION:

During the year \$615,917 (2019 - \$619,444) of interest was paid.

NOTE A15. ACCUMULATED SURPLUS:	2020	2019
Accumulated surplus consists of individual fund surpluses and reserves as follows:		
Surplus from operations:		
Unrestricted	\$ 18,967,021	\$ 14,676,709
Restricted capital surplus	124,366	124,366
	19,091,387	14,801,075
Invested in tangible capital assets	14,313,770	13,255,456
Investments	918,631	658,945
Funded Reserves:		
Replacement Reserve (CMHC) (Note A3)	56,495	49,546
Ottawa Trust Funds	1,072,810	1,053,801
	1,129,305	1,103,347
	\$ 35,453,093	\$ 29,818,823

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

NOTE A16. COMMITMENTS AND CONTINGENCIES:

- a) The Band 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 Band.
- b) Housing Mortgages:
The Band is guarantor of various Housing mortgages, secured by Ministerial guarantees, totaling \$62,925.
- c) The Band is guarantor of various loans to Band members, secured by personal property of the individuals, totaling \$911,659.
- d) 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 \$106,522 (2019 - \$93,022).
- e) Under a line of credit arrangement with the Bank of Montreal, the Band may borrow up to \$500,000 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, 2020, the unused portion of the credit line was \$500,000.
- f) Under a line of credit arrangement with the Royal Bank of Canada, the Band may borrow up to \$710,000 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, 2020, the unused portion of the credit line was \$710,000.
- g) The Band has provided a guarantee for the bank indebtedness of Sexqeltkenc Limited Partnership. The Band holds 33% of the partnership units in Sexqeltkenc Limited Partnership. At March 31, 2020, the outstanding loan balances were \$Nil. The maximum liability to the Band with respect to these loans is \$300,000.
- h) The Band leases land and building to Quilakwa Investments Ltd. who operates a convenience store and gas station. The convenience store and gas station has operated for a number of years and it is possible that the site may have become contaminated. No environmental assessment has been performed to date or required to be performed to confirm a contamination. As no contamination has been confirmed and because it is unclear whether the Band would be required under an environmental standard to remediate the site itself no amount has been recorded for remediation costs in the financial statements.
- i) The Band leases office equipment and a building under long-term agreements. Future minimum lease payments are as follows:

2021	\$	91,084
2022		78,508
2023		65,615
2024		47,556
2025		3,964
		<hr/>
	\$	286,727
		<hr/>

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

NOTE A17. SEGMENTED INFORMATION:

Splatsin 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:

Administration:

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.

Local Revenue:

Local Revenue assists in the maintenance of roads and streets, recreational facilities and provides garbage waste collection, disposal and recycling through revenue raised under local revenue laws.

Splatsin Stsmamlt Services:

Splatsin Stsmamlt Services supports culturally appropriate child and family services for children and families, notwithstanding residences of the child, in the best interest of the child, in accordance with the Bylaw #3 - 1980. Protecting children from neglect and abuse is the main objective of child and family services. It also provides services that increase the ability and capacity of families to remain together and to support the needs of the children in their parental homes and communities.

Infrastructure and Capital Improvements:

Infrastructure and Capital Improvements manages capital projects within the community undertaken to support the growth and/or maintenance of the First Nations infrastructure.

Natural Resource and Title and Rights:

Natural Resource and Title and Rights 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.

Community Operations:

Community Operation 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.

Economic Development:

Economic Development manages economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects.

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.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2020

NOTE A17. SEGMENTED INFORMATION (continued):

Social Development:

Social Development 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.

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

NOTE A18. ECONOMIC DEPENDENCE:

Splatsin receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada.

NOTE A19. COMPARATIVE FIGURES:

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

SPLATSIN
SUMMARY SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year ended March 31, 2020

	Band Operations							Social Housing Operations	Totals	
	Land	Roads and Bridges	Buildings and Housing	Water Systems	Automotive and Other Equipment	Office Equipment	Construction in-progress	Housing	2020	2019
Cost										
Balance, beginning of year	\$ 60,325	\$ 2,311,761	\$ 28,731,287	\$ 1,615,359	\$ 1,934,576	\$ 392,841	\$ 6,471,940	\$ 1,266,721	\$ 42,784,810	\$ 42,062,950
Add: Additions during the year	-	-	9,500	-	50,009	143,415	62,013	-	264,937	961,779
Less: Disposals during the year	-	-	-	-	-	-	-	-	-	(239,919)
Balance, end of year	<u>60,325</u>	<u>2,311,761</u>	<u>28,740,787</u>	<u>1,615,359</u>	<u>1,984,585</u>	<u>536,256</u>	<u>6,533,953</u>	<u>1,266,721</u>	<u>43,049,747</u>	<u>42,784,810</u>
Accumulated amortization										
Balance, beginning of year	-	1,030,457	8,404,731	546,145	969,891	253,445	-	1,014,185	12,218,854	11,358,343
Add: Amortization	-	29,808	808,787	20,507	174,818	67,905	-	36,076	1,137,901	1,100,430
Less: Disposals during the year	-	-	-	-	-	-	-	-	-	(239,919)
Balance, end of year	<u>-</u>	<u>1,060,265</u>	<u>9,213,518</u>	<u>566,652</u>	<u>1,144,709</u>	<u>321,350</u>	<u>-</u>	<u>1,050,261</u>	<u>13,356,755</u>	<u>12,218,854</u>
Net Book Value of Tangible Capital Assets	<u>\$ 60,325</u>	<u>\$ 1,251,496</u>	<u>\$ 19,527,269</u>	<u>\$ 1,048,707</u>	<u>\$ 839,876</u>	<u>\$ 214,906</u>	<u>\$ 6,533,953</u>	<u>\$ 216,460</u>	<u>\$ 29,692,992</u>	<u>\$ 30,565,956</u>

See accompanying notes to financial statements.

SPLATSIN
STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED
Year ended March 31, 2020

	Admini- stration	Local Revenue	Splatsin Stsmamlt Services	Infrastructure and Capital Improvements	Natural Resource and Title and Rights	Community Operations	Economic Development	Education	Social Development	Health	Housing	Total 2020	Total 2019
REVENUE:													
Indigenous Services Canada	\$ 653,509	\$ -	\$ 3,246,681	\$ 9,225	\$ -	\$ 523,854	\$ 39,797	\$ 2,131,383	\$ 1,287,992	\$ -	\$ 337,022	\$ 8,229,463	\$ 7,397,029
First Nations Health Authority	-	-	-	-	-	-	-	-	-	1,465,460	-	1,465,460	1,385,106
Consulting and contract	133,666	94,861	282,239	-	713,945	-	-	384,197	-	-	-	1,608,908	2,444,758
Forest Consultation and Revenue Sharing Agreement	1,502,708	-	-	-	-	-	-	-	-	-	-	1,502,708	1,779,258
Income from investment in Splatsin business enterprises	3,252,614	-	-	-	21,215	-	-	-	-	-	-	3,273,829	2,200,475
Interest and dividend income	125,133	27,519	-	-	-	116,840	-	-	6	14,344	20,679	304,521	201,849
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	-	-	5,108	5,108	10,150
Leases, rentals and grants in lieu	37,425	153,777	-	-	-	-	-	-	-	-	261,679	452,881	496,365
Miscellaneous and recoveries	909,966	-	238,793	128,000	128,000	151,241	-	112,975	-	120,229	1,568	1,790,772	874,256
	<u>6,615,021</u>	<u>276,157</u>	<u>3,767,713</u>	<u>137,225</u>	<u>863,160</u>	<u>791,935</u>	<u>39,797</u>	<u>2,628,555</u>	<u>1,287,998</u>	<u>1,600,033</u>	<u>626,056</u>	<u>18,633,650</u>	<u>16,789,246</u>
EXPENSES:													
Assistance	-	-	1,682,213	-	-	-	-	247,429	35,494	-	-	1,965,136	1,582,323
Amortization	245,072	-	-	-	21,425	684,382	-	38,690	-	71,361	76,971	1,137,901	1,100,430
Automotive	4,092	-	-	-	143	11,597	-	10,151	-	8,379	-	34,362	55,964
Basic Needs	-	-	-	-	-	-	-	-	913,102	-	-	913,102	906,755
Community infrastructure	-	-	-	-	-	44,455	-	-	-	-	-	44,455	32,295
Contract services	216,848	24,351	197,454	11,000	209,476	116,835	35,817	164,615	150,263	545,918	212,624	1,885,201	2,136,599
Education	-	-	-	-	-	-	-	693,905	-	10,011	-	703,916	607,687
Honorarium	-	-	-	-	2,326	-	-	-	-	1,237	-	3,563	4,343
Insurance	8,114	-	4,937	-	762	45,419	-	11,129	-	16,292	52,414	139,067	106,742
Interest and bank charges	24,178	324	-	-	-	53	-	1,407	2,501	1,045	5,950	35,458	29,211
Interest on debt	-	-	-	48,147	35	556,475	-	-	-	-	5,583	610,240	609,504
Leases	67,660	-	-	-	-	-	-	-	-	-	-	67,660	79,986
Licences, dues and fees	2,307	-	505	-	-	-	-	-	-	-	-	2,812	2,839
Materials and supplies	78,570	68	24,418	-	8,955	37,618	16	212,403	4,980	77,793	8,944	453,765	303,574
Office and other	527,275	50,946	315,655	-	9,004	44,801	-	21,573	-	27,970	72,274	1,069,498	759,840
Professional fees	120,531	-	102,884	-	70,504	-	-	100	-	150,000	2,400	446,419	343,225
Repairs and maintenance	3,073	-	3,539	-	-	1,440	19,095	31,387	-	-	10,676	69,210	170,218
Special Needs	-	-	-	-	-	-	-	-	21,052	-	-	21,052	22,287
Travel	143,191	-	63,648	-	10,128	2,065	-	55,979	6,546	53,379	-	334,936	368,031
Utilities	562	-	3,359	17,400	-	83,475	-	6,179	-	9,701	30,793	151,469	158,100
Wages and benefits	1,092,780	8,562	815,196	-	155,709	235,971	-	812,525	119,794	513,326	23,402	3,777,265	3,571,558
	<u>2,534,253</u>	<u>84,251</u>	<u>3,213,808</u>	<u>76,547</u>	<u>488,467</u>	<u>1,864,586</u>	<u>54,928</u>	<u>2,307,472</u>	<u>1,253,732</u>	<u>1,486,412</u>	<u>502,031</u>	<u>13,866,487</u>	<u>12,951,511</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>\$ 4,080,768</u>	<u>\$ 191,906</u>	<u>\$ 553,905</u>	<u>\$ 60,678</u>	<u>\$ 374,693</u>	<u>\$ (1,072,651)</u>	<u>\$ (15,131)</u>	<u>\$ 321,083</u>	<u>\$ 34,266</u>	<u>\$ 113,621</u>	<u>\$ 124,025</u>	<u>\$ 4,767,163</u>	<u>\$ 3,837,735</u>

See accompanying notes to financial statements.

SPLATSIN
STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED
Year ended March 31, 2019

	Admini- stration	Local Revenue	Splatsin Stsmamlt Services	Infrastructure and Capital Improvements	Natural Resource and Title and Rights	Community Operations	Economic Development	Education	Social Development	Health	Housing	Total 2019
REVENUE:												
Indigenous Services Canada	\$ 444,398	\$ -	\$ 2,861,574	\$ 406,830	\$ -	\$ 297,190	\$ 73,330	\$ 1,872,751	1,414,865	\$ -	\$ 26,091	\$ 7,397,029
First Nations Health Authority	-	-	-	-	-	-	-	-	-	1,385,106	-	1,385,106
Consulting and contract	946,684	84,681	204,618	-	746,474	-	144,450	317,851	-	-	-	2,444,758
Forest Consultation and Revenue Sharing Agreement	1,779,258	-	-	-	-	-	-	-	-	-	-	1,779,258
Income from investment in Splatsin business enterprises	2,240,963	-	-	-	(40,488)	-	-	-	-	-	-	2,200,475
Interest and dividend income	92,714	5,379	953	-	-	89,403	-	-	6	9,443	3,951	201,849
Canada Mortgage and Housing Corporation Leases, rentals and grants in lieu	-	-	-	-	-	-	-	-	-	-	10,150	10,150
Miscellaneous and recoveries	45,725	161,183	-	-	-	-	-	-	-	-	289,457	496,365
	111,252	-	171,339	120,000	-	155,489	-	222,731	-	69,899	23,546	874,256
	<u>5,660,994</u>	<u>251,243</u>	<u>3,238,484</u>	<u>526,830</u>	<u>705,986</u>	<u>542,082</u>	<u>217,780</u>	<u>2,413,333</u>	<u>1,414,871</u>	<u>1,464,448</u>	<u>353,195</u>	<u>16,789,246</u>
EXPENSES:												
Assistance	-	-	1,279,097	-	-	-	-	256,064	47,162	-	-	1,582,323
Amortization	220,834	-	-	-	8,593	683,088	-	39,583	-	71,361	76,971	1,100,430
Automotive	-	-	80	-	-	22,385	-	14,369	-	18,207	923	55,964
Basic Needs	-	-	-	-	-	-	-	-	906,755	-	-	906,755
Community infrastructure	-	-	-	-	-	32,295	-	-	-	-	-	32,295
Contract services	657,323	14,000	233,950	7,000	202,264	228,832	37,872	126,191	133,671	465,951	29,545	2,136,599
Education	-	-	-	-	-	-	-	598,355	-	9,332	-	607,687
Honorarium	-	-	-	-	4,343	-	-	-	-	-	-	4,343
Insurance	10,567	-	3,979	-	1,206	37,514	-	7,006	-	12,110	34,360	106,742
Interest and bank charges	16,379	44	-	-	-	384	-	1,995	2,463	1,175	6,771	29,211
Interest on debt	-	-	-	48,146	-	556,475	-	-	-	-	4,883	609,504
Leases	70,386	-	-	-	-	9,600	-	-	-	-	-	79,986
Licences, dues and fees	1,596	-	1,183	-	-	60	-	-	-	-	-	2,839
Materials and supplies	71,270	24	11,454	148	5,834	8,949	39	149,797	6,210	45,462	4,387	303,574
Office and other	185,122	87,055	279,752	-	15,755	49,855	-	22,464	-	50,620	69,217	759,840
Professional fees	57,294	-	72,420	-	60,789	-	-	322	-	150,000	2,400	343,225
Repairs and maintenance	-	-	2,751	1,638	-	27,759	69,585	14,418	-	-	54,067	170,218
Special Needs	-	-	-	-	-	-	-	-	22,287	-	-	22,287
Travel	138,797	-	77,327	-	17,851	177	-	54,070	4,618	73,463	1,728	368,031
Utilities	608	-	-	15,188	-	87,681	-	8,975	-	9,260	36,388	158,100
Wages and benefits	1,042,516	-	718,930	-	257,239	230,527	-	695,661	116,992	421,481	88,212	3,571,558
	<u>2,472,692</u>	<u>101,123</u>	<u>2,680,923</u>	<u>72,120</u>	<u>573,874</u>	<u>1,975,581</u>	<u>107,496</u>	<u>1,989,270</u>	<u>1,240,158</u>	<u>1,328,422</u>	<u>409,852</u>	<u>12,951,511</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 3,188,302	\$ 150,120	\$ 557,561	\$ 454,710	\$ 132,112	\$ (1,433,499)	\$ 110,284	\$ 424,063	\$ 174,713	\$ 136,026	\$ (56,657)	\$ 3,837,735

See accompanying notes to financial statements.

SPLATSIN

SUPPLEMENTARY FINANCIAL INFORMATION

March 31, 2020

EXHIBIT

SUPPLEMENTARY FINANCIAL INFORMATION:

- I INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT
- 11 SCHEDULE OF REMUNERATION AND EXPENSES - CHIEF AND COUNCILLORS



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Incorporated Professionals

EXHIBIT I

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members,
SPLATSIN

Report on Supplementary Schedules

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

Management's Responsibility for the Schedule

Management of SPLATSIN 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 20, 2020

SPLATSIN
SCHEDULE OF REMUNERATION AND EXPENSES
CHIEF AND COUNCILLORS
For the year ended March 31, 2020

Name of Individual	Position Title	Number of Months	Remuneration	Expenses	Expenses reimbursed & Honoraria paid by third parties
WAYNE CHRISTIAN	CHIEF	12	\$ 31,200	\$ 9,931	\$ 2,741
GEORGE WILLIAM	COUNCILLOR	12	51,198	20,508	2,661
EDNA FELIX	COUNCILLOR	12	51,198	12,833	1,502
DOUG THOMAS	COUNCILLOR	12	51,198	10,708	262
THERESA WILLIAM	COUNCILLOR	12	51,198	27,603	4,934
SHAWN TRONSON	COUNCILLOR	12	51,198	2,430	1,600