

**SODA CREEK INDIAN BAND**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2020**

**SODA CREEK INDIAN BAND**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2020**

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**Soda Creek Indian Band**

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**Management's Responsibility for Financial Reporting**

The accompanying consolidated financial statements of Soda Creek Indian Band are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Soda Creek Indian Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Band's assets are appropriately accounted for and adequately safeguarded.

The Chief and Council are responsible for ensuring the integrity of the Band's accounting and reporting systems and that appropriate internal controls are in place, including those for monitoring risk, financial reporting and compliance with the laws and that management fulfils its responsibilities for financial reporting. The Chief and Council are ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council review Soda Creek Indian Band's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the independent auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and independent auditor's report. The Chief and Council also consider the engagement of the independent auditor.

The consolidated financial statements have been audited by FBB Chartered Professional Accountants LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. FBB Chartered Professional Accountants LLP has full access to the Chief and Council.

Chief

Councilor

## INDEPENDENT AUDITOR'S REPORT

To Chief and Council  
Soda Creek Indian Band

### Opinion

We have audited the consolidated financial statements of the Soda Creek Indian Band, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Soda Creek Indian Band as at March 31, 2020, and its financial performance and cash flows 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 ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material 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 related 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 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 consolidated 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.

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.

*FBB Chartered Professional  
Accountants LLP*

July 19, 2020  
Quesnel, British Columbia

FBB Chartered Professional Accountants LLP

**SODA CREEK INDIAN BAND****Consolidated Statement of Financial Position****As at March 31, 2020**

	2020	2019
<b>Financial assets</b>		
Cash (Note 4)	\$ 10,860,994	\$ 8,035,170
Restricted cash (Note 5)	344,674	321,924
Accounts receivable (Note 6)	642,250	1,106,503
Ranch Inventory	1,080,300	-
Trust funds held by Canada (Note 7)	677,172	665,463
Investment (Note 8)	1,753,113	2,163,515
	<u>15,358,503</u>	<u>12,292,573</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 9)	400,413	391,851
Deferred revenue (Note 10)	325,242	314,347
Long term debt (Note 11)	205,402	280,490
Demand notes from related parties	113,035	83,672
	<u>1,044,092</u>	<u>1,070,360</u>
<b>Net financial assets</b>	<u>14,314,411</u>	<u>11,222,213</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 13)	8,933,777	8,454,028
Prepaid expenses	88,104	62,809
	<u>9,021,881</u>	<u>8,516,837</u>
<b>Band equity</b>	<u>\$ 23,336,292</u>	<u>\$ 19,739,050</u>
<b>Band equity</b>		
Accumulated surplus (Note 14) - page 6	\$ 22,553,638	\$ 18,994,662
Replacement reserve	511,273	473,007
	<u>23,064,911</u>	<u>19,467,669</u>
Contributed surplus	271,381	271,381
	<u>\$ 23,336,292</u>	<u>\$ 19,739,050</u>

Contingent liabilities (Note 19)

Approved on behalf of Soda Creek Indian Band

  
Chief  
Councilor

The accompanying notes are an integral part of this statement.

**SODA CREEK INDIAN BAND****Consolidated Statement of Changes in Net Financial Assets****Year Ended March 31, 2020**

	2020 Budget (Unaudited)	2020 Total	2019 Total
<b>Net revenue for the year</b>	\$ (168,605)	\$ 3,558,976	\$ 4,387,165
Amortization	-	350,677	331,724
Change in replacement reserve	-	38,266	60,009
Tangible capital asset acquisitions	-	(830,427)	(275,719)
Change in prepaid expenses	-	(25,294)	(4,289)
	(168,605)	3,092,198	4,498,890
<b>Net financial assets - beginning of year</b>	11,222,213	11,222,213	6,723,323
<b>Net assets - end of year</b>	\$ 11,053,608	\$ 14,314,411	\$ 11,222,213

The accompanying notes are an integral part of this statement.

**SODA CREEK INDIAN BAND**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2019**

	2020 Budget (Unaudited)	Total 2020	Total 2019
<b>Revenues</b> <i>(from Schedule 1)</i>	4,122,691	<b>\$ 7,695,205</b>	<b>\$ 7,373,840</b>
Transfer from deferred revenue	-	<b>314,347</b>	131,455
Transfer to deferred revenue	-	<b>(325,242)</b>	(314,347)
	4,122,691	<b>7,684,310</b>	7,190,948
<b>Expenses</b> <i>(Schedule 2)</i>	4,291,296	<b>4,481,897</b>	4,717,852
<b>Net revenue before the following</b>	(168,605)	<b>3,202,413</b>	2,463,096
<b>Other income (expenses)</b>			
ISC recoveries	-	<b>(34,099)</b>	-
Share in operating results of Band Owned Enterprises	-	<b>(439,765)</b>	1,648,350
Increase in tangible capital assets	-	<b>830,427</b>	275,719
	-	<b>356,563</b>	1,924,069
<b>Net revenue for the year</b>	(168,605)	<b>3,558,976</b>	2,492,058
<b>Accumulated surplus - beginning of year</b>	1,894,662	<b>18,994,662</b>	14,607,497
<b>Accumulated surplus - end of year - page 4</b>	<b>\$ 1,726,057</b>	<b>\$ 22,553,638</b>	<b>\$ 18,994,662</b>

The accompanying notes are an integral part of this statement.

**SODA CREEK INDIAN BAND****Consolidated Revenues****(Schedule 1)****Year Ended March 31, 2020**

	Budget 2020 (Unaudited)	2020	2019
<b>Revenues</b>			
Federal Government			
ISC - Operating	\$ 1,446,070	\$ 1,920,178	\$ 1,944,617
ISC - Capital	-	676,337	35,424
Northern Shuswap Treaty Society	434,014	434,015	411,914
Three Corners Health Society	302,748	305,648	309,856
CCATEC	58,102	55,059	37,631
CMHC	130,025	130,025	69,654
First Nations Health Authority	119,110	123,423	1,000
Northern Shuswap Tribal Council	-	51,105	-
Canada Summer Jobs	13,500	8,191	-
National Energy	211,670	21,600	-
Province of British Columbia	241,266	2,528,913	1,000,449
BC Wildfires	-	78,963	-
Mount Polley Mining Corporation	-	-	887,132
Rentals	206,240	178,122	247,501
Taxation	136,390	136,390	133,715
Administration and management fees	(9,970)	3,770	41,191
Northern Development Trust	13,248	-	-
Knucwentwecw Society	75,500	115,500	55,000
Tolko Industries Ltd.	60,000	60,000	75,000
FNESC	13,938	34,200	8,587
Enbridge	16,000	67,500	132,442
Canadian Red Cross	-	-	23,517
Interest	-	164,485	105,789
New Relationship Trust	2,500	22,500	3,000
Archaeology Projects	28,000	68,565	62,147
Gibraltar Mines	-	130,500	788,055
Barkerville Gold Mines	-	6,272	-
All other sources	214,097	373,944	334,659
Trust funds held by Canada	-	-	665,560
	<b>\$ 3,712,448</b>	<b>\$ 7,695,205</b>	<b>\$ 7,373,840</b>

The accompanying notes are an integral part of this statement.

**SODA CREEK INDIAN BAND****Consolidated Expenses****(Schedule 2)****Year Ended March 31, 2019**

	2019 Budget (Unaudited)	Total 2020	Total 2019
Administration	\$ 995,730	\$ 907,661	\$ 1,321,492
Amortization	-	350,677	331,724
Capital improvement projects	-	-	207,774
Education	714,611	607,240	716,104
Health and well-being	487,031	481,635	295,452
Housing	235,112	169,009	99,011
Natural resources	630,888	390,109	319,618
Infrastructure	350,387	559,290	412,795
Social development	414,079	415,655	420,558
Archaeology projects	43,200	47,837	63,387
Treaty	431,038	393,661	420,030
Chief and Council	183,679	159,123	109,907
	<u>\$ 4,485,755</u>	<u>\$ 4,481,897</u>	<u>\$ 4,717,852</u>

The accompanying notes are an integral part of this statement.

**SODA CREEK INDIAN BAND**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2020**

	2020	2019
<b>Cash flows from operating activities</b>		
Net revenue for the year	\$ 3,558,976	\$ 4,387,165
Items not affecting cash:		
Amortization	350,677	331,724
Share in operating results of Band Owned Enterprises	439,765	(1,648,350)
	<u>4,349,418</u>	<u>3,070,539</u>
Changes in non-cash accounts:		
Restricted cash	(22,750)	(20,342)
Accounts receivable	464,253	(283,566)
Ranch Inventory	(1,080,300)	-
Accounts payable and accrued liabilities	8,561	(197,095)
Deferred revenue	10,895	182,893
Prepaid expenses	(25,295)	(4,289)
Replacement reserve	38,266	60,008
	<u>(606,370)</u>	<u>(262,391)</u>
Cash flows from operating activities	<u>3,743,048</u>	<u>2,808,148</u>
<b>Cash flows from (used in) investing activities</b>		
Change in trust funds held by Canada	(11,709)	(663,421)
Partner's withdrawal from Xat'Sull Limited Partnership	-	250,000
Cash flows from (used in) investing activities	<u>(11,709)</u>	<u>(413,421)</u>
<b>Cash flows used in financing activities</b>		
Repayment of long term debt	<u>(75,088)</u>	<u>(74,237)</u>
<b>Cash flows used in capital activities</b>		
Tangible capital asset acquisitions	<u>(830,427)</u>	<u>(275,719)</u>
<b>Increase in cash flow</b>	<b>2,825,824</b>	<b>2,044,771</b>
Cash - beginning of year	<u>8,035,170</u>	<u>5,990,399</u>
<b>Cash - end of year (Note 4)</b>	<b>\$ 10,860,994</b>	<b>\$ 8,035,170</b>

The accompanying notes are an integral part of this statement.

**SODA CREEK INDIAN BAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2020**

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**1. Basis of presentation**

In order to satisfy the Reporting Guide's Financial Reporting Requirements as issued by Indigenous Services Canada (ISC) these consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards, as defined in the Chartered Professional Accountants - Canada Public Sector Accounting Handbook, which encompasses the following:

- a. The focus of PSAB statements is on the consolidated financial position of the Band and the changes thereto. The Consolidated Statement of Financial Position includes all the assets and liabilities of the Band. Financial assets are economic resources controlled by the Band as a result of past transactions from which future economic benefits may be obtained. Liabilities are present obligations of the Band to others arising from past transactions, the settlement of which is expected to result in the future sacrifice of economic benefits.
- b. Soda Creek Indian Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions.

The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements. Details of the operation of each fund are set out in the supplementary schedules.

Soda Creek Indian Band maintains the following funds:

- The Operations Fund which reports the general activities of the Band.
  - The Capital Fund which reports the capital projects of the Band together with their related financing, other than those tangible capital assets funded by CMHC and the Enterprise Fund.
  - The Enterprise Fund which reports the Band's investment in Band owned enterprises.
  - The Trust Fund which reports on the trust funds owned by the Band and held by third parties.
  - The CMHC Social Housing Fund which reports assets, liabilities, revenues, expenses and reserves specifically related to housing funded by CMHC.
  - The Treaty Self-Government Fund which reports on activities related to treaty negotiations.
- c. Reporting entity and principles of financial reporting

The Soda Creek Indian Band reporting entity includes the Band and all related entities which are accountable to the Chief and Council and are either owned or controlled by the Band.

The consolidated financial statements include the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Band government administration (Operating and Capital funds)
- Band Enterprise Fund
- Band Trust Fund (comprising the Ottawa Trust Funds)
- Band CMHC Social Housing Fund
- Treaty Self-Government Fund

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

**SODA CREEK INDIAN BAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2020**

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**2. Summary of significant accounting policies**

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

Inventory

Inventory of ranch supplies is recorded at the lower of cost and net realizable value on the first-in-first-out method. Biological assets, such as livestock ranch inventory are recorded at fair value less estimated costs to sell at the point of sale in accordance with IAS41 (International Accounting Standards), since Public Sector Accounting Standards does not address the treatment biological assets.

Tangible capital assets

Tangible capital assets are non-financial assets having physical substance that:

- Are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- Have useful economic lives extending beyond an accounting period;
- Are to be used on a continuing basis; and
- Are not for sale in the ordinary course of operations.

Tangible capital assets purchased are recorded at cost. Tangible capital assets contributed are recorded at the fair market value as at the date of the contribution.

Tangible capital assets are amortized over their expected useful life using the declining balance method at the following rates:

Community centre building	2%
Buildings	4%
Community infrastructure	4%
Equipment and machinery	20%
Automotive equipment	20%
Office furniture and equipment	20%

Assets under construction are not amortized as they are not available for use.

Housing tangible capital assets acquired under Canada Mortgage and Housing Corporation sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in the related long term debt, as required for Canada Mortgage and Housing Corporation reporting purposes.

Investments

The Band accounts for its investment in Band owned enterprises using the equity method. Under this method, the investment is initially recorded at cost and then increased or decreased to recognize subsequent earnings or losses. The investment is also increased or decreased to reflect advances to or repayments from the Limited Partnership.

*(continues)*

**SODA CREEK INDIAN BAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2020**

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**2. Summary of significant accounting policies (*continued*)**

Surplus recoveries and deficit funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

Trust funds held by Canada (Ottawa Trust Fund)

Ottawa Trust Fund operating account revenues are recorded on an accrual basis, and include interest earned on the Ottawa Trust account.

Revenue recognition

Revenue is recognized as it becomes receivable and collection is reasonably assured under the terms of applicable funding agreements. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Consolidated Statement of Financial Position.

Expenses are accounted for in the period the goods and services are acquired and a liability is incurred, or transfers are due.

Rental revenue is recognized when a tenant commences occupancy and rent is due. Soda Creek Indian Band retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the impairment of assets, and rates for depreciation and amortization. Actual results could differ from those estimates.

Liability for contaminated sites

The Band recognizes a liability for contaminated sites when as at the reporting date:

- a) An environmental standard exists;
- b) Contamination exceeds the environmental standard;
- c) the government is directly responsible or accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

The Band has reviewed the implications of the Section and has concluded that it is not exposed to any contaminated sites. It has therefore not recorded any liability for remediation of contaminated sites.

**3. Economic dependence**

The Soda Creek Indian Band receives a significant portion of its revenues pursuant to funding arrangements with Indigenous Services Canada. The Band's ability to continue operations would be severely hampered should this funding be discontinued.

**SODA CREEK INDIAN BAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2020**

**4. Cash**

	2020	2019
Operations	\$ 10,662,883	\$ 7,938,031
CMHC Housing Program	83,901	73,117
Treaty self government program	114,210	24,022
	<b>\$ 10,860,994</b>	<b>\$ 8,035,170</b>

**5. Cash restricted as to use**

	2020	2019
Replacement reserve	<b>\$ 344,674</b>	<b>\$ 321,924</b>

Under the terms of the Band's Social Housing Agreement with Canada Mortgage and Housing Corporation, a separate replacement reserve account is maintained. The funds in this account may only be used for repairs and maintenance as approved by Canada Mortgage and Housing Corporation.

**6. Accounts receivable**

	2020	2019
Due from Band members		
Housing program	\$ 302,460	\$ 283,683
Other	-	-
	<b>302,460</b>	283,683
Less: Allowance for doubtful accounts	<b>99,055</b>	99,055
	<b>203,405</b>	184,628
Due from others:		
Mount Polley Mining Corporation	-	90,000
Indigenous Services Canada	142,611	286,811
Province of British Columbia	59,151	259,048
Northern Shuswap Treaty Society	-	107,722
Three Corners Health Services Society	75,437	75,437
Enbridge	3,210	25,000
CCATEC	8,866	-
Tolko	35,000	-
GST recoverable	3,677	-
CMHC	2,684	27,308
First Nations Health Authority	8,400	-
All others	99,809	50,549
	<b>438,845</b>	921,875
	<b>\$ 642,250</b>	<b>\$ 1,106,503</b>

**SODA CREEK INDIAN BAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2020**

**7. Trust funds held by Canada**

	<u>2020</u>	<u>2019</u>
Trust funds held by Canada	<b>\$ 677,172</b>	<b>\$ 665,463</b>

The Ottawa Trust Accounts arise from monies 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 governed primarily by Sections 63 and 69 of the *Indian Act*.

**8. Investments**

Transactions for the year in the Band's investments are summarized below:

	<u>2020</u>	<u>2019</u>
Xat'sull Limited Partnership interest - beginning of year	<b>\$ 1,646,693</b>	\$ 765,163
Share in net revenues of the partnership	<b>(302,602)</b>	1,131,530
Distribution (by) to Limited Partnership	<b>29,363</b>	(250,000)
Xat'sull Limited Partnership interest - end of year	<b>1,373,454</b>	1,646,693
Likely Xat'sull Community Forest Ltd.	<b>379,657</b>	516,820
Shares in Xat'sull Logging Ltd.	<b>1</b>	1
Shares in Xat'sull Development Ltd.	<b>1</b>	1
	<b>\$ 1,753,113</b>	<b>\$ 2,163,515</b>

**9. Accounts payable and accrued liabilities**

	<u>2020</u>	<u>2019</u>
Trade accounts	<b>\$ 257,721</b>	\$ 279,104
Accrued payroll and source deductions	<b>125,692</b>	95,747
Other accrued liabilities	<b>17,000</b>	17,000
	<b>\$ 400,413</b>	<b>\$ 391,851</b>

**SODA CREEK INDIAN BAND****Notes to Consolidated Financial Statements****Year Ended March 31, 2020****10. Deferred revenue**

Deferred revenue includes funding received in advance of expenditures being made in respect of the following projects:

	<b>2020</b>	<b>2019</b>
Indigenous Services Canada	\$ -	\$ 64,714
Province of British Columbia	<b>110,000</b>	121,290
Unearned rentals	<b>450</b>	3,600
Enbridge pipeline project	<b>132,442</b>	82,442
Forestry harvest revenues	<b>25,000</b>	25,000
Strategic Forestry Initiative	<b>20,000</b>	-
Nenqayni Wellness Society	<b>14,850</b>	14,850
IHA - Food Action Initiative	<b>10,000</b>	-
First Nations Financial Management Board	<b>7,500</b>	-
Tolko	<b>5,000</b>	-
WL Central Business Improvement Area Association	-	2,451
	<b>\$ 325,242</b>	<b>\$ 314,347</b>

**11. Long term debt**

	<b>2020</b>	<b>2019</b>
All Nations Trust mortgage loan bearing interest at 1.04% per annum, repayable in monthly blended payments of \$2,298. The loan matures on June 1, 2020.	<b>\$ 6,883</b>	\$ 34,237
All Nations Trust mortgage loan bearing interest at 1.03% per annum, repayable in monthly blended payments of \$2,181. The loan matures on August 1, 2021.	<b>36,791</b>	62,441
All Nations Trust mortgage loan bearing interest at 1.43% per annum, repayable in monthly blended payments of \$2,047. The loan matures on February 1, 2027.	<b>161,728</b>	183,812
	<b>\$ 205,402</b>	<b>\$ 280,490</b>

Principal repayment requirements are approximately:

2021	\$ 55,200
2022	33,600
2023	23,051
2024	23,383
2025	23,719
Thereafter	46,449
	<b>\$ 205,402</b>

Long term debt is secured by the ministerial guarantee of the Minister of Finance - Canada.

**SODA CREEK INDIAN BAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2020**

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**12. Due to related party**

	<u>2020</u>	<u>2019</u>
Due to Xat'sull Limited Partnership	<u>\$ 113,035</u>	<u>\$ 83,672</u>

The amount owing is unsecured and non-interest bearing with no specific terms of repayment.

# SODA CREEK INDIAN BAND

## Notes to Consolidated Financial Statements

Year Ended March 31, 2020

### 13. Tangible capital assets

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	\$ 337,995	\$ -	\$ 337,995	\$ 337,995
Buildings				
Community building	4,191,929	307,893	3,884,036	3,963,302
Soda Creek Emporium	122,988	93,848	29,140	30,396
Campsite building	97,384	20,628	76,756	79,955
Xat'sull Heritage Village buildings	147,542	79,573	67,969	70,801
Community infrastructure	5,433,313	2,932,299	2,501,014	2,390,399
Equipment and machinery	101,052	95,957	5,095	6,370
Automotive equipment	383,283	204,226	179,057	109,590
Office furniture and equipment	135,322	119,440	15,882	19,853
Ranch				
Automotive	57,000	156	56,844	-
Machinery	457,900	1,255	456,645	-
Health Centre				
Building	1,897,727	781,481	1,116,246	1,162,756
Equipment	82,654	80,958	1,696	2,121
CMHC				
Buildings and equipment	1,689,637	1,484,235	205,402	280,490
	<b>\$ 15,135,726</b>	<b>\$ 6,201,949</b>	<b>\$ 8,933,777</b>	<b>\$ 8,454,028</b>

The Band made the following tangible capital asset purchases in 2020

Water well project	\$ 215,384
Health Van (2017 Toyota Sienna)	33,144
Water Truck (2017 Dodge Ram)	24,999
Infrastructure Truck (2011 F350)	42,000
Ranch Vehicles	57,000
Ranch Machinery	457,900
	<b>\$ 830,427</b>

Accumulated amortization:	Balance April 1, 2019	2020 Provision	Balance March 31, 2020
Buildings			
Soda Creek Emporium	92,592	1,256	93,848
Campsite building	17,429	3,199	20,628
Xat'sull Heritage Village buildings	76,741	2,832	79,573
Community infrastructure	2,827,530	104,770	2,932,300
Equipment and machinery	94,683	1,274	95,957
Automotive equipment	173,550	30,676	204,226
Office furniture and equipment	115,469	3,971	119,440
Health Centre			
Building	734,971	46,510	781,481
Equipment	80,533	424	80,957
Ranch			
Automotive	-	156	156
Machinery	-	1,255	1,255

(continues)

**SODA CREEK INDIAN BAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2020**

**13. Tangible capital assets (continued)**

CMHC			
Buildings and equipment	1,409,147	75,088	<b>1,484,235</b>
	<b>\$ 5,851,372</b>	<b>\$ 350,677</b>	<b>\$ 6,201,949</b>

There were no asset write-downs during the year (2019 - \$nil).

**14. Band equity - accumulated surplus**

Accumulated surplus consists of the following fund balances:

	<b>2020</b>	<b>2019</b>
Operating and Capital Projects Fund	<b>\$ 19,515,094</b>	\$ 15,535,501
CMHC Social Housing Fund	<b>(10,984)</b>	(21,448)
Investment in Band Business Enterprises	<b>2,269,659</b>	2,709,424
Ottawa Trust Fund	<b>677,172</b>	665,440
Treaty Self Government Program	<b>102,697</b>	105,745
	<b>\$ 22,553,638</b>	\$ 18,994,662

**15. Replacement reserve**

The replacement reserve represents funds set aside by the Band to fund future anticipated costs. The reserve fund balance consists of the following amounts:

	<b>2020</b>	<b>2019</b>
CMHC replacement reserve - beginning of year	<b>\$ 382,007</b>	\$ 364,999
Appropriation	<b>21,453</b>	21,453
Replacements	<b>(16,367)</b>	(8,193)
Interest	<b>8,180</b>	1,096
CMHC adjustment	<b>-</b>	2,652
Equipment replacement reserves	<b>116,000</b>	91,000
Replacement reserves - end of year	<b>\$ 511,273</b>	\$ 473,007

Under the terms of the mortgage agreements with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$21,453 annually. These funds, along with accumulating interest are to be held in a separate bank account. The funds in this account may only be used as approved by Canada Mortgage and Housing Corporation.

As at the year-end, the reserve is unfunded by the amount of \$50,599 - (2019 - \$60,083).

**SODA CREEK INDIAN BAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2020**

**16. Contributed surplus**

	<u>2020</u>	<u>2019</u>
Contributed surplus consists of the following:		
Band contribution to social housing program	<u>\$ 271,381</u>	<u>\$ 271,381</u>

**17. Financial instruments and risk management**

The Band's financial instruments consist of cash, cash restricted as to use, accounts receivable, trust funds held by Canada, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the Band is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The Band is exposed to financial risk that arises from the credit quality of the entities to which it provides services. Credit risk arises from the possibility that the entities to which the Band provides services may experience financial difficulty and be unable to fulfill their obligations.

The Band is exposed to interest rate risk arising from fluctuations in interest rates on its cash and investments and does not hold any financial instruments that mitigate this risk.

**18. Federal assistance payments**

Soda Creek Indian Band Social Housing Fund has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56-1 of the National Housing Act to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of the assistance received for the year ended March 31, 2019 was \$32,211 (2018 - \$39,573). This assistance will continue, providing the Band is not in default of the agreement.

**19. Contingent liabilities**

The Band has guaranteed loans under the CMHC Housing Program with balances as at March 31, 2019 aggregating \$280,490 (2018 - \$354,728) and a loan made to a band member in the original amount of \$110,000 with a balance as at March 31, 2019 of \$16,482 (2018 - \$18,318).

**20. Reconciliation of ISC Comprehensive Funding Arrangement Revenue**

Pursuant to the Indigenous and Northern Affairs Canada Reporting Guide's Financial Reporting Requirements, the following reconciliation has been prepared:

ISC Revenue as per Statement of Operations	
ISC - Operating	\$ 1,920,178
ISC - Capital	676,337
	<u>\$ 2,596,515</u>
ISC Funding Confirmation Report amount	\$ 2,336,176
2019 Deferred revenue	64,714
Paid to Williams Lake Indian Band in error	195,625
	<u>\$ 2,596,515</u>

**SODA CREEK INDIAN BAND****Notes to Consolidated Financial Statements****Year Ended March 31, 2020**

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**21. Band registered pension plan**

The Band provides a defined contribution pension plan to qualifying employees. Under the plan, the defined members' contributions, the Band contributions, and the related plan earnings comprise the members' money purchase amount. The plan is registered with the Canada Revenue Agency.

The Band contributed \$21,320 to the plan during the year ended March 31, 2020 (2019 - \$29,141), to match its employees' required contributions.

**22. Expenses by object**

	<u>2020</u>	<u>2019</u>
Amortization	\$ 350,677	\$ 348,272
Contracted services	1,055,171	995,356
Honoraria	123,794	149,717
Insurance and licenses	72,190	47,572
Interest	7,152	8,281
Materials and supplies	139,940	537,167
Rent, maintenance and utilities	429,995	388,816
Salaries, wages and benefits	1,393,413	1,353,656
Social assistance	371,317	338,693
Travel	129,779	86,957
Tuition and education related	408,469	479,912
	<u>\$ 4,481,897</u>	<u>\$ 4,734,400</u>