

**Spuzzum First Nation**  
**Financial Statements**  
*March 31, 2020*

**Spuzzum First Nation**  
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*For the year ended March 31, 2020*

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## Management's Responsibility

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To the Members of Spuzzum First Nation:

The accompanying financial statements of Spuzzum First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Spuzzum First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

June 17, 2021

Signed by: Crystal-Anne Hatzidimitriou

Administrator

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To the Members of Spuzzum First Nation:

### Opinion

We have audited the financial statements of Spuzzum First Nation (the "First Nation"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2020, and the results of its operations, changes in its net financial assets and its 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 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 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 financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters 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.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Chilliwack, British Columbia

June 17, 2021

*MNP LLP*  
Chartered Professional Accountants

**Spuzzum First Nation**  
**Statement of Financial Position**  
*As at March 31, 2020*

	2020	2019
<b>Financial assets</b>		
Cash and cash equivalents	1,571,185	601,692
Restricted cash (Note 3)	68,345	63,852
Accounts receivable	128,535	229,106
Investments (Note 4)	5,710	5,600
Investments in Nation partnerships (Note 5)	1,365,655	1,314,242
Funds held in trust (Note 6)	786,220	773,092
<b>Total of financial assets</b>	<b>3,925,650</b>	<b>2,987,584</b>
<b>Liabilities</b>		
Accounts payable and accruals	98,960	389,511
Long-term debt (Note 7)	635,911	18,512
Term loans due on demand (Note 8)	1,139,761	286,514
<b>Total of financial liabilities</b>	<b>1,874,632</b>	<b>694,537</b>
<b>Net financial assets</b>	<b>2,051,018</b>	<b>2,293,047</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	3,063,329	2,004,314
Prepaid expenses	14,400	8,460
<b>Total non-financial assets</b>	<b>3,077,729</b>	<b>2,012,774</b>
<b>Accumulated surplus (Note 9)</b>	<b>5,128,747</b>	<b>4,305,821</b>

Approved on behalf of the Council

Signed by: Chief James Hobart

Chief

Signed by: Diana Stromquist

Councillor

Signed by: Councillor Angie Mitchell

Councillor

**Spuzzum First Nation**  
**Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2020*

	<i>Schedules</i>	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
<b>Revenue</b>				
Indigenous Services Canada		586,095	1,343,273	1,420,009
Province of British Columbia		-	78,616	60,071
Canada Mortgage and Housing Corporation		-	24,529	24,529
First Nation Health Authority		-	19,446	154,597
BC FN Gaming Revenue Sharing LP		-	326,578	37,090
Fraser Thompson Indian Services Society		145,711	155,921	177,994
Other revenue		13,567	169,548	173,122
Rental income		-	41,975	47,937
Earnings from investment in Nation partnerships		-	51,413	44,268
Property tax		41,164	23,281	41,165
Sto:lo Aboriginal Skills & Training		-	19,080	26,132
First Nation Education Steering Committee		-	27,267	3,000
		<b>786,537</b>	<b>2,280,927</b>	<b>2,209,914</b>
<b>Program expenses</b>				
Band Government	3	176,713	425,561	400,539
Social Development	4	63,248	104,476	168,485
Economic Development	5	-	63,022	42,026
Education	6	298,097	339,790	340,342
Health	7	102,050	144,535	201,709
Community Infrastructure	8	88,144	143,568	198,257
Capital Projects	9	-	40,519	233,458
Other	10	-	196,530	156,617
<b>Total expenditures</b>		<b>728,252</b>	<b>1,458,001</b>	<b>1,741,433</b>
<b>Annual surplus</b>		<b>58,285</b>	<b>822,926</b>	<b>468,481</b>
<b>Accumulated surplus, beginning of year</b>		<b>4,305,821</b>	<b>4,305,821</b>	<b>3,837,340</b>
<b>Accumulated surplus, end of year (Note 9)</b>		<b>4,364,106</b>	<b>5,128,747</b>	<b>4,305,821</b>

**Spuzzum First Nation**  
**Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2020*

	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
<b>Annual surplus</b>	<b>58,285</b>	<b>822,926</b>	468,481
Purchases of tangible capital assets	-	(1,231,477)	(375,525)
Amortization of tangible capital assets	-	172,462	144,956
	-	(1,059,015)	(230,569)
Acquisition of prepaid expenses	-	(14,400)	(8,462)
Use of prepaid expenses	-	8,460	10,498
	-	(5,940)	2,036
<b>Increase (decrease) in net financial assets</b>	<b>58,285</b>	<b>(242,029)</b>	239,948
<b>Net financial assets, beginning of year</b>	<b>2,293,047</b>	<b>2,293,047</b>	2,053,099
<b>Net financial assets, end of year</b>	<b>2,351,332</b>	<b>2,051,018</b>	2,293,047



**Spuzzum First Nation**  
**Statement of Cash Flows**  
*For the year ended March 31, 2020*

	2020	2019
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	822,926	468,481
Non-cash items		
Amortization	172,462	144,956
Earnings from investment in Nation partnerships	(51,413)	(44,268)
	943,975	569,169
Changes in working capital accounts		
Accounts receivable	100,571	(81,632)
Prepaid expenses	(5,940)	2,036
Accounts payable and accruals	(290,551)	221,666
Deferred revenue	-	(597,240)
Restricted cash	(4,493)	(21,614)
Funds held in trust	(13,128)	(17,987)
	730,434	74,398
<b>Financing activities</b>		
Advances of long-term debt	630,436	-
Repayment of long-term debt	(13,037)	(12,893)
Advances of terms loans due on demand	863,580	-
Repayment of terms loans due on demand	(10,333)	(10,132)
	1,470,646	(23,025)
<b>Capital activities</b>		
Purchases of tangible capital assets	(1,231,477)	(375,525)
<b>Investing activities</b>		
Purchase of investments	(110)	-
<b>Increase (decrease) in cash resources</b>	969,493	(324,152)
<b>Cash resources, beginning of year</b>	601,692	925,844
<b>Cash resources, end of year</b>	1,571,185	601,692
<b>Supplementary cash flow information</b>		
Interest paid	19,954	7,001

**1. Operations**

Spuzzum First Nation (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Spuzzum First Nation includes the First Nation's government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

***Impact on operations of COVID-19 (coronavirus)***

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation / quarantine orders.

The Nation's operations were not significantly impacted by COVID-19 during the 2020 fiscal year.

At this time, it is unknown the extent of the impact of COVID-19 outbreak may have on the Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and isolation / quarantine measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Company's business and financial condition.

**2. Significant accounting policies**

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

***Basis of presentation***

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

***Asset classification***

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

***Measurement uncertainty***

The preparation of 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 financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

***Net financial assets***

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

***Cash and cash equivalents***

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**2. Significant accounting policies** *(Continued from previous page)*

***Funds held in Ottawa Trust Fund***

Funds held in trust on behalf of First Nation members by the Indigenous Services Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

***Amortization***

Tangible capital assets are amortized annually using the following methods at terms intended to amortize the cost of the assets over their estimated useful lives:

	<b><i>Method</i></b>	<b><i>Term</i></b>
Buildings	straight-line	25 years
Equipment	straight-line	5 years
Housing	straight-line	25 years
CMHC Housing	straight-line	25 years
Infrastructure	straight-line	25 years
Water systems	straight-line	25 years
Vehicles	straight-line	5 years

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the First Nation determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

***Revenue recognition***

***Government Transfers***

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

***Housing Rental Income***

Rental revenue is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

***Funds held in Ottawa Trust Fund***

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

**2. Significant accounting policies** *(Continued from previous page)*

***Own source revenue***

Own source revenue derived from such sources as resource based revenues, interest income and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

***Investments***

The First Nation uses the modified equity method to account for its investment in Nlaka'pamux Resource Limited Partnership whereby the Nation records its proportionate share of annual earnings as revenue.

The First Nation uses the cost method to account for its investment in the BC FN Gaming Revenue Sharing LP and related corporation.

Other equity investments not traded in an active market are recorded at cost less impairment.

***Liability for contaminated site***

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. Management has determined that no liability exists as at March 31, 2020.

***Segments***

The First Nation conducts its business through 8 of reportable segments: Band Government, Social Development, Economic Development, Education, Health, Community Infrastructure, Capital Projects and Other. These operating segments are established by senior management to facilitate the achievement of Spuzzum First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements.

**Spuzzum First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2020*

**3. Restricted cash**

	2020	2019
Replacement Reserve	66,545	62,054
Subsidy Surplus Reserve	1,800	1,798
<b>Total</b>	<b>68,345</b>	<b>63,852</b>

**Replacement Reserve**

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") the Nation established a replacement reserve, established by an annual allocation of \$4,062 (2019 - \$4,062), to ensure replacement of buildings financed by CMHC. At March 31, 2020 this reserve was fully funded (2019 - fully funded).

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

**Subsidy surplus reserve**

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") excess federal assistance payments received may be retained in a subsidy surplus reserve up to a maximum of \$500 per unit plus interest. At March 31, 2020 this reserve was fully funded (2019 - fully funded).

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

**4. Investments**

	2020	2019
<b>Measured at cost:</b>		
All Nation's Trust Company, 8400 Class A Common Shares	5,600	5,600
BC First Nations Gaming Revenue Sharing LP - Partnership Unit	100	-
BC First Nations Gaming Sharing General Partner Ltd. - Common Share	10	-
	<b>5,710</b>	<b>5,600</b>

**5. Investments in Nation partnerships**

	<i>Opening Partner's Capital</i>	<i>Net Income</i>	<i>Withdrawal</i>	2020 <i>Total investment</i>
Nlaka'pamux Resources Limited Partnership (17.9%)	1,314,242	51,413	-	1,365,655
				2019
	<i>Opening Partner's Capital</i>	<i>Net Income</i>	<i>Withdrawals</i>	<i>Total investment</i>
<b>First Nation Business Partnerships – Modified Equity:</b>				
Nlaka'pamux Resources Limited Partnership (17.9%)	1,347,290	45,652	(78,700)	1,314,242

*Continued on next page*

**Spuzzum First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2020*

**5. Investment in Nation partnerships** *(Continued from previous page)*

The First Nation's investment in Nlaka'pamux Resources Limited Partnership was established for the purpose of pursuing commercial economic development opportunities. Summary financial information for this investment, accounted for using the modified equity method, at December 31, 2020 is as follows:

	<i>As at December 31, 2020</i>	<i>As at December 31, 2019</i>
<b>Assets</b>		
Current assets	632,240	283,286
Long-term assets	7,073,870	7,122,478
<b>Total assets</b>	<b>7,706,110</b>	<b>7,405,764</b>
<b>Liabilities &amp; Partners' Capital</b>		
Current liabilities	78,179	64,960
Partners' Capital	7,627,931	7,340,804
<b>Total liabilities &amp; Partners' Capital</b>	<b>7,706,110</b>	<b>7,405,764</b>
<b>Total revenue</b>	<b>303,764</b>	<b>320,057</b>
<b>Total expenses</b>	<b>16,637</b>	<b>65,106</b>
<b>Net income</b>	<b>287,127</b>	<b>254,951</b>

**6. Funds held in trust**

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

	<i>2020</i>	<i>2019</i>
<b>Capital Trust</b>		
Balance, beginning of year	<b>34,161</b>	34,161
<b>Revenue Trust</b>		
Balance, beginning of year	<b>738,931</b>	720,944
Interest	<b>12,439</b>	17,307
Provincial grants	<b>689</b>	680
Balance, end of year	<b>752,059</b>	738,931
	<b>786,220</b>	773,092

**Spuzzum First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2020*

**7. Long-term debt**

	<b>2020</b>	<b>2019</b>
All Nation's Trust Company mortgage, payments of \$1,098 per month including interest at 1.11%, due on August 1, 2020.	<b>5,474</b>	18,512
All Nation's Trust Company mortgage, payments of \$6,272 per month including interest at 0.79%, due on January 1, 2036.	<b>630,437</b>	-
	<b>635,911</b>	18,512

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment, are estimated as follows:

2021	70,531
2022	71,090
2023	71,654
2024	72,222
2025	72,794

**8. Term loans due on demand**

	<b>2020</b>	<b>2019</b>
Royal Bank of Canada interim financing bearing interest at prime plus 0.50%, payable in full on September 1, 2020	<b>839,283</b>	-
Royal Bank of Canada revolving term loan bearing interest at 2.30%, payable in blended monthly installments of \$1,404, due on November 1, 2020	<b>276,181</b>	286,514
Royal Bank of Canada revolving term loan bearing interest prime plus 0.5%, payable in blended monthly installments of \$557, due on April 5, 2021	<b>24,297</b>	-
	<b>1,139,761</b>	286,514

Principal repayments on long-term debt in each of the next five years are estimate as follows:

2021	855,939
2022	17,083
2023	17,522
2024	16,967
2025	11,628

**Spuzzum First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2020*

**9. Accumulated surplus**

Accumulated surplus consists of the following:

	2020	2019
Equity in Ottawa Trust funds	786,220	773,092
CMHC Reserves funds	50,107	34,798
Operating surplus	3,004,762	1,798,645
Equity in Tangible Capital Assets	1,287,658	1,699,286
	<b>5,128,747</b>	<b>4,305,821</b>

**10. Segments**

The First Nation conducts its business through eight reportable segments. These segments are differentiated by major activities; accountability and control relationships.

Band Government - Includes general operation, support, and financial management of the First Nation and activities related to administering projects the First Nation is involved in annually and on an on-going basis relating to the overall objectives of the First Nation.

Social Development - Includes services offered to community members. Services include, but are not limited to, income assistance, child and family support, and early childhood development.

Economic Development - Includes activities related to the growth of revenue producing projects within the First Nation.

Education - Includes activities related to education at all levels, including elementary, secondary and post-secondary.

Health - Includes activities related to the provision of health services for the community and its members.

Community Infrastructure - Includes activities related to construction contracts and general community maintenance. It also includes activities related to the administration and management of band-owned housing units, and renovation projects for private homeowners.

Capital Projects - Includes activities related to capital projects within the community undertaken to support growth and/or maintenance of the First Nation's infrastructure.

Other - Other activities include administration and management of Ottawa Trust Funds and Tangible Capital Assets and activities related to the administration and management of the CMHC Section 95 Housing Operation.

**11. Economic dependence**

Spuzzum First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.



**Spuzzum First Nation**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2020*

	<i>Buildings</i>	<i>CMHC Housing</i>	<i>Housing</i>	<i>Infrastructure</i>	<i>Office Furniture &amp; Equipment</i>	<i>Vehicle</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	576,928	278,436	1,074,969	442,353	465,935	70,490	2,909,111
Acquisition of tangible capital assets	25,851	1,094,722	5,500	11,863	3,691	89,850	1,231,477
Balance, end of year	602,779	1,373,158	1,080,469	454,216	469,626	160,340	4,140,588
<b>Accumulated amortization</b>							
Balance, beginning of year	262,041	259,924	288,342	64,177	383,343	25,369	1,283,196
Annual amortization	23,594	13,032	43,109	21,112	23,484	20,793	145,124
Balance, end of year	285,635	272,956	331,451	85,289	406,827	46,162	1,428,320
<b>Net book value of tangible capital assets</b>	<b>317,144</b>	<b>1,100,202</b>	<b>749,018</b>	<b>368,927</b>	<b>62,799</b>	<b>114,178</b>	<b>2,712,268</b>
Net book value of tangible capital assets 2019	314,887	18,512	786,627	378,176	82,592	45,121	1,625,915

**Spuzzum First Nation**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2020*

	<i>Subtotal</i>	<i>Land</i>	<i>Water Systems</i>	<i>2020</i>	<i>2019</i>
<b>Cost</b>					
Balance, beginning of year	2,909,111	91,350	2,754,683	5,755,144	5,379,619
Acquisition of tangible capital assets	1,231,477	-	-	1,231,477	375,525
Balance, end of year	4,140,588	91,350	2,754,683	6,986,621	5,755,144
<b>Accumulated amortization</b>					
Balance, beginning of year	1,283,196	-	2,467,634	3,750,830	3,605,875
Annual amortization	145,124	-	27,338	172,462	144,955
Balance, end of year	1,428,320	-	2,494,972	3,923,292	3,750,830
<b>Net book value of tangible capital assets</b>	<b>2,712,268</b>	<b>91,350</b>	<b>259,711</b>	<b>3,063,329</b>	<b>2,004,314</b>
Net book value of tangible capital assets 2019	1,625,915	91,350	287,049	2,004,314	

**Spuzzum First Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2020*

	2020	2019
<b>Consolidated expenses by object</b>		
Administration	54,890	95,320
Advertising	-	71
Amortization	172,462	144,956
Automotive	9,054	20,217
Bad debts	15,295	-
Bank charges and interest	2,289	1,704
Contracted services	184,661	418,905
Honoraria	90,750	96,186
Insurance	29,297	26,265
Interest on long-term debt	20,927	7,018
Municipal services	-	6,490
Office supplies and expenses	23,522	32,094
Professional fees	45,260	84,762
Program expense	53,330	81,342
Property tax	918	1,308
Repairs and maintenance	1,864	15,116
Salaries and benefits	366,368	241,550
Special events	35,676	42,608
Student expenses	83,510	47,916
Supplies	36,842	83,461
Telephone	13,468	16,141
Travel	30,562	27,833
Tuition and training	159,417	223,415
Utilities	26,639	21,551
Workshop expenses	-	652
Youth activity	1,000	4,552
	<b>1,458,001</b>	<b>1,741,433</b>

**Spuzzum First Nation  
Band Government**

**Schedule 3 - Schedule of Revenue and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada	232,274	270,138
Province of British Columbia	-	71
First Nation Health Authority	19,446	-
BC FN Gaming Revenue Sharing LP	312,975	1,554
Other revenue	146,548	119,072
Property tax	21,147	-
First Nation Education Steering Committee	2,159	-
Fraser Thompson Indian Services Society	150	-
Rental income	-	5,087
	<b>734,699</b>	<b>395,922</b>
<b>Expenses</b>		
Administration	(27,015)	2,070
Automotive	2,254	396
Bad debts	(1,000)	-
Bank charges and interest	2,285	1,688
Contracted services	39,834	66,317
Honoraria	88,700	94,391
Insurance	12,454	228
Office supplies and expenses	22,920	18,531
Professional fees	45,260	76,180
Property tax	-	29
Repairs and maintenance	271	-
Salaries and benefits	159,303	42,087
Special events	24,195	22,991
Supplies	17,085	8,208
Telephone	9,455	11,749
Travel	23,389	22,647
Tuition and training	712	26,915
Utilities	5,459	5,512
Workshop expenses	-	600
	<b>425,561</b>	<b>400,539</b>
<b>Surplus (deficit) before transfers</b>	<b>309,138</b>	<b>(4,617)</b>
<b>Transfers between programs</b>	<b>26,308</b>	<b>(50,192)</b>
<b>Surplus (deficit)</b>	<b>335,446</b>	<b>(54,809)</b>

**Spuzzum First Nation**  
**Social Development**  
**Schedule 4 - Schedule of Revenue and Expenses and Surplus**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada	119,056	132,334
Province of British Columbia	60,000	60,000
	<b>179,056</b>	192,334
<b>Expenses</b>		
Administration	4,660	10,693
Automotive	4,500	4,918
Bank charges and interest	-	16
Contracted services	5,806	13,476
Honoraria	250	1,795
Office supplies and expenses	-	1,350
Program expense	45,112	73,182
Salaries and benefits	21,297	19,206
Special events	2,897	10,531
Supplies	13,509	23,333
Telephone	57	1,915
Travel	2,152	1,262
Tuition and training	-	127
Utilities	3,236	5,514
Youth activity	1,000	1,167
	<b>104,476</b>	168,485
<b>Surplus before transfers</b>	<b>74,580</b>	23,849
<b>Transfers between programs</b>	-	(6,495)
<b>Surplus</b>	<b>74,580</b>	17,354

**Spuzzum First Nation**  
**Economic Development**  
**Schedule 5 - Schedule of Revenue and Expenses and Surplus**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada	213,334	49,763
Province of British Columbia	18,616	-
Property tax	2,134	41,165
Other revenue	-	272
	<b>234,084</b>	<b>91,200</b>
<b>Expenses</b>		
Administration	12,500	-
Contracted services	49,065	34,165
Professional fees	-	6,582
Property tax	918	1,279
Special events	539	-
	<b>63,022</b>	<b>42,026</b>
<b>Surplus before transfers</b>	<b>171,062</b>	<b>49,174</b>
<b>Transfers between programs</b>	<b>(89,850)</b>	<b>-</b>
<b>Surplus</b>	<b>81,212</b>	<b>49,174</b>

**Spuzzum First Nation  
Education**

**Schedule 6 - Schedule of Revenue and Expenses and Surplus**

*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada	347,501	311,722
Fraser Thompson Indian Services Society	34,383	39,844
Sto:lo Aboriginal Skills & Training	19,080	26,132
First Nation Education Steering Committee	25,108	3,000
Other revenue	20,000	-
	<b>446,072</b>	380,698
<b>Expenses</b>		
Administration	21,810	15,853
Contracted services	25,148	58,140
Honoraria	1,700	-
Office supplies and expenses	22	11
Salaries and benefits	46,610	23,538
Special events	233	2,665
Student expenses	83,435	47,916
Supplies	491	4,744
Travel	1,636	117
Tuition and training	158,705	184,358
Youth activity	-	3,000
	<b>339,790</b>	340,342
<b>Surplus before transfers</b>	<b>106,282</b>	40,356
<b>Transfers between programs</b>	-	(4,412)
<b>Surplus</b>	<b>106,282</b>	35,944

**Spuzzum First Nation  
Health**

**Schedule 7 - Schedule of Revenue and Expenses and Surplus**

*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada	82,570	82,328
First Nation Health Authority	-	154,597
Fraser Thompson Indian Services Society	121,388	138,150
Other revenue	3,000	5,000
	<b>206,958</b>	<b>380,075</b>
<b>Expenses</b>		
Administration	20,195	17,801
Advertising	-	71
Automotive	382	413
Contracted services	14,339	92,622
Honoraria	100	-
Insurance	6,125	-
Office supplies and expenses	454	3,216
Program expense	8,218	8,160
Repairs and maintenance	1,404	-
Salaries and benefits	66,121	50,888
Special events	7,810	6,110
Supplies	2,914	15,387
Telephone	3,956	813
Travel	3,489	2,157
Tuition and training	-	576
Utilities	8,948	3,059
Workshop expenses	-	51
Youth activity	-	385
Bank charges and interest	5	-
Student expenses	75	-
	<b>144,535</b>	<b>201,709</b>
<b>Surplus before transfers</b>	<b>62,423</b>	<b>178,366</b>
<b>Transfers between programs</b>	<b>-</b>	<b>(171,091)</b>
<b>Surplus</b>	<b>62,423</b>	<b>7,275</b>



**Spuzzum First Nation**  
**Community Infrastructure**  
**Schedule 8 - Schedule of Revenue and Expenses and Surplus**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada	110,642	108,836
Other revenue	-	48,778
Rental income	41,975	42,850
	<b>152,617</b>	200,464
<b>Expenses</b>		
Administration	15,465	9,349
Automotive	1,918	14,373
Bad debts	16,295	-
Contracted services	15,014	5,835
Insurance	8,021	23,652
Interest on long-term debt	9,272	6,718
Municipal services	-	6,490
Office supplies and expenses	126	8,985
Repairs and maintenance	189	2,420
Salaries and benefits	73,037	105,831
Supplies	2,842	5,473
Telephone	-	1,664
Travel	(290)	-
Utilities	1,679	7,467
	<b>143,568</b>	198,257
<b>Surplus</b>	<b>9,049</b>	2,207

**Spuzzum First Nation**  
**Capital Projects**

**Schedule 9 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada	8,000	464,888
Investment income	-	17,250
	<b>8,000</b>	<b>482,138</b>
<b>Expenses</b>		
Administration	-	39,555
Automotive	-	116
Contracted services	40,519	148,275
Repairs and maintenance	-	8,444
Supplies	-	25,689
Tuition and training	-	11,379
	<b>40,519</b>	<b>233,458</b>
<b>Surplus (deficit) before transfers</b>	<b>(32,519)</b>	<b>248,680</b>
<b>Transfers between programs</b>	<b>(29,589)</b>	<b>(143,334)</b>
<b>Surplus (deficit)</b>	<b>(62,108)</b>	<b>105,346</b>

**Spuzzum First Nation**  
**Other**

**Schedule 10 - Schedule of Revenue and Expenses and Surplus**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Canada Mortgage and Housing Corporation - new construction	229,896	-
Canada Mortgage and Housing Corporation	24,529	24,529
Earnings from investment in Nation partnerships	51,413	44,268
Investment income	13,603	18,286
	<b>319,441</b>	<b>87,083</b>
<b>Expenses</b>		
Administration	7,276	-
Amortization	172,462	144,956
Contracted services	(5,063)	75
Insurance	2,697	2,385
Interest on long-term debt	11,655	300
Professional fees	-	2,000
Repairs and maintenance	-	4,251
Special events	-	311
Supplies	-	628
Travel	185	1,651
Tuition and training	-	60
Utilities	7,318	-
	<b>196,530</b>	<b>156,617</b>
<b>Surplus (deficit) before transfers</b>	<b>122,911</b>	<b>(69,534)</b>
<b>Transfers between programs</b>	<b>298,767</b>	<b>375,524</b>
<b>Surplus</b>	<b>421,678</b>	<b>305,990</b>