

**PENTICTON INDIAN BAND
QUARTERLY FINANCIAL REPORT**



6 Months to September 30, 2019

Unaudited, Unconsolidated

**Reviewed by PIB FAC November 8, 2019
Presented to Council November 19, 2019**



Penticton Indian Band

841 Westhills Dr.
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Canada V2A 0E8
Telephone: 250-493-0048 Fax: 250-493-2882

November 19, 2019

To: PIB Chief and Council

Re: **Narrative Financial report to September 30, 2019**

Background:

This quarterly financial report covers the first 6 months of the PIB fiscal year from April 1 to September 30, 2019. It is prepared for information purposes for Council and community as well as to comply with the terms of the PIB Financial Administration Law.

The statements and schedules are internally prepared reports based on the PIB General Ledger system. While every effort is made to present accurate, confirmed balances, the statements and schedules are not audited. They also do not include the PIB entities information, which is presented separately by the entities.

The September financial report was reviewed and recommended to Council by the Finance and Audit Committee at the meeting held November 8, 2019.

Since that date, some small adjustments were made to the statements as reconciliations were completed. This report therefore does contain minor adjustments over the report submitted to the FAC on November 8. These adjustments are immaterial but for proper governance, have been reviewed and approved by the FAC via e-mail.

Overview

The statements and schedules attached have page numbers as follows:

| Page No | Document |
|----------------|---|
| 1. | Summary PIB balance sheet. |
| 2. | Balance sheet broken out by Xyntax “companies” |
| 3. | Listing of bank and cashable investments. |
| 4. | List of outstanding loan balances payable. |
| 5. | Recap of capital expenditure expenses incurred in the current fiscal year. |
| 6. | Summary Income statement. |
| 7. | Statement of operations by department, compared to annual budget. |
| 8. | A and B. Statement of revenues and expenses by object. |
| 9. | Schedule of “OSR” (own source revenue) used to date, (as authorized by the annual budget) |

Page 1: Summary Balance Sheet (statement of Financial Position as of September 30, 2019)

The balance sheet on Page 1 shows the PIB financial position at September 30, 2019, to be somewhat stronger than it was at March 31, 2019. Summarized balance sheet follows. Comments and explanations follow:



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| Line No. | Description | Balance September 30, 2019 | Balance March 31, 2019 |
|----------|---|----------------------------|------------------------|
| 7 | Total Financial assets | \$22,518,646 | \$21,446,594 |
| 12 | Financial liabilities | \$19,230,832 | \$20,304,012 |
| 13 | Net Financial assets | \$3,287,814 | \$1,142,582 |
| 17 | Non Financial assets, including tangible capital assets | \$44,951,185 | \$45,294,773 |
| 18 | Accumulated Surplus.(including tangible capital assets) | \$48,238,999 | \$46,437,355 |

- Line 7: Cash and cash equivalents increased with the receipt of the 10 year grant funding in April.
- Line 7: Short-term investments increased as the 10 year grant money not immediately needed was placed in short term GIC's. As well, funds were transferred to reserve investments from operations accounts to pay amounts owed to the Housing operating reserve and the Property tax capital fund.
- Line 12: Accounts payable has decreased as the Skaha Hills payable was paid out and housing and waterlines were completed, and paid off. (There are however, still some disputed invoices, not yet recorded from Westhills for the INAC water line)
- Line 12:Deferred revenue has increased as the 10 year grant funding has been deferred and prorated monthly into PIB revenue accounts.
- Line 12: Long term debt decreased based on regular debt servicing payments.
- Line 18: Net financial assets increased by \$2.016 million from \$1,142,582 to \$3,287,814 due to the combined effect of all the above.

Page 3: Bank Balances and cashable investments as of September 30, 2019

Total cash including lines of credit, cashable investments and restricted cash was \$15,350,538 at September 30, up \$3.35 million from \$11,995,430 at March 31, primarily due to the receipt of the 10 year grant funding.

Page 4: Long-term debt, as of September 30, 2019

Long-term debt balance is \$15,077,587, as 6 months of debt servicing reduced the principal \$307,000. Monthly loan payments total \$94,069 pays about \$51,000 a month of principal with \$43,000 interest costs. PIB OSR (royalties from Westhills Aggregates) is used to pay down the FNFA loans, along with a monthly distribution from Snpinktn forestry. The FCRSA funds are also supposed to be received by FNFA, but that agreement is not finalized.

Finance is looking for ways to transition (over a number of years) the FNFA debt servicing from OSR to property tax, DCC's and connection fees.

New borrowing for capital projects is also not advisable until at least a third of the current debt is paid down.



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Page 5: Capital project costs, year to date September 30, 2019.

Total capital costs for the year to date are \$589,743, against revenues of \$698,242. Creating a small temporary surplus of \$108,499.

- Channel lands infrastructure (sewer and water) cost \$6673 paid to True Consulting in regard to water, sewer and road services.
- The \$3.5 million ISC water line was completed using the \$559,848 deferred revenue from 2018-2019.
- The Brent Farleigh Dam feasibility used up \$32,409 of the \$36,917 deferred ISC funds.
- The 13 Lot Subdivision project design has been funded by ISC for \$101,477, with the contract for the design approved in October.

Page 6: PIB Summary Income Statement to date September 30, 2019.

| Summary Income Statement | Actual YTD 2019 | Budget YTD 2019 | Variance YTD |
|--------------------------|-----------------|-----------------|--------------|
| TOTAL REVENUE | \$12,490,172 | \$12,245,086 | - \$60,707 |
| TOTAL EXPENDITURES | \$10,211,710 | \$12,014,679 | \$1,802,969 |
| SURPLUS, (DEFICIT) | \$2,094,083 | \$230,407 | \$1,863,676 |

Total revenues year to date of \$12,490,1722 are only slightly less than budget YTD of \$12,245,086 (negative variance of \$60,707) as annual property tax revenue is entirely recognized YTD in September while only \$348,000 of the \$1.6 million budgeted to be transferred from the entities has been received.

Expenditures of \$10,211,710 are substantially below YTD budget of \$12,014,679 (positive variance of \$1,802,969) for the following reasons:

- Local education agreement (payment to school board) invoice for the quarters was not yet received as of Sept 30.
- Contracted services for capital projects have not been fully deployed as of Sept 30, creating a positive variance of \$422,960
- Staff vacancies created a significant positive variance of \$485,000 under budget in payroll.
- Annual Local Government service agreements with RDOS (\$234,000) had not yet been paid as of Sept 30.

Total positive variance for the year to date versus budget is \$1,863,676 but most of this surplus will be used up in the second half of this fiscal year, as program and capital expenditures are delivered.

Page 7: Income statement by Department as of September 30, 2019

- Of 24 departments, 19 are operating at a surplus; five are in deficit, with three of the deficits being significant.
- Combined departmental operations (Line 23) are running at a surplus of \$ \$2,208,660, for the reasons noted above.
- The OSR departments (Line 27) are operating at a deficit of \$114,577.



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Analysis: Departments in significant deficit:

- (Line 15) OTDC. Operates in a chronic deficit as delivers services on a receivable basis and OTDC is very slow in processing payment.
- (Line 25) Capital Trust has a deficit of \$61,198. Revenues consist of WA royalties and interest, while expenses consist of investment fees and the transfer out of \$51,470 a month to pay the FNFA loan(s). As of September 30 Westhills had not remitted its August and September Royalties, \$62,612, which when remitted will cover the deficit.
- (Line 26) Revenue Trust has a deficit of \$53,379. Receipts include \$348,000 distribution from Snpinktn Forestry and \$176,000 settlement of the Mica Dam claim received from ONA. Expenses include the authorized transfer to PIB for operations, and RBC Dominion advisor fees. The budget has projected a total of \$1.6 million from corporate distribution, \$348,000 has been received.

Pages 8A and 8B: Income statement by object, as of September 30, 2019

This schedule is provided for information to show how the breakdown of revenues and expenses balances to the Departmental income statement on Page 6. Significant budget variances, already mentioned above, in the Page 6 discussion.

Page 9: OSR usage, Year to Date to September 30, 2019

The schedule of OSR used to date is presented on Page 9. \$2,105,375 was authorized in the 2019 - 2020 budget approved by FAC and Council BCR in March 2019. As of September 30, 6 months into the fiscal year, one half of these - \$1,052,688 has been duly transferred to operations and debt servicing.

Final observations:

Year to date, the PIB operation has functioned well within budget, with few, if any fiscal surprises. The current surplus will be mostly used up by year-end, meaning the budget has been reasonably set – that is to say, at year-end PIB is projected to come in on budget.

The conversion to 10 year grant funding has made a big difference in PIB cash flow, making financial management much less stressful, with more ability to pay bills and obligations on a timely basis.

The biggest challenges for PIB remain paying down the FNFA debt, while ensuring that the Kul group business entities generate return on investment as soon as possible, to pay their own debt, repay PIB for the \$6 million dollars advanced for the SHLP purchase, and reduce the exposure of loan guarantees.

Respectfully submitted,

Brian J Conner

Brian Conner,
CFO



Penticton Indian Band



STATEMENT OF FINANCIAL POSITION,

As of September 30, 2019

Unaudited, Unconsolidated.

| Line No | Category | Balance September 30, 2019 | Balance March 31, 2019 |
|---------|--|----------------------------------|---------------------------|
| 1 | Financial Assets | | |
| 2 | CASH AND CASH EQUIVALENTS | 4,162,531 | 6,397,253 |
| 3 | RESTRICTED CASH | 887,706 | 887,706 |
| 4 | SHORT TERM INVESTMENTS | 10,300,302 | 4,710,471 |
| 5 | ACCOUNTS RECEIVABLE | 654,531 | 3,045,944 |
| 6 | DUE TO/FROM RELATED COMPANIES | 6,513,576 | 6,405,220 |
| 7 | TOTAL FINANCIAL ASSETS | 22,518,646 | 21,446,594 |
| 8 | Liabilities | | |
| 9 | ACCOUNTS PAYABLE | 796,728 | 3,852,103 |
| 10 | DEFERRED REVENUE | 3,356,519 | 1,067,069 |
| 11 | LONG-TERM DEBT | 15,077,585 | 15,384,840 |
| 12 | TOTAL LIABILITIES | 19,230,832 | 20,304,012 |
| 13 | NET FINANCIAL ASSETS (DEBT) | 3,287,814 | 1,142,582 |
| 14 | Non Financial Assets | | |
| 15 | PREPAID EXPENSES | 7,381 | 228,654 |
| 16 | TANGIBLE CAPITAL ASSETS | 44,943,804 | 45,066,119 |
| 17 | TOTAL NON-FINANCIAL ASSETS | 44,951,185 | 45,294,773 |
| 18 | TOTAL ACCUMULATED SURPLUS (DEFICIT) | 48,238,999 | 46,437,355 |

| Penticton Indian Band | | | | | | | | | | |
|--|--|-------------------|----------------|---------------------|-----------------------|---------------------|-----------------------|--------------------------|----------------------------|------------------------|
| STATEMENT OF FINANCIAL POSITION, BY DEPARTMENT | | | | | | | | | | |
| As of September 30, 2019 | | | | | | | | | | |
| Unaudited, Unconsolidated. | | | | | | | | | | |
| Line No | Category | Co 0005 PIB | Co 0015 ONTEH | Co 0030 LITTLE PAWS | Co 0045 PIB SOC HSING | Co 0046 PIB HOUSING | Co 0050 PIB UTILITIES | Co 0025 PIB PROPERTY TAX | Balance September 30, 2019 | Balance March 31, 2019 |
| 1 | Financial Assets | | | | | | | | | |
| 2 | CASH AND CASH EQUIVALENTS | 3,685,197 | 104,699 | 4,906 | 128,161 | 82,864 | 151,189 | 181,055 | 4,162,531 | 6,397,252 |
| 3 | RESTRICTED CASH | 887,706 | | | | | | | 887,706 | 887,706 |
| 4 | SHORT TERM INVESTMENTS | 7,540,862 | | | 1,294,717 | | | 1,464,723 | 10,300,302 | 4,710,471 |
| 5 | ACCOUNTS RECEIVABLE | 244,691 | | 1,858 | 31,043 | 35,221 | 106,149 | 235,569 | 654,531 | 3,045,944 |
| 6 | DUE TO/FROM RELATED COMPANIES | 6,382,225 | 138,884 | 47,838 | 6,499 | 94,677 | 167,080 | 119,207 | 6,513,576 | 6,405,220 |
| 7 | TOTAL FINANCIAL ASSETS | 18,740,681 | 243,583 | 50,886 | 1,447,422 | 47,034 | 90,258 | 2,000,554 | 22,518,646 | 21,446,593 |
| 8 | Liabilities | | | | | | | | | |
| 9 | ACCOUNTS PAYABLE | 664,812 | 16,885 | 18,211 | 38,412 | 25,847 | | 32,561 | 796,728 | 3,852,103 |
| 10 | DEFERRED REVENUE | 3,356,519 | | | | | | | 3,356,519 | 1,067,069 |
| 11 | LONG-TERM DEBT | 11,797,352 | | | 3,253,341 | 26,892 | | | 15,077,585 | 15,384,840 |
| 12 | TOTAL LIABILITIES | 15,818,683 | 16,885 | 18,211 | 3,291,753 | 52,739 | | 32,561 | 19,230,832 | 20,304,012 |
| 13 | NET FINANCIAL ASSETS (DEBT) | 2,921,998 | 226,698 | 69,097 | 1,844,331 | 5,705 | 90,258 | 1,967,993 | 3,287,814 | 1,142,581 |
| 14 | Non Financial Assets | | | | | | | | | |
| 15 | PREPAID EXPENSES | 2,591 | | | | 849 | 3,941 | | 7,381 | 228,654 |
| 16 | TANGIBLE CAPITAL ASSETS | 39,888,516 | 103,627 | | 4,951,661 | | | | 44,943,804 | 45,066,119 |
| 17 | TOTAL NON-FINANCIAL ASSETS | 39,891,107 | 103,627 | | 4,951,661 | 849 | 3,941 | | 44,951,185 | 45,294,773 |
| 18 | TOTAL ACCUMULATED SURPLUS (DEFICIT) | 42,813,105 | 330,325 | 69,097 | 3,107,330 | 4,856 | 94,199 | 1,967,993 | 48,238,999 | 46,437,354 |



PIB Cash and Investments



As of September 30, 2019

| Line No | Bank Account | | Balance |
|---------|--|--|---------------------|
| 1 | RBC General Account | | \$2,804,911 |
| 2 | RBC Social Development | | \$22,007 |
| 3 | RBC PIB Transfers | | \$797,719 |
| 4 | RBC GIC | | \$5,106,804 |
| 5 | RBC Capital Trust | | \$2,298,396 |
| 6 | RBC Revenue Trust | | \$135,662 |
| 7 | RBC Line of Credit (Band Housing) | | -\$90,000 |
| 8 | ONTEH | | \$104,699 |
| 9 | Little Paws | | -\$4,906 |
| 10 | Social Housing | | \$128,161 |
| 11 | Band Housing | | \$7,136 |
| 12 | Utilities | | \$151,189 |
| 13 | Property Tax | | \$181,055 |
| 14 | Property Tax Stabilization /Contingency | | \$281,767 |
| 15 | Property Tax Capital Reserve | | \$1,182,956 |
| 16 | (Restricted) Funds held in trust (lands) | | \$292,560 |
| 17 | (Restricted) Debt reserve fund at FNFA | | \$595,146 |
| 18 | (Restricted) Social Housing Reserves | | \$1,294,717 |
| 19 | Other Misc cash (Ott Trust, Petty Cash) | | \$60,559 |
| 20 | Total | | \$15,350,538 |



PIB Long Term Debt
As of September 30, 2019



Unaudited

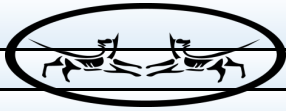
| Line No | Loan For | Interest Rate | Monthly Payment | Terms | Balance | Amortization Date |
|---------|---|---------------|-----------------|---|---------------------|-------------------|
| 1 | Health Ctre (RBC) | 3.97% | \$10,275 | Renews Oct 2020 | \$1,399,258 | Nov, 2034 |
| 2 | Daycare/Youth Ctre (RBC) | 3.84% | \$3,894 | Amortizes March 2020 | \$22,998 | March, 2020 |
| 3 | School OCS (RBC) | 4.16% | \$4,437 | Renewed March 2019 | \$291,854 | April, 2026 |
| 4 | Skaha Hills Infrastructure (FNFA) Originally \$8.422 M | 3.35% | \$39,113 | Renewable / Repayable after 10 yrs, (June, 2024) | \$7,577,493 | June, 2044 |
| 5 | Channel Lands Infrastructure (FNFA) Originally \$2.578M | 3.60% | \$12,357 | Interest only to Sept, 2018. Paid Principal since Oct 2018. Repayable after 10 yrs 2028 | \$2,505,750 | Sept, 2048 |
| 6 | Lot 3 renovation (RBC) | 3.16% | \$468 | Paid off in June 2019 | \$0 | June, 2019 |
| 7 | 132 Sumac Lane renovation (RBC) | Prime + 1% | \$360 | Renews Dec 2022 (Will pay off then) | \$26,892 | April, 2027 |
| 8 | Social Housing, 8 Phases (CMHC) | 0.94% - 2.40% | \$23,165 | 9 mortgages CMHC Phases 7-15 | \$3,253,342 | Various |
| 9 | Total | | \$94,069 | | \$15,077,587 | |

PIB Capital Project Costs

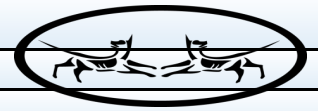
Year to date, September 30, 2019

Unaudited

| Line No | Project | Revenues YTD | Expenditures YTD | Revenues less Expenditures | Budget Expenses (annual) | Budget Remaining | % of Budget used | Comment |
|---------|------------------------------|----------------|------------------|----------------------------|--------------------------|------------------|------------------|--|
| 1 | Phase 15 Band Housing | - | 4,000 | 4,000 | - | - | N/A | Audit carry over from completion |
| 2 | Skaha Hills | - | - | - | - | - | N/A | Small Adjustment re: receivable from prior year, plus one legal bill for SH restructuring \$18,000 |
| 3 | Channel Lands | - | 6,673 | 6,673 | - | - | N/A | Westhills Agg \$539K, Fortis street Lights \$144K, True Consulting \$40K, Misc \$9K |
| 4 | INAC Upper, Lower Water Line | 559,848 | 554,665 | 5,183 | 1,912,134 | 1,912,134 | 29% | INAC funded, \$3.5 million. Unspent funds deferred to 2019-2020 \$560K |
| 5 | Brent Farleigh Dam | 36,917 | 32,405 | 4,512 | 36,917 | 36,917 | 88% | Feasibility study funding \$43,891 received. Project just starting, many setbacks and changes occurring. Unused revenue, \$37K deferred to 2019-2020 |
| 6 | 15 Lot Subdivision, INAC | 101,477 | - | 101,477 | 101,477 | 101,477 | 0% | New project. Design funded by INAC |
| 7 | Total | 698,242 | 589,743 | 108,499 | 2,050,528 | 2,050,528 | 29% | |



Penticton Indian Band



SUMMARY STATEMENT OF OPERATIONS

6 Months ended September 30, 2019

Unaudited, Unconsolidated

| Line No | REVENUE | Total Actual YTD | 2019 - 2020 Annual Budget | Budget YTD 6 Mos | Variance YTD |
|---------|--------------------|------------------|---------------------------|------------------|--------------|
| 1 | TOTAL REVENUE | 12,305,793 | 24,490,172 | 12,245,086 | 60,707 |
| 2 | TOTAL EXPENDITURES | 10,211,710 | 24,029,357 | 12,014,679 | 1,802,969 |
| 3 | SURPLUS, (DEFICIT) | 2,094,083 | 460,815 | 230,407 | 1,863,676 |



Penticton Indian Band
Revenue and Expenses by Department, YTD
6 Months ended September 30, 2019



Unaudited

| Line No | Operations | Actual Revenue YTD | Actual Expenses YTD | Surplus (Deficit) | Annual Budget Revenue | Annual Budget Expenses | Annual Budget Result | Actual Expense as % of Budget: | Comment |
|---------|----------------------------------|--------------------|---------------------|-------------------|-----------------------|------------------------|----------------------|--------------------------------|--|
| 1 | Administration | 1,012,044 | 781,119 | 230,925 | 1,703,579 | 1,703,579 | - | 46% | On budget: Legal fees over budget \$29K, All tax revenue for the year booked in first half, Contractors over budget 17K due to Polilcy, Engineer. |
| 2 | Chief & Council | 262,500 | 99,960 | 162,540 | 375,000 | 375,000 | - | 27% | Proffessional fees \$33K under budget, payroll \$22k under budget, postion not filled for part of the year |
| 3 | Commonage Claim | 24,000 | 6,656 | 17,344 | 48,000 | 48,000 | - | 14% | Commonage claim costs and activities, have not spent budget yet. Looking for extra legal support |
| 4 | Lands | 190,602 | 125,081 | 65,521 | 428,000 | 428,000 | - | 29% | Catchup in costs, and legal, plus transfer to KUL group have put department into deficit |
| 5 | Community Planning | 4,000 | - | 4,000 | 8,000 | 8,000 | - | 0% | No activity yet, but funding allocated |
| 6 | Natural Resources | 666,713 | 665,213 | 1,500 | 1,200,061 | 1,200,061 | - | 55% | On budget: Has received some substantial extra grant funding, with associated costs |
| 7 | FNFA \$8.4 M loan | 234,639 | 234,679 | - 40 | 469,356 | 469,356 | - | 50% | Loan payment tracker for FNFA Loan, funded by WA Royalties, and distribution from Snpinktn |
| 8 | FNFA \$2.6 M loan | 76,398 | 78,658 | - 2,260 | 152,798 | 152,798 | - | 51% | Loan tracker for FNFA second loan. Paid by WA royalties, and distribution from Snpinktn |
| 9 | Education | 2,126,955 | 1,646,490 | 480,465 | 5,400,212 | 5,400,212 | - | 30% | Student costs (LEA, PS) not fully charged or expensed as of Sept 30 |
| 10 | Soc Dev | 967,516 | 752,199 | 215,317 | 1,773,833 | 1,771,733 | 2,100 | 42% | Wellness initiative funding received, with limited expenses as program still needs to be ramped up. |
| 11 | Public Works Inc Emergency Svces | 708,422 | 452,022 | 256,400 | 1,443,026 | 1,443,026 | - | 31% | Payroll variance positive 344K. Contractor negative var \$143K. Unused OSR to be returned to trust |
| 12 | Health | 619,608 | 625,220 | - 5,612 | 1,464,162 | 1,458,362 | 5,800 | 43% | On budget. |
| 13 | Elders, Youth, Canoe Family | 41,344 | 13,578 | 27,766 | 79,450 | 79,450 | - | 17% | Elders coordinator resigned, No replacement. |
| 14 | Capital Projects | 698,242 | 589,742 | 108,500 | 2,050,528 | 2,050,528 | - | 29% | Waterline expenses under review, not posted yet. |
| 15 | OTDC Employment and Training | 21,426 | 43,147 | - 21,721 | 126,921 | 126,921 | - | 34% | Revenues received after expenses incurred |
| 16 | Footprints | 74,150 | 40,291 | 33,859 | 113,000 | 113,000 | - | 36% | On Budget |
| 17 | ONTEH | 377,271 | 263,442 | 113,829 | 665,781 | 665,781 | - | 40% | On budget |
| 18 | Property Taxation | 2,454,635 | 2,053,429 | 401,206 | 2,504,582 | 2,504,582 | - | 82% | All revenues in but not all expenses (RDOS, hospital) |
| 19 | Little Paws Daycare | 174,525 | 166,676 | 7,849 | 448,620 | 475,837 | - 27,217 | 35% | Revenue shortfall, downsizing, Trying to figure outrevenue contra a ccount. |
| 20 | PIB Social Housing | 249,108 | 208,672 | 40,436 | 585,038 | 580,037 | 5,001 | 36% | On Budget, |
| 21 | PIB Band Housing | 168,310 | 155,832 | 12,478 | 423,678 | 423,678 | - | 37% | Below budget. Repairs and maintenance will drive up costs in second half |
| 22 | PIB Utilities | 212,240 | 153,883 | 58,357 | 410,047 | 410,047 | - | 38% | On budget. |
| 23 | Operations Subtotal | 11,364,649 | 9,155,989 | 2,208,660 | 21,873,672 | 21,887,988 | - 14,316 | 42% | |
| 24 | Reserves | | | | | | | | |
| 25 | Band Capital Trust | 233,738 | 294,936 | - 61,198 | 1,000,000 | 598,202 | 401,798 | 49% | Revenues include Aggregates Royalties and interest. Expenses include transfer to PIB Dept 143 FNFA \$8.4 million loan. Aggregates is behind in remitting |
| 26 | Band Revenue Trust | 707,408 | 760,787 | - 53,379 | 1,600,000 | 1,526,667 | 73,333 | 50% | Revenues include Forestry distribution of \$348,000, paid to FNFA, along with Casino, Lands and \$176,000 paid by ONA for Mica Dam Settlement |
| 27 | Reserves Subtotal | 941,146 | 1,055,723 | - 114,577 | 2,600,000 | 2,124,869 | 475,131 | 50% | |
| 28 | Total PIB | 12,305,795 | 10,211,712 | 2,094,083 | 24,473,672 | 24,012,857 | 460,815 | 43% | |



Penticton Indian Band

STATEMENT OF OPERATIONS, BY OBJECT

6 Months ended September 30, 2019

Unaudited, Unconsolidated, PAGE 1 of 2



| Line No | REVENUES | Co 0005 PIB | Co 0015 ONTEH | Co 0030 LITTLE PAWS | Co 0045 PIB SOC HSING | Co 0046 PIB HOUSING | Co 0050 PIB UTILITIES | Co 0025 PIB PROPERTY TAX | Total Actual YTD | Budget YTD, 6 months to Sept 2019 | Variance | % of Annual Budget (50%) |
|---------|--|------------------|----------------|---------------------|-----------------------|---------------------|-----------------------|--------------------------|-------------------|-----------------------------------|---------------|--------------------------|
| 1 | ABORIGINAL ORGANIZATIONS | 327,010 | - | - | - | - | - | - | 327,010 | 141,642 | 185,368 | 231% |
| 2 | ADMIN FEES | - | - | - | - | - | - | - | - | 34,723 | 34,723 | 0% |
| 3 | CORPORATE ORGANIZATIONS | 114,289 | - | - | - | - | - | - | 114,289 | 125,000 | 10,711 | 91% |
| 4 | CROWN CORPORATIONS | 16,143 | - | - | - | - | - | - | 16,143 | 61,500 | 45,357 | 26% |
| 5 | FNESC | 136,563 | - | - | - | - | - | - | 136,563 | 348,578 | 212,015 | 39% |
| 6 | FNHA | 574,267 | - | - | - | - | - | - | 574,267 | 571,368 | 2,899 | 101% |
| 7 | DIST FROM PIB ENTITIES | 348,000 | - | - | - | - | - | - | 348,000 | 759,000 | 411,000 | 46% |
| 8 | FEDERAL GOVERNMENT / CANADA | 86,187 | - | - | - | - | - | - | 86,187 | 144,429 | 58,242 | 60% |
| 9 | ADMIN REVENUE FLOW THROUGH | - | - | - | - | - | - | - | - | 39,750 | 39,750 | 0% |
| 10 | TRNSFER FROM REV OR CAP TRUST | 923,550 | - | 7,002 | - | 122,172 | - | - | 1,052,724 | 1,052,685 | 40 | 100% |
| 11 | FUNDRAISING / DONATIONS | 3,638 | - | - | - | - | - | - | 3,638 | 325 | 3,313 | 1119% |
| 12 | INAC | 4,385,039 | - | - | - | - | - | - | 4,385,039 | 4,413,269 | 28,230 | 99% |
| 13 | INTEREST REVENUE | 62,799 | 361 | 197 | 3,205 | 20 | - | 30,821 | 97,403 | 34,800 | 62,603 | 280% |
| 14 | CMHC CONTRIBUTIONS | - | - | - | 93,248 | 8,782 | - | - | 84,466 | 128,589 | 44,123 | 66% |
| 15 | OTDC | 23,169 | - | - | - | - | - | - | 23,169 | 70,771 | 47,602 | 33% |
| 16 | PROPERTY TAXES | - | - | - | - | - | - | 2,064,428 | 2,064,428 | 1,020,812 | 1,043,616 | 202% |
| 17 | AANDC | - | 329,992 | - | - | - | - | - | 329,992 | 286,163 | 43,830 | 115% |
| 18 | MUNICIPAL GOVERNMENT | 22,350 | - | - | - | - | - | - | 22,350 | 125,500 | 103,150 | 18% |
| 19 | NGO'S | 66,021 | - | - | - | - | - | - | 66,021 | 17,919 | 48,103 | 368% |
| 20 | WATER AND SEWER FEES | - | - | - | - | - | 155,867 | - | 155,867 | 152,947 | 2,921 | 102% |
| 21 | EARNED REVENUE (FEES,BILLING, ROYALTIES) | 410,520 | - | - | - | - | - | 2,139 | 412,659 | 416,650 | 3,991 | 99% |
| 22 | OTHER REVENUE | - | - | 33,693 | - | - | 27,219 | - | 60,912 | 37,500 | 23,412 | 162% |
| 23 | FUNDRAISING | - | 190 | - | - | - | - | - | 190 | - | 190 | 0% |
| 24 | DAYCARE USER FEES | - | - | 60,967 | - | - | - | - | 60,967 | 126,500 | 65,533 | 48% |
| 25 | PROVINCE OF BC | 325,939 | 46,728 | 1,666 | - | - | - | - | 374,333 | 428,644 | 54,311 | 87% |
| 26 | REGIONAL GOVT | - | - | - | - | - | - | - | - | 66,500 | 66,500 | 0% |
| 27 | RENT INCOME | 2,950 | - | - | - | - | - | - | 2,950 | 6,000 | 3,050 | 49% |
| 28 | RENTAL FLOW THROUGH | 2,500 | - | - | - | - | - | - | 2,500 | 36,000 | 33,500 | 7% |
| 29 | SALES | - | - | - | - | - | - | - | - | 2,875 | 2,875 | 0% |
| 30 | TAX FLOW THROUGH | 746,346 | - | 40,000 | - | - | 29,154 | - | 815,500 | 407,750 | 407,750 | 200% |
| 31 | UTILITIES FLOW THROUGH | 41,859 | - | - | - | - | - | - | 41,859 | 18,476 | 23,383 | 227% |
| 32 | TRANSFER FROM SURPLUS | 50,566 | - | - | - | - | - | 357,246 | 407,812 | 616,406 | 208,594 | 66% |
| 33 | TRANSFER REVENUE FLOW THROUGH | - | - | 31,000 | - | - | - | - | 31,000 | 335,440 | 304,440 | 9% |
| 34 | RENTAL REVENUE | - | - | - | 152,655 | 54,900 | - | - | 207,555 | 216,580 | 9,025 | 96% |
| 35 | Total Revenue | 8,669,705 | 377,271 | 174,525 | 249,108 | 168,310 | 212,240 | 2,454,635 | 12,305,793 | 12,245,086 | 60,707 | 100% |

Page 8a

| | EXPENSE | Co 0005 PIB | Co 0015 ONTEH | Co 0030 LITTLE PAWS | Co 0045 PIB SOC HSING | Co 0046 PIB HOUSING | Co 0050 PIB UTILITIES | Co 0025 PIB PROPERTY TAX | Total Actual YTD | Budget YTD, 6 months to Sept 2019 | Variance | % of Budget |
|----|-----------------------------------|-------------|---------------|---------------------|-----------------------|---------------------|-----------------------|--------------------------|------------------|-----------------------------------|----------|-------------|
| 36 | ADMIN EXPENSE | - | - | - | - | - | - | - | - | 149,609 | 149,609 | 0% |
| 37 | ADVERTISING, PUBLICATIONS | 40 | - | - | - | - | - | 675 | 715 | 4,750 | 4,035 | 15% |
| 38 | AMORTIZATION | - | - | - | 122,316 | - | - | - | 122,316 | 146,112 | 23,796 | 84% |
| 39 | BAD DEBT | - | - | - | - | - | - | 6,272 | 6,272 | 29,750 | 23,478 | 21% |
| 40 | BANK CHARGES | 11,268 | 793 | 459 | 1,508 | 1,103 | 738 | 2,902 | 18,771 | 21,528 | 2,757 | 87% |
| 41 | BC ASSESSMENT | - | - | - | - | - | - | 17,666 | 17,666 | 17,500 | 166 | 101% |
| 42 | BOARD OF REVIEW | - | - | - | - | - | - | 8,844 | 8,844 | 4,500 | 4,344 | 197% |
| 43 | CAPITAL | 28,468 | 3,674 | - | - | - | - | - | 32,142 | 59,772 | 27,630 | 54% |
| 44 | CAPITAL - OFFICE EQUIPMENT | - | 3,840 | - | - | - | - | - | 3,840 | 5,500 | 1,660 | 70% |
| 45 | CLIENT / MEMBER SUPPORT | 48,284 | - | - | - | - | - | - | 48,284 | 112,550 | 64,266 | 43% |
| 46 | COLLECTIONS FOR OTHER GOVERNMENTS | - | - | - | - | - | - | 318,605 | 318,605 | 255,891 | 62,714 | 125% |



Penticton Indian Band

STATEMENT OF OPERATIONS, BY OBJECT

6 Months ended September 30, 2019

Unaudited, Unconsolidated, PAGE 1 of 2



| | | | | | | | | | | | | |
|----|-------------------------------------|------------------|----------------|----------------|----------------|----------------|----------------|------------------|-------------------|-------------------|------------------|-------------|
| 47 | COMMUNITY OUTREACH | - | 15,462 | - | - | - | - | - | 15,462 | 18,000 | 2,538 | 86% |
| 48 | COMPUTER SW & SUPPORT | 39,190 | - | - | - | - | 2,500 | 6,500 | 48,190 | 99,160 | 50,970 | 49% |
| 49 | CONTRACT SERVICES | 778,258 | 4,989 | - | - | 750 | 97,609 | 6,974 | 888,580 | 1,311,540 | 422,960 | 68% |
| 50 | COURIER, POSTAGE, BAILIFF | - | - | - | - | - | - | 653 | 653 | 1,000 | 347 | 65% |
| 51 | DONATIONS | 50 | - | - | - | - | - | - | 50 | 500 | 450 | 10% |
| 52 | DUES, FEES & SUBSCRIPTIONS | 5,116 | 2,404 | - | - | - | 99 | 1,738 | 9,357 | 9,311 | 47 | 100% |
| 53 | FUNERAL & BURIAL EXPENSES | 3,689 | - | - | - | - | - | - | 3,689 | 5,000 | 1,311 | 74% |
| 54 | GARBAGE COLLECTIONS | - | 730 | - | - | - | - | - | 730 | 1,000 | 270 | 73% |
| 55 | GROCERIES, | - | 10,351 | - | - | - | - | - | 10,351 | 10,500 | 149 | 99% |
| 56 | HOMEOWNER GRANT | - | - | - | - | - | 367,143 | - | 367,143 | 190,000 | 177,143 | 193% |
| 57 | HONORARIA | 138,763 | - | - | - | - | - | - | 138,763 | 159,530 | 20,767 | 87% |
| 58 | INSURANCE | 64,327 | - | - | 11,874 | 41,883 | 4,552 | - | 122,636 | 135,503 | 12,867 | 91% |
| 59 | INTEREST EXPENSE | 244,837 | - | - | 25,949 | 2,007 | - | - | 272,793 | 291,353 | 18,560 | 94% |
| 60 | LEASE AND LOAN PAYMENTS | 208,803 | 1,002 | 1,030 | - | 2,911 | 18,474 | - | 232,220 | 216,948 | 15,272 | 107% |
| 61 | LINEN SUPPLIES | - | 896 | - | - | - | - | - | 896 | 2,250 | 1,354 | 40% |
| 62 | LIVING ALLOWANCE - STUDENTS | 2,806 | - | - | - | - | - | - | 2,806 | 5,000 | 2,194 | 56% |
| 62 | LUNCH PROGRAM | - | - | 5,940 | - | - | - | - | 5,940 | 6,500 | 560 | 91% |
| 63 | MEETINGS | 1,293 | - | - | - | - | - | - | 1,293 | 6,750 | 5,457 | 19% |
| 64 | MISCELLANEOUS / CONTINGENCY EXPENSE | 551 | - | - | - | - | - | 56,767 | 57,318 | 114,000 | 56,682 | 50% |
| 65 | OTHEH BOARD EXPENSES | - | 10,468 | - | - | - | - | - | 10,468 | 7,000 | 3,468 | 150% |
| 66 | PAYROLL | 2,610,240 | 158,032 | 152,006 | - | 72,860 | - | 51,968 | 3,045,106 | 3,639,032 | 593,926 | 84% |
| 67 | PIB PROGRAM TRSFR FROM PROPERTY TAX | - | - | - | - | - | - | 815,500 | 815,500 | 407,750 | 407,750 | 200% |
| 68 | PROFESSIONAL FEES | 401,861 | 144 | - | 5,989 | - | 1,753 | 22,149 | 431,608 | 573,855 | 142,247 | 75% |
| 69 | PROFESSIONAL DEVELOPMENT, TRAINING, | 16,856 | 5,798 | 80 | - | - | - | - | 22,734 | 40,434 | 17,700 | 56% |
| 70 | WORKSHOPS | 17,096 | - | - | - | - | - | - | 17,096 | 38,111 | 21,015 | 45% |
| 71 | RECREATION SERVICES - GENERAL | - | 425 | - | - | - | - | - | 425 | 750 | 325 | 57% |
| 72 | RECRUITING | - | - | - | - | - | - | - | - | 5,000 | 5,000 | 0% |
| 73 | REIMBURSE/OVERPMTS | - | - | - | - | - | - | 5,318 | 5,318 | 1,000 | 4,318 | 532% |
| 74 | RENT EXP FLOW THROUGH | - | - | - | - | - | 5,000 | 1,200 | 6,200 | 37,825 | 31,625 | 16% |
| 75 | REPAIRS AND MAINTENANCE | 68,586 | 7,455 | 1,185 | 15,916 | 30,373 | 7,063 | 815 | 131,393 | 150,010 | 18,617 | 88% |
| 76 | REPLACEMENT RESERVE | - | - | - | 24,684 | - | - | - | 24,684 | 28,290 | 3,606 | 87% |
| 77 | RMBRS- OVERPAYMENTS REC'D | - | - | - | 437 | - | - | - | 437 | - | 437 | 0% |
| 78 | SOCIAL ASSISTANCE | 497,402 | - | - | - | - | - | - | 497,402 | 492,431 | 4,972 | 101% |
| 79 | STUDENT EXPENSE | 509,126 | - | - | - | - | - | - | 509,126 | 979,841 | 470,715 | 52% |
| 80 | SUPPLIES | 154,408 | 15,551 | 2,625 | - | 2,061 | 4,291 | 1,008 | 179,944 | 211,749 | 31,805 | 85% |
| 81 | TELEPHONE CELLULAR, CABLE | 37,632 | 6,892 | 1,278 | - | 425 | - | 516 | 46,743 | 38,706 | 8,037 | 121% |
| 82 | TRANSFER TO PIB FROM TRUSTS | 1,052,724 | - | - | - | - | - | - | 1,052,724 | 1,056,185 | 3,461 | 100% |
| 83 | TRAVEL - RESIDENTS | - | 3,058 | - | - | - | - | - | 3,058 | 4,750 | 1,692 | 64% |
| 84 | TRAVEL, STAFF, COUNCIL | 151,761 | 8,566 | - | - | 750 | 2,501 | 592 | 164,170 | 176,634 | 12,464 | 93% |
| 85 | TSFR EXP FLOW THROUGH | 31,000 | - | - | - | - | - | - | 31,000 | 329,383 | 298,382 | 9% |
| 86 | UTILITES | 54,340 | 1,995 | 2,073 | - | 710 | 9,303 | 2,376 | 70,797 | 162,400 | 91,603 | 44% |
| 87 | VEHICLE | 31,000 | 1,205 | - | - | - | - | - | 32,205 | 67,242 | 35,037 | 48% |
| 88 | TAX CAPITAL RESERVE FUND | - | - | - | - | - | 357,246 | - | 357,246 | 150,000 | 207,246 | 238% |
| 89 | TAX CONTINGENCY RESERVE FUND | - | - | - | - | - | - | - | - | 25,000 | 25,000 | 0% |
| 90 | TOTAL EXPENSES | 7,209,776 | 263,442 | 166,676 | 208,672 | 155,833 | 153,883 | 2,053,429 | 10,211,710 | 12,014,679 | 1,802,969 | 85% |
| 91 | SURPLUS, (DEFICIT), | 1,459,930 | 113,829 | 7,849 | 40,436 | 12,477 | 58,357 | 401,206 | 2,094,083 | 230,408 | 1,863,676 | 909% |
| | | | 53,379 | | | | | | | | | |



Penticton Indian Band



Revenue and Capital Trust Transfer

6 months to September 30, 2019

| Revenue Trust, Transfer to: | Budget 2019 - 2020 | Monthly | 6 Mths to Sept 30, 2019 | Comment |
|--|-----------------------|----------------|----------------------------|--|
| 103 COMMUNICATIONS | 12,500 | 1,042 | 6,250 | Member communications enhancement web site, |
| 120 CHIEF AND COUNCIL INC FAC | 75,000 | 6,250 | 37,500 | Governance support |
| 128 COMMONAGE CLAIM | 48,000 | 4,000 | 24,000 | Commonage Title and Rights, |
| 130 LAND & ESTATES | 5,000 | 417 | 2,500 | Nominal support of Lands management |
| 573, 574, 575, Elders, Canoe Family Youth | 59,400 | 4,950 | 29,700 | For Elders programs |
| 300 SOCIAL DEVELOPMENT ADMINISTRATION | 197,908 | 16,492 | 98,954 | SD Admin including building maintenance |
| 380 IN-HOME CARE | 53,981 | 4,498 | 26,991 | Support member in home care. |
| 400 PUBLIC WORKS ADMIN | 271,364 | 22,614 | 135,682 | Maintain community building and parks water system and roads. |
| 410 COMMUNITY FACILITIES | 335,248 | 27,937 | 167,624 | 410 – Major building repair and upgrade |
| 421 RIVER CHANNEL MAINTENANCE | 64,500 | 5,375 | 32,250 | 421 – Maintains the River Channel walk way and reduce PIB's liability. |
| 460 EMERGENCY SERVICES | 20,000 | 1,667 | 10,000 | Emergency Services Manager oversees the EOC, prepares the reports, appli |
| 501 HEALTH BLD OPERATIONS & MAINTENANCE | 48,408 | 4,034 | 24,204 | One half of Health building |
| 502 PATIENT TRANSPORT, SUPPORT SUBSIDY | 23,525 | 1,960 | 11,763 | Client support(Companion etc), |
| 751 FOOTPRINTS EMPLOYABILITY CENTRE | 48,000 | 4,000 | 24,000 | Disability and employability support 80% Member clients |
| Co 30 LITTLE PAWS CHILDRENS CENTRE | 14,000 | 1,167 | 7,000 | Transfer to support Member childcare |
| Co 46 601 PIB BAND HOUSING ADMINISTRATION | 204,333 | 17,028 | 102,167 | The Housing Department: support member housing. |
| Co 46 610 PIB BAND HOUSING ELDERS HOME REPAIR | 40,000 | 3,333 | 20,000 | Elders home repair, |
| Sub total: transfer from revenue trust | 1,521,167 | 126,764 | 760,584 | |
| Transfers from Capital Trust: | | | | |
| 143 FNFA \$8.4M LOAN: LOAN PAYMENTS | 468,360 | 39,030 | 234,180 | Monthly loan payment of \$8.4 million at FNFA paid by Royalties |
| 143 FNFA \$2.6M LOAN: LOAN PAYMENTS | 115,848 | 9,654 | 57,924 | Monthly loan payment of \$2.6 million at FNFA paid by Royalties |
| Sub total: Transfers from Capital Trust | 584,208 | 48,684 | 292,104 | |
| Total OSR from Revenue and Capital Trusts | 2,105,375 | 175,448 | 1,052,688 | |