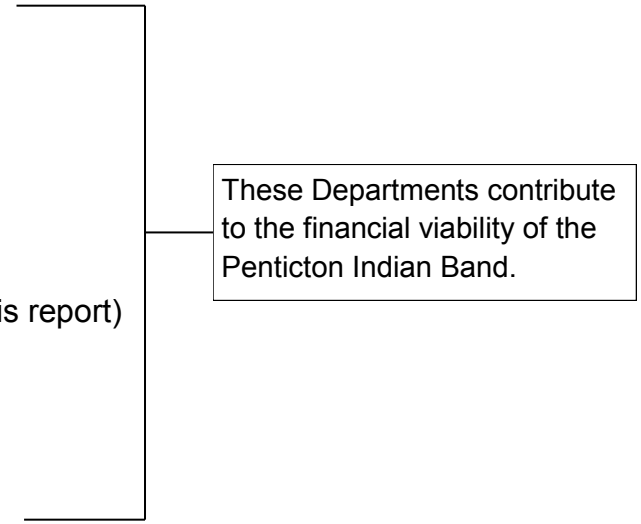
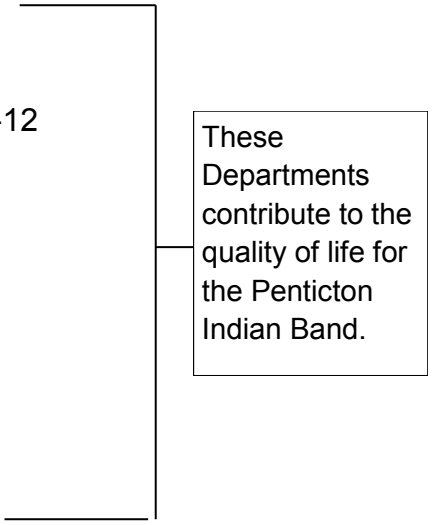


ANNUAL REPORT

2018-2019

Index
Message from the Chief and Council
Finance and Audit Committee
Message from the Senior Executive Committee
Organizational Chart
Membership
Finance Department
Audited Financial Statements
Taxation
Lands and Estates
Natural Resources
K'uL Group (final section of this report)
PIB Capital
    Housing
    Public Works
    Utilities
Education
    Public / Private Schools and
        School Supply Funding for students K-12
    PIB Education Centre
    Post Secondary Education
    OTDC
    Outma Squilxw Cultural School
    Little Paws
Health
Social Development
Footprints to Technology





Note to reader:

The Index above shows how programs and services support the Band as a whole. Each department has one of two primary functions, either contributing to the overall financial position of the Band or to provide opportunities to improve the quality of life for the Penticton Indian Band.

The Chart on page is changing as roles and responsibilities change. The chart is meant to reflect the internal information flow of information and decision-making.

The 2018-2019 fiscal year saw many transitions throughout PIB. It is integral to the overall position of the Penticton Indian Band that information coming to the governance table includes any factors which put assets at risk. With a strong and consistent Administrative team, the governance table is able to confidently advance the political position of the Band and focus on the advancement of our Title and Rights, Land management and equal access to services and resources.

Yilmixm Eneas has been working with Department staff and the Senior Executive Committee to ensure cultural competency is supported in all PIB programming. Our identity is rooted in our history, land, language, family and our concerted efforts to protect those values. The Chief is working to create spaces for our identity to be at the front of all initiatives that are meant to represent PIB.

Our governance, together with K'uL Group, have ensured complete transparency through Band Council Resolution that all PIB entities be audited, increasing accountability and transparency, not only to the membership, but for better informed responsible decisions in the future. A key endeavour in this undertaking is to ensure that K'uL Group and PIB entities are confident that the financial and legal structures properly protect the Band and optimize economic opportunities for generations to come.

To ensure PIB's position is fortified, this Council was successful in the buy-out of the Limited Partnership of Skaha Hills as well as stacking the business entities to reduce liability, assuring that the responsibility for debt servicing doesn't rest on the assets of the Band and a larger percentage of the revenue comes back, sooner.

When we let the sounds of our own voices go silent, turn off the cell phone ringers and sit; around the fire, in the Hall paying respects, at a sober meeting in the Heritage Centre, in the Community Room of the snxastwilxtn Centre for S&S, speaking our language or drumming our songs; we put our differences aside and for a moment, are stronger together.

Minister Scott Fraser visiting PIB Leadership



The Finance and Audit Committee of Penticton Indian Band (the "FAC") was created in October 2014 as required by the Penticton Indian Band Financial Administration Law ("FAL"). The FAC is made up of a group of Chartered Professional Accountants who are independent of the Band plus members of Band Council. The FAC's role is to review financial matters and provide compliance recommendations to Chief and Council when appropriate.

At this time, we wish to remember and pay tribute to Mr. Murray Swales, CPA, CA, who passed away in December 2018. Murray served as Chair of the FAC for four years. He is missed by all those who had the privilege of knowing or working with him, and leaves a huge legacy of community service and unwavering support of PIB.

The FAC members as of March 31, 2019 are:

Clay Harmon, CAFM, FCPA, FCMA - Chair

Clay is a retired professional accountant having received his designation in 1975 and having served as auditor, cost accountant, and entrepreneur. He served as Chief Financial Officer for Penticton Indian Band from 2001 to 2005, the Nisga'a Lisims Government from 2005 to 2009 and numerous other Bands and First Nations since then as a consultant.

Councillor Ernest Jack, Vice-chair

Ernest is the Council representative on the committee. He is president of the First Nations Tax Administration Association and the Surveyor of Taxes for the Westbank First Nation.

John M Katerenchuk, BCom, CPA, CGA

John is an accounting professional with over thirty-five years' experience in Financial Management and Control. He retired from the public service in 2007 as Regional Manager of Financial Services for the Alberta/NWT/Nunavut region, Human Resources Development of Canada (HRDC) and is currently residing in Osoyoos BC.

Chief Chad Eneas

Chief Eneas was appointed a Member of the Finance and Audit Committee in April 2018.

The FAC is charged with numerous responsibilities under the Penticton Indian Band Financial Administration Law ("FAL") including policy review, budget review, monitoring for irregular transactions, monthly, quarterly and annual financial statement review, advising Chief and Council on financial matters and other duties as requested by either management or the Chief and Council. The FAC meets with department managers in the budget process to assess program outcomes in relation to budgeted funds. PIB is a real leader in the First Nations world in this sophisticated process. With extensive collective financial and management experience, the independent members of the FAC bring insights to opportunities for wealth creation and retention that may be available to the community and community members. As Chair, I thank the PIB community for its support and trust. I also wish to thank Councillor Jack for his service as Vice Chair, and thank all Members for their professional service to PIB.

Administration

It was an eventful year for the Executive Team transitioning from the old administrative order, to the new. The Executive Team now consists of the Chief Financial Officer, Director of Human Resources and the Chief Administrative Officer, with those three positions sitting equally on the Organizational Chart, and all three acting as Chief & Council's direct reports. Further to this, there continues to be on-going development, of the greater Organizational Chart. This review and development began during the transition from the Acting CAO and continued through the end of the fiscal year. This review is a worthwhile exercise and allows for all Position Descriptions to be affirmed or updated as required.

The Executive Team engaged the Department of Indigenous Services Canada (ISC) on several levels, the primary being that of program support; however, there was robust engagement in areas of Land Designation(s) around the Adrenaline Park. On this issue, it is worthwhile noting that, while the Community chose to not consider the designation vote last December favourably, this effort was completed.

Policy

In the areas of Policy, the Executive Committee provides support to the Council on an ongoing basis, reviewing documents and providing insight where applicable including areas related to the general programming as well as on emerging issues. The policy work included the 10-Year Funding Agreement approved by Council in February, but also in the refinement of Development Cost Charges and Capital Planning supports as well as By-law expansion.

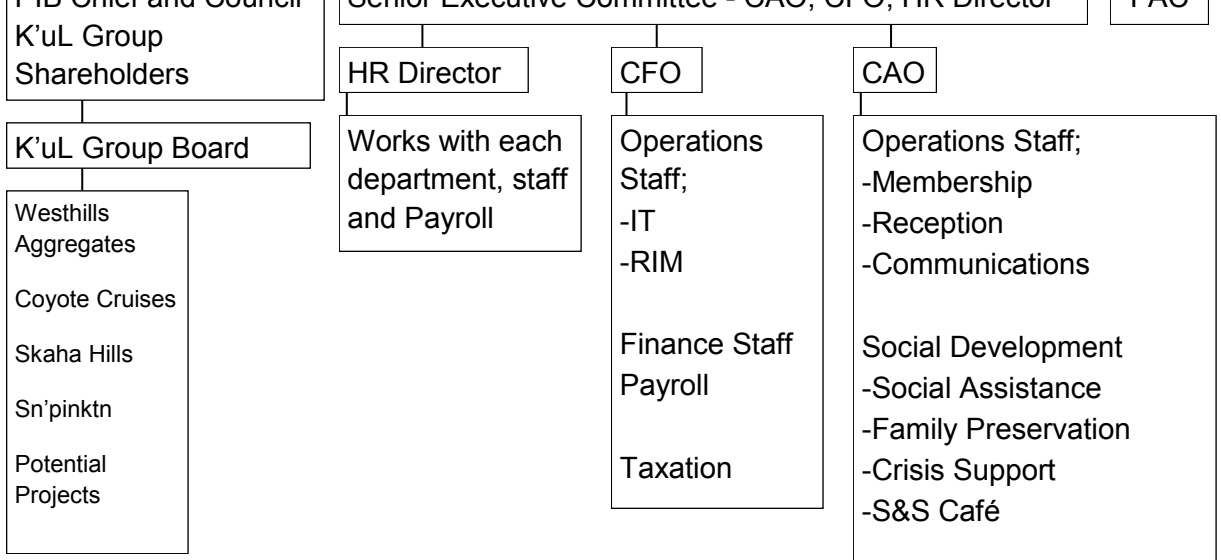
PIB Finance team managed to achieve the following major goals in 2018-2019, including;

- completion and presentation of the 2018 audit to Membership.
- reviewed and reported on expenditures and loans from years past.
- seven financial policies in support of the PIB Finance and Administration Law (FAL) were amended and ratified.
- assisted and supported the intense legal and financial work required to restructure PIBDC and Skaha Hills LP.

Governance

Governance support includes the policy development support noted above, but also includes local, regional and federal engagement. Regionally, the province has several long standing engagement areas including Ministry of Transportation and Infrastructure (MOTI) claims and FCRSA, as well as federally in regard to a variety of Specific Claim negotiation as well as cross -cutting ministerial engagement. Regional work also includes the annual Leadership Council meetings with the Province.

The Executive Committee is located in the Administration Building and welcomes member visits and the opportunity to hear from you.



PIB Chief and Council make decisions which oversee the assets of the Penticton Indian Band members.

These decisions relate to upholding governance of Reserve Lands, Laws, intergovernmental relationships, hard assets, liquid assets, crown referrals and financial agreements made on behalf of the Band.

The Senior Executive Committee analyzes the information coming to the Chief and Council for benefits and ensures the compliance with the FAL in decision-making, presenting the governance table with recommendations for consideration.

The Administration body supports the Chief and Council of the Band by following the regulations of the Finance and Administration Law (FAL), being accountable for reporting of the financial arrangements made on behalf of the Band, ensuring the thoughtful administration of the programs delivered in the PIB community.

The financial position of the Band and the ability to generate revenue puts PIB in a position to bring more benefits to the Members and community. These benefits may not been seen or felt directly. In some cases, having potential projects and initiatives professionally assessed or led by a third party, is ensuring that the Band is not taking unnecessary risks or putting pressure on a potentially understaffed department.

On a monthly basis, each event is reported to the Registry, whether it is a birth, death, marriage, divorce, transfers or amendments. Birth Registrations are submitted to the Indian Registry as soon as possible to avoid prolonged delays.

Indian Registry Report: April 2018- March 2019	**TOTAL**
Male	535
Female	542
TOTAL PIB MEMBERS	1077
On Reserve	579
Other Reserve	64
Off Reserve	434
Births	3
Deaths	9
Marriages	1
Divorce	0
Transfer to PIB	1
Transfers to Other Bands	3
Certificate of Indian Status	92



The 2019 PIB audited consolidated financial statements have been prepared by BDO Canada LLP. An audit consists of a variety of tests, sampling, and analyses to ensure that transactions are processed accurately, with proper internal controls, and recorded and presented according to proper accounting standards. The 2019 PIB audit report comes with an “unqualified” audit opinion, meaning that the statements are correct in all material respects and present a true picture of PIB’s financial position. Please refer to the Independent Auditor’s Report for full detail.

Based primarily on the recognition of the land lease revenue from Phase 3 of Skaha Hills ($4.8 million) and the performance of Westhills Aggregates and Snpinktn Forestry LP (2.4 million profit), PIB had perhaps its best financial results ever in 2019. Table 1, below, shows the key numbers for 2019 compared to 2018 and 2017.

Table 1.

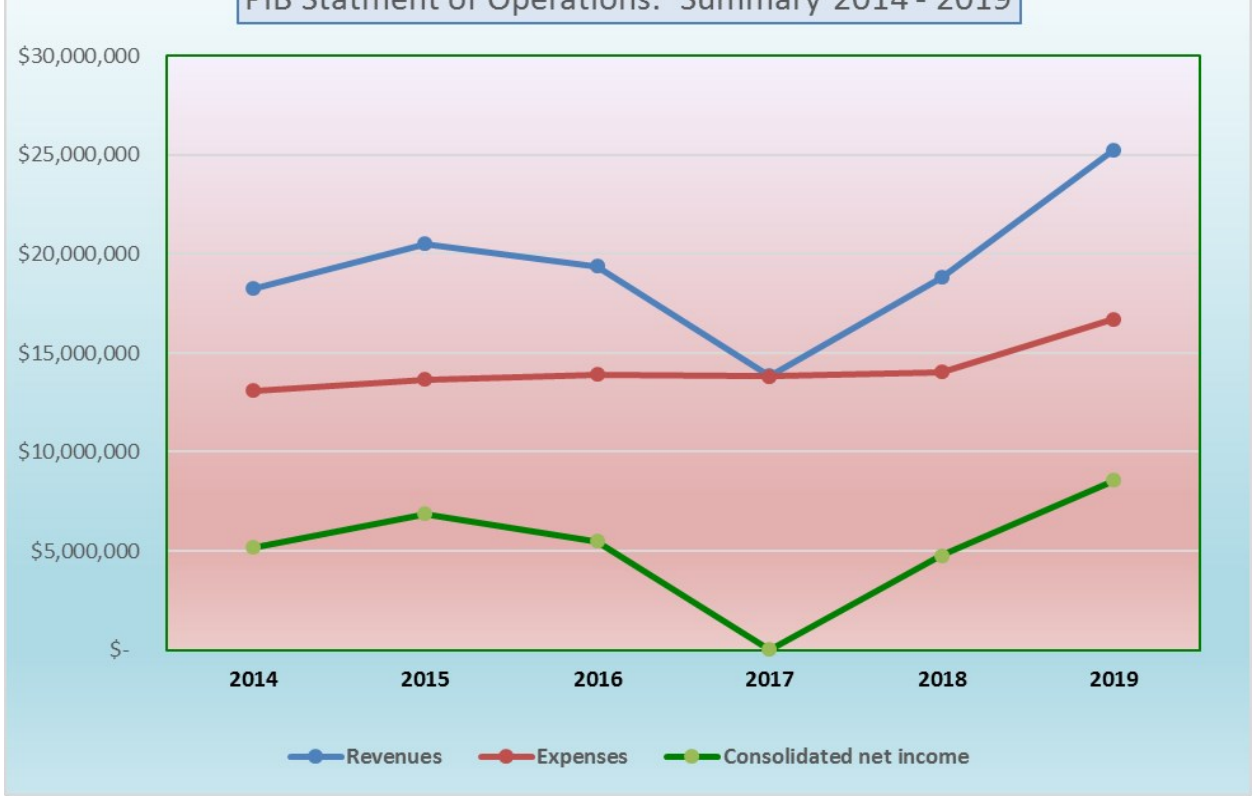
Statement of operations	Summary	2019 2018	2017
Total Revenues	$22.9 million	$16.8 million	$13.1 million
Total Expenses	$16.7 million	$14.0 million	$13.8 million
Surplus from Operations	$6.2 million	$2.8 million	-$0.7 million
Equity Pickup from PIB business profits	$2.4 million	$2 million	$0.7 million
Consolidated Annual Surplus	$8.6 million	$4.8 million	$0.0

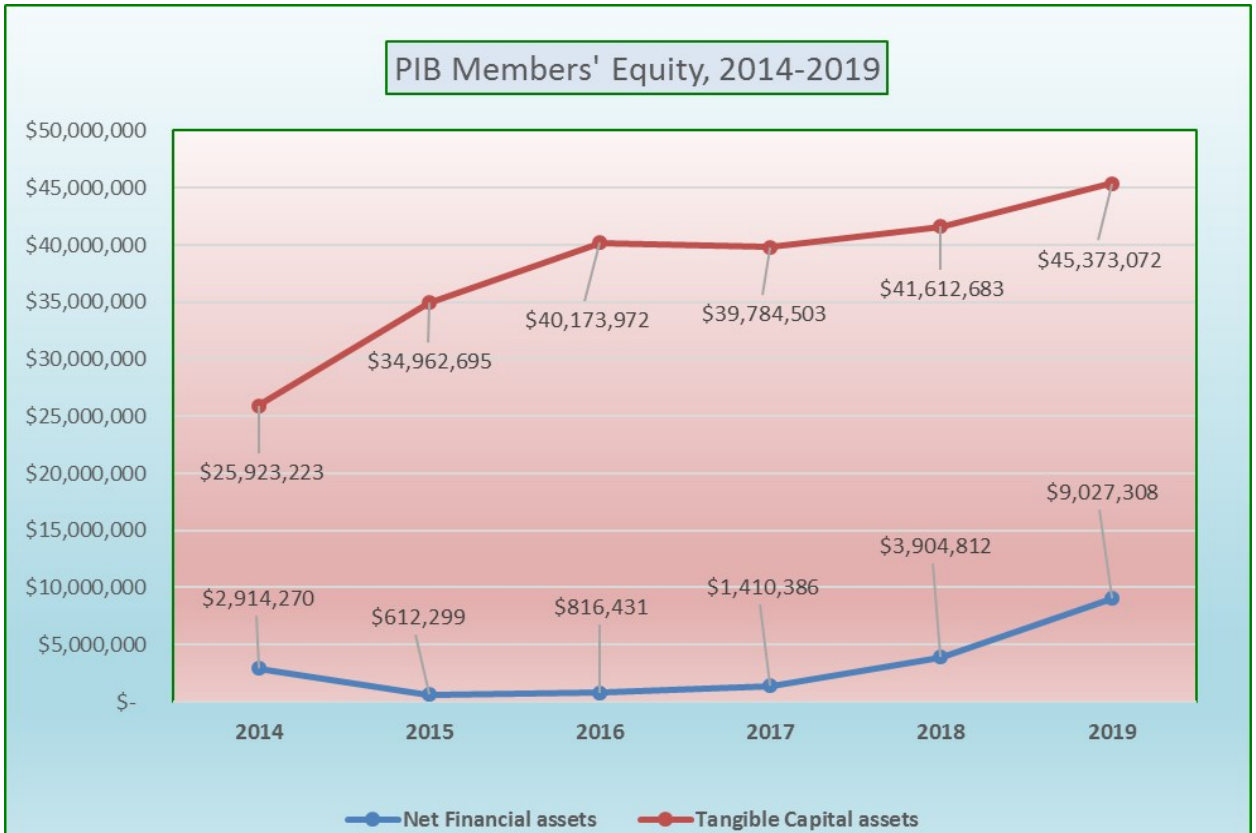
Table 2 provides highlights of the audited “Statement of financial Position” for 2019, again showing substantial improvement over the previous years.

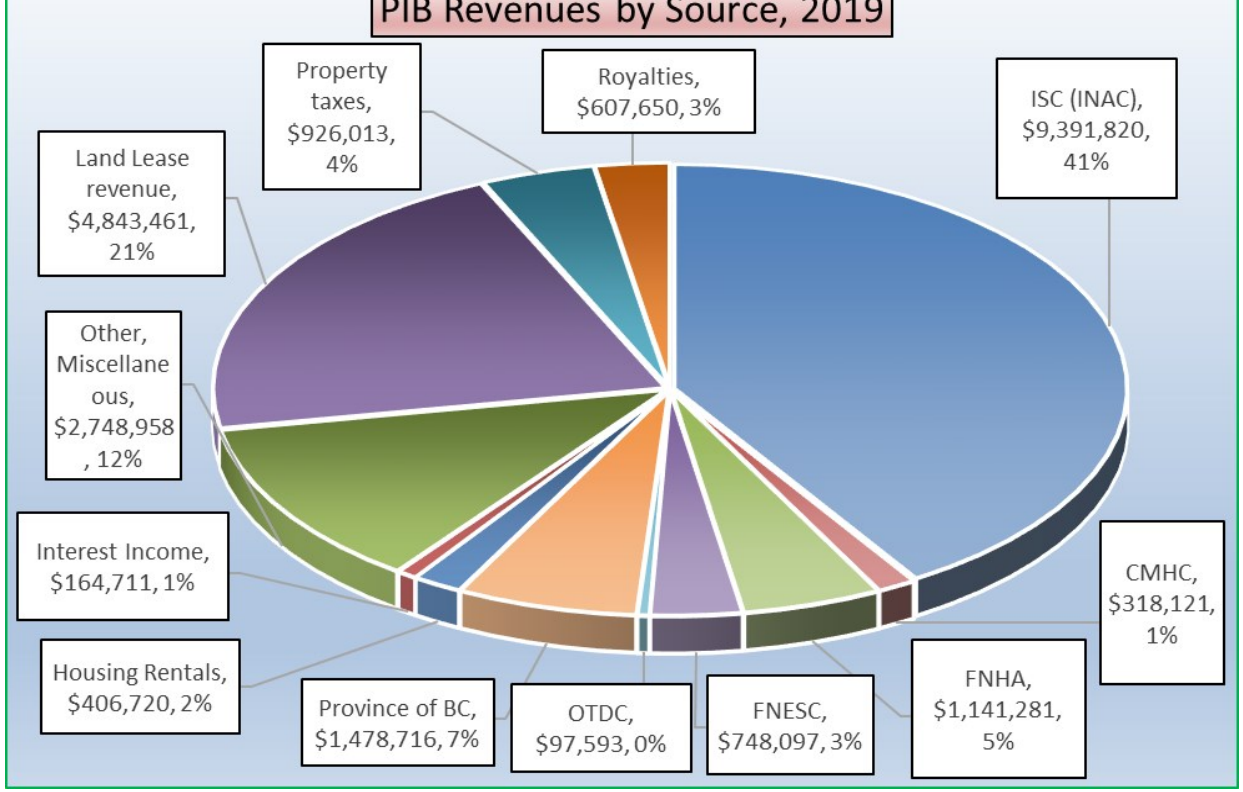
Table 2. Financial position	Summary	2019 2018	2017
Net Financial Assets	$4.4 million	$3.9 million	$1.4 million
Net Tangible Capital Assets	$45.6 million	$42.2 million	$39.9 million
Long term Debt. (See Schedule)	$15.4 million	$15.3 million	$13.3 million
Accumulated Surplus incl. Capital Assets	$54.6 million	$46.1 million	$41.3 million

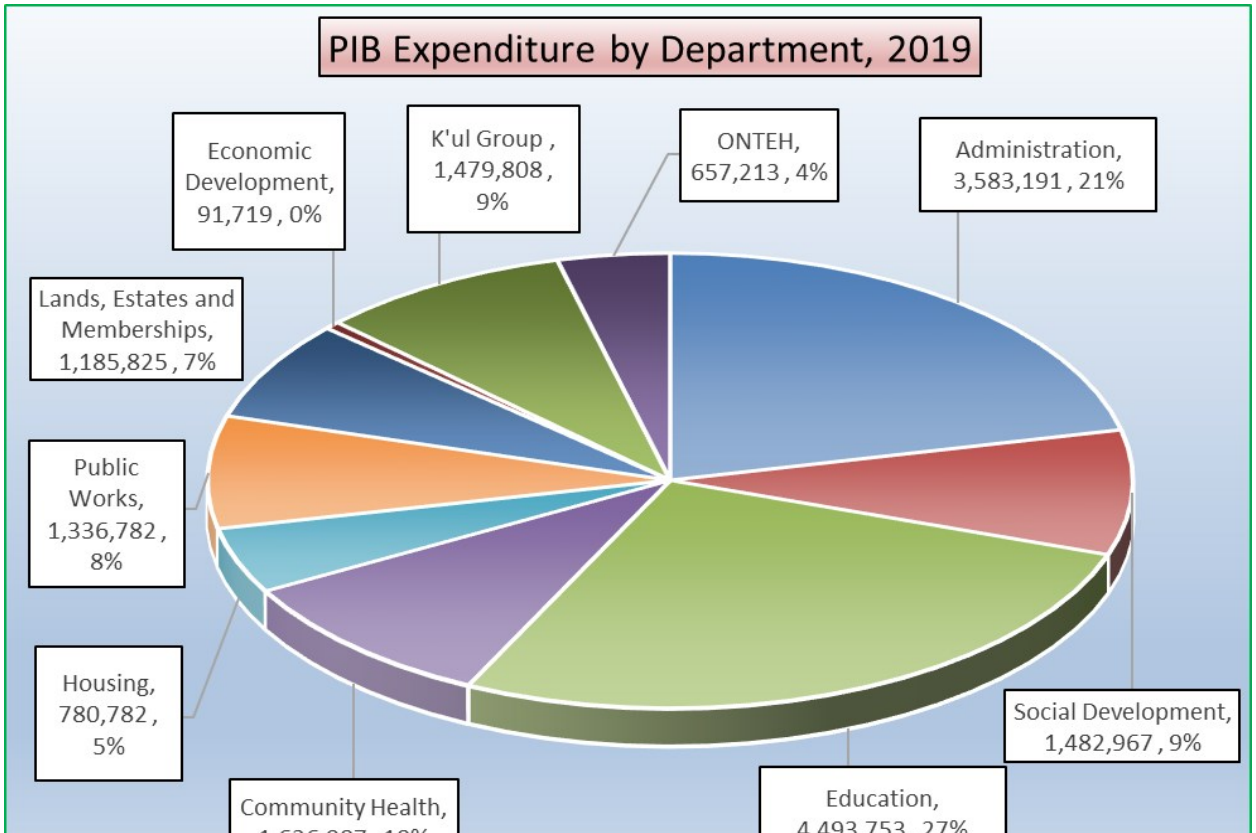
Following this cover letter are charts and tables that present some of PIB’s key financial information in graphic form at March 31, 2019. These are followed by the consolidated, audited statements, which have been reviewed by the PIB FAC on August 26, 2019 and approved by PIB Council on September 23, 2019.

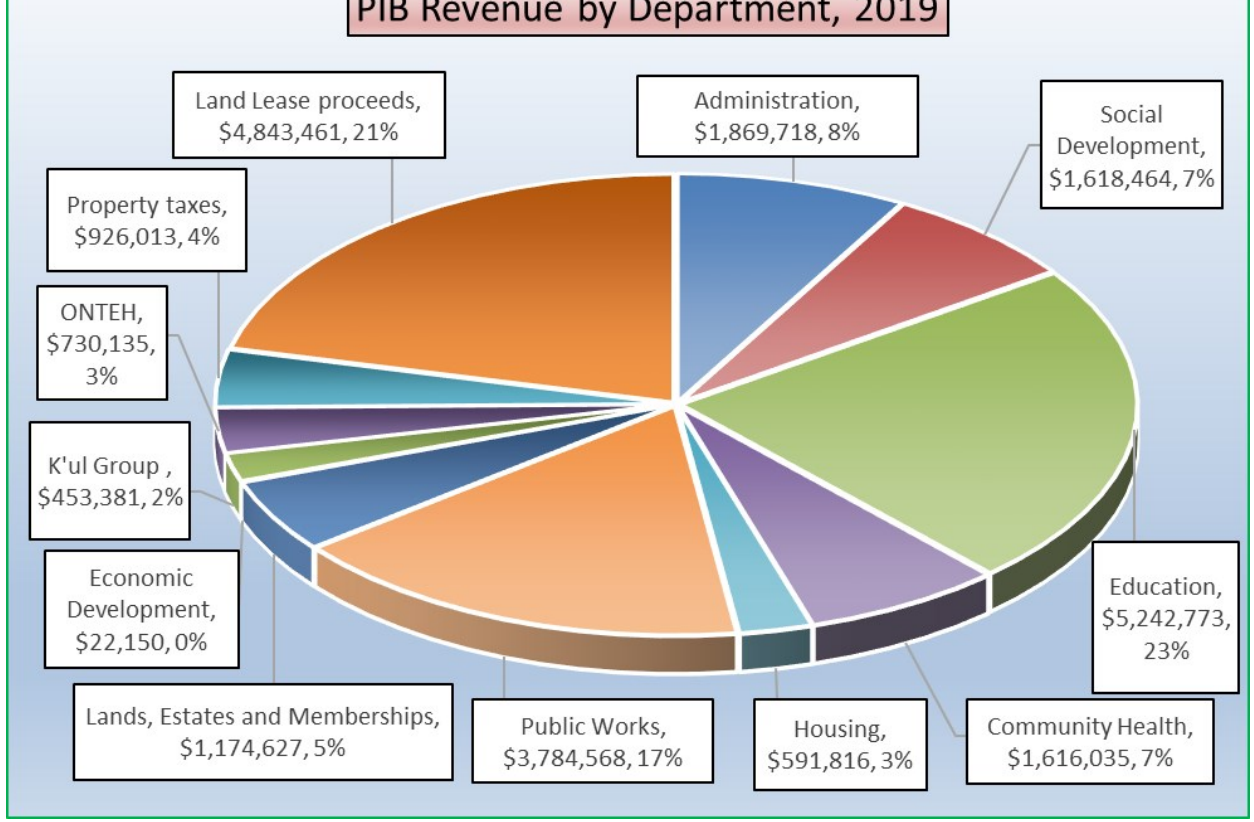
Current audited statements along with four previous years are available anytime at pib.ca. Please contact PIB CFO Brian Conner, cfo@pib.ca; 250-493-0048, extension 211, if you wish any further information, or have any questions.

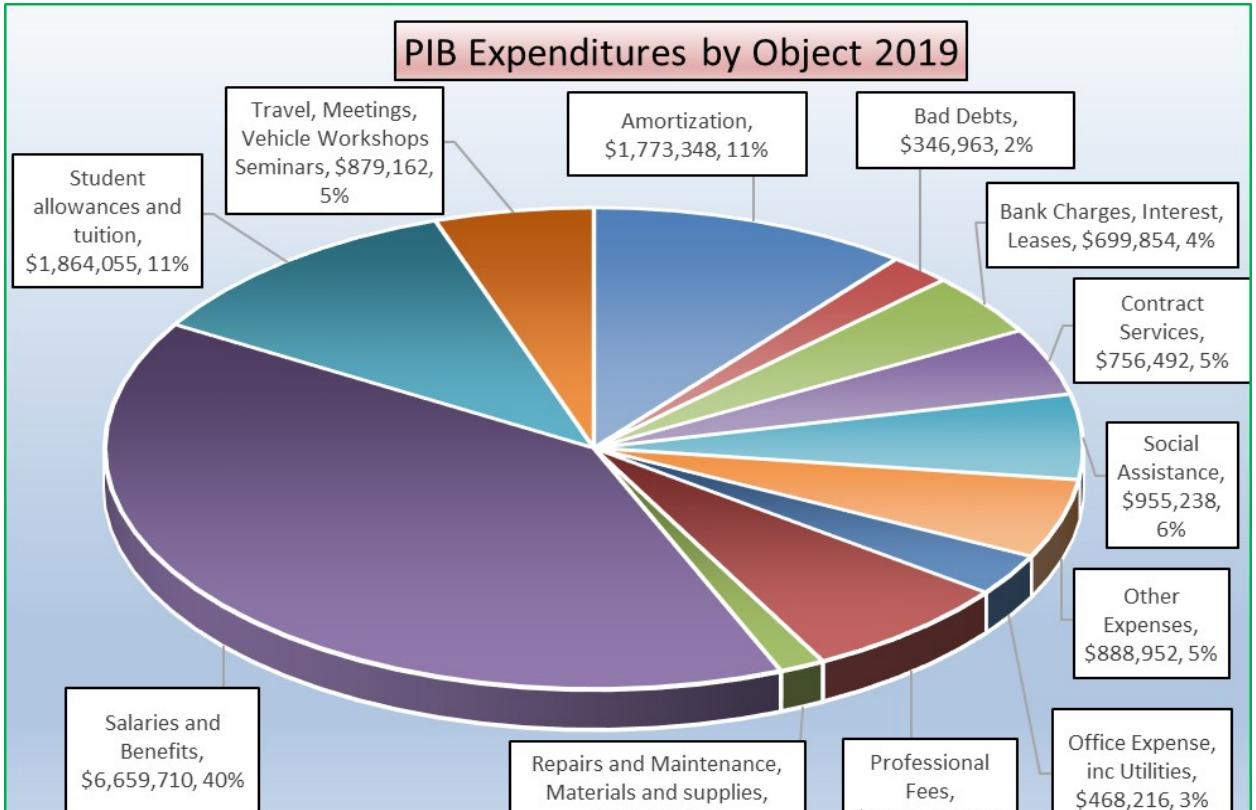

$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
2014
2015
2016
2017
2018
2019
Revenues
Expenses
Consolidated net income

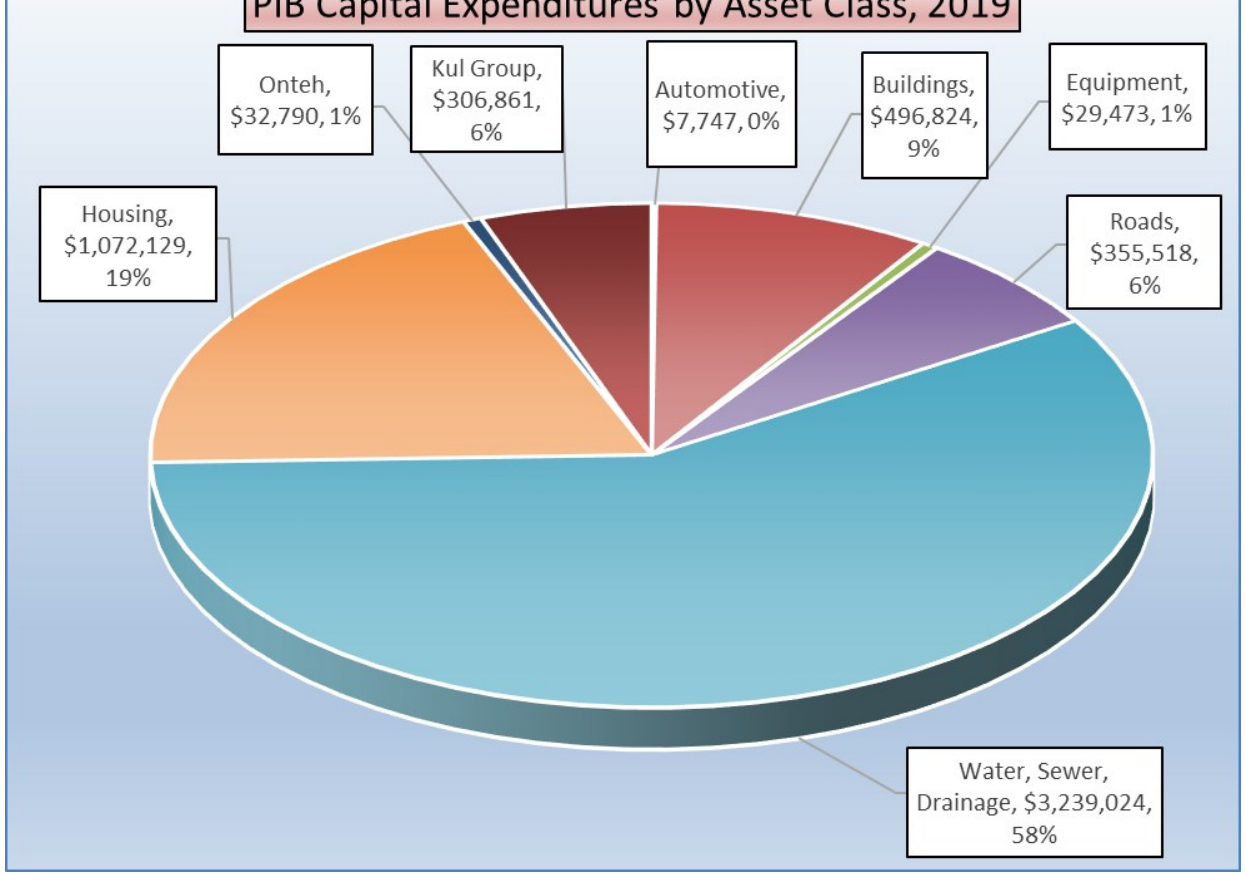

PIB Members' Equity, 2014-2019
$50,000,000
$45,000,000
$40,000,000
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
$25,923,223
$34,962,695
$40,173,972
$39,784,503
$41,612,683
$45,373,072
$2,914,270
$612,299
$816,431
$1,410,386
$3,904,812
$9,027,308
2014
2015
2016
2017
2018
2019
Net Financial assets
Tangible Capital assets

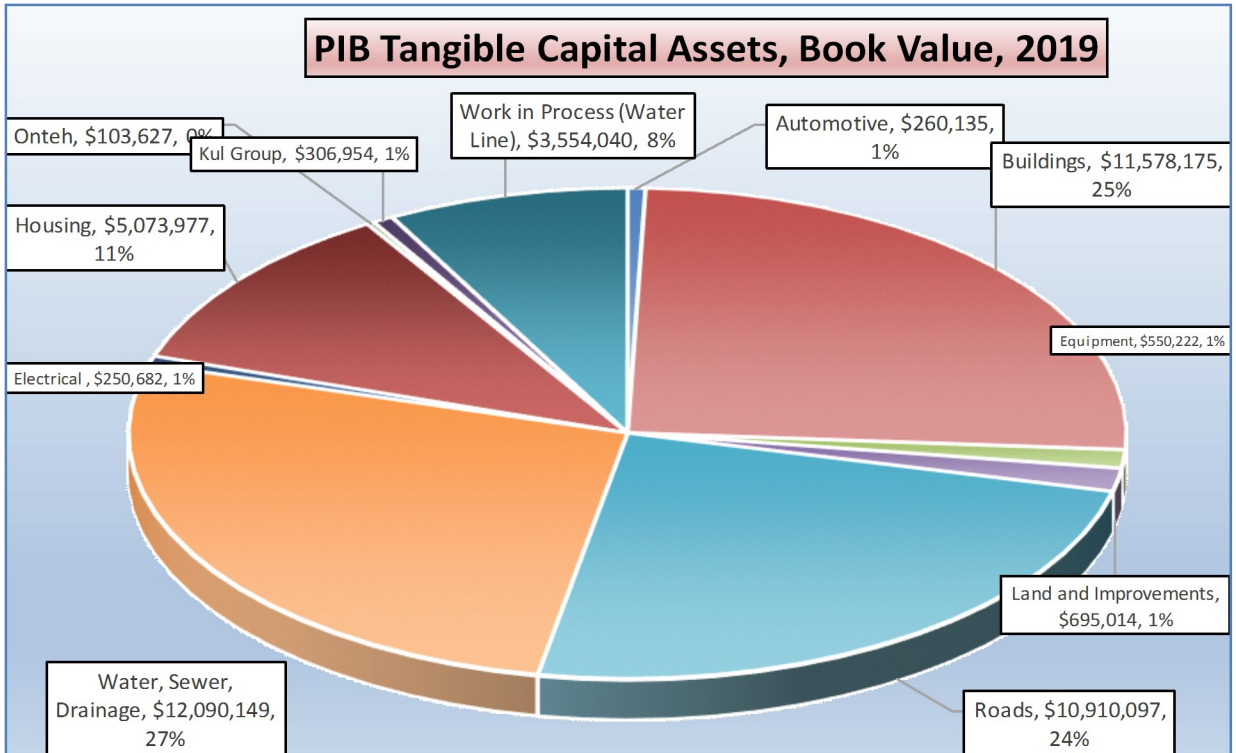

PIB Revenues by Source, 2019
Property taxes, $926,013, 4%
Royalties, $607,650, 3%
ISC (INAC), $9,391,820, 41%
Land Lease revenue, $4,843,461, 21%
Other, Miscellaneous, $2,748,958, 12%
Interest Income, $164,711, 1%
CMHC, $318,121, 1%
Housing Rentals, $406,720, 2%
Province of BC, $1,478,716, 7%
OTDC, $97,593, 0%
FNESC, $748,097, 3%
FNHA, $1,141,281, 5%


PIB Expenditure by Department, 2019
Economic Development, 91,719, 0%
K'ul Group, 1,479,808, 9%
ONTEH, 657,213, 4%
Administration, 3,583,191, 21%
Lands, Estates and Memberships, 1,185,825, 7%
Public Works, 1,336,782, 8%
Housing, 780,782, 5%
Social Development, 1,482,967, 9%
Community Health,
Education,


PIB Revenue by Department, 2019
Land Lease proceeds, $4,843,461, 21%
Administration, $1,869,718, 8%
Social Development, $1,618,464, 7%
Property taxes, $926,013, 4%
ONTEH, $730,135, 3%
K'ul Group , $453,381, 2%
Economic Development, $22,150, 0%
Education, $5,242,773, 23%
Lands, Estates and Memberships, $1,174,627, 5%
Public Works, $3,784,568, 17%
Housing, $591,816, 3%
Community Health, $1,616,035, 7%


PIB Expenditures by Object 2019
Travel, Meetings, Vehicle Workshops Seminars, $879,162, 5%
Amortization, $1,773,348, 11%
Bad Debts, $346,963, 2%
Student allowances and tuition, $1,864,055, 11%
Bank Charges, Interest, Leases, $699,854, 4%
Contract Services, $756,492, 5%
Social Assistance, $955,238, 6%
Other Expenses, $888,952, 5%
Salaries and Benefits, $6,659,710, 40%
Repairs and Maintenance, Materials and supplies,
Professional Fees,
Office Expense, inc Utilities, $468,216, 3%


PIB Capital Expenditures by Asset Class, 2019
Onteh, $32,790, 1%
Kul Group, $306,861, 6%
Automotive, $7,747, 0%
Buildings, $496,824, 9%
Equipment, $29,473, 1%
Housing, $1,072,129, 19%
Roads, $355,518, 6%
Water, Sewer, Drainage, $3,239,024, 58%


PIB Tangible Capital Assets, Book Value, 2019
Onteh, $103,627, 0%
Kul Group, $306,954, 1%
Work in Process (Water Line), $3,554,040, 8%
Automotive, $260,135, 1%
Buildings, $11,578,175, 25%
Housing, $5,073,977, 11%
Equipment, $550,222, 1%
Electrical , $250,682, 1%
Land and Improvements, $695,014, 1%
Water, Sewer, Drainage, $12,090,149, 27%
Roads, $10,910,097, 24%

PIB Cash and Investments

As of March 31, 2019

Line No	Bank Account		Balance
1	RBC General Account		$4,459,278
2	RBC Social Development		-$28,268
3	RBC PIB Transfers		$795,457
4	RBC GIC		$107,235
5	RBC Capital Trust		$2,285,057
6	RBC Revenue Trust		$134,753
7	RBC Line of Credit (Band Housing)		-$20,000
8	ONTEH		$149,535
9	Little Paws		$29,230
10	Social Housing		$373,845
11	Band Housing		-$15,616
12	Utilities		$86,749
13	Property Tax		$508,476
14	Property Tax Contingency		$279,471
15	Property Tax Capital		$818,153
16	(Restricted) Funds held in trust (lands)		$292,560
17	(Restricted) Debt reserve fund at FNFA		$595,146
18	(Restricted) Social Housing Reserve		$1,085,802
19	Other Misc cash (Ott Trust, Petty Cash)		$58,567
20	Total		$11,995,430

PIB Long Term Debt

As of March 31, 2019

Line No	Loan For	Interest Rate	Monthly Payment	Terms	Balance	Amortization Date
1	Health Ctre (RBC)	3.97%	$10,275	Renews Oct 2020	$1,431,673	Nov, 2034
2	Daycare/Youth Ctre (RBC)	3.84%	$3,894	Amortizes March 2020	$45,663	March, 2020
3	School OCS (RBC)	3.78%	$4,238	Renewed March 2019	$312,109	April, 2026
4	Skaha Hills Infrastructure (FNFA) Originally $8.422 M	3.35%	$39,113	Renewable / Repayable after 10 yrs, (June, 2024)	$7,652,575	June, 2044
5	Channel Lands Infrastructure (FNFA) $2.578M	3.60%	$14,615	Interest only to Sept, 2018. Paid Principal since October/Repayable after 10 yrs 2028	$2,537,359	Sept, 2048
6	Lot 3 renovation (RBC)	3.16%	$468	Will be paid off in June 2019	$1,378	June, 2019
7	132 Sumac Lane renovation (RBC)	Prime + 1%	$360	Renews Dec 2022 (Will pay off then)	$28,424	April, 2027
8	Social Housing, 8 Phases (CMHC)	0.94% - 2.40%	$23,165	9 mortgages CMHC, Phase 15 added, March 2019, $748,125	$3,375,660	Various
9	Total		$96,128		$15,384,841	

Summary Balance sheet and Statement of Operations

31-Mar-19

	Westhills Aggregates	Snpinktn Forestry	Coyote Cruises	Skaha Hills LP	Misc	Total
Balance Sheet						
Current Assets	$6,289,395	$1,088,677	$32,257	$16,600,705		$24,011,034
Non-current Assets	$2,078,601	$1,743,054	$56,981	$338,971		$4,217,607
Total Assets	$8,367,996	$2,831,731	$89,238	$16,939,676		$28,228,641
Current Liabilities	$1,686,768	$204,341	$119,668	$11,060,142	$12,786	$13,083,705
Non-current liabilities	$9,383	737,768	-	-		$747,151
	$1,696,151	$942,109	$119,668	$11,060,142		$13,830,856
Equity (Deficit)	$6,671,845	$1,889,622	-$30,430	$5,879,534	-$12,786	$14,397,785
Total Liabilities and Equity	$8,367,996	$2,831,731	$89,238	$16,939,676	-$12,786	$28,228,641
Statement of Operations						
Revenue	$11,953,916	$4,328,879	$161,092	$4,822,611		$21,266,498
Expenditure	$11,070,882	$2,978,064	$246,905	$3,224,238		$17,520,089
Net Income	$883,034	$1,350,815	-$85,813	$1,598,373		$3,746,409



Penticton Indian Band

Consolidated Financial Statements

For the year ended March 31, 2019

TABLE OF CONTENTS
For the year ended March 31, 2019

Management's Responsibility for Financial Reporting	**2**
Independent Auditor's Report	**3 - 5**
Financial Statements	
Consolidated Statement of Financial Position	**6**
Consolidated Statement of Operations	**7**
Consolidated Statement of Change in Net Financial Assets	**8**
Consolidated Statement of Cash Flows	**9**
Notes to Consolidated Financial Statements	**10 - 30**

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Penticton Indian Band are the responsibility of management and have been approved by the Chief and another Band Councilor on behalf of the Band Council.

These 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.

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

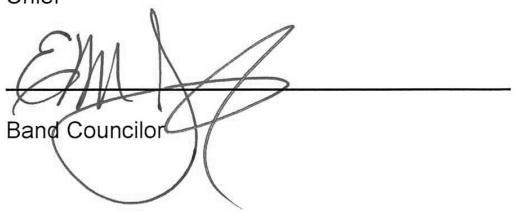
Penticton Indian Band is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through its Finance Committee.

The Finance Committee reviews the Band's consolidated financial statements and recommends their approval to Council. The Committee meets periodically with management, as well as the external auditors, 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, consolidated financial statements and external auditor's report. The Committee reports its findings to the Council for consideration when approving the consolidated financial statements for issuance to the members. The Committee also considers, for review by the Council, the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full and free access to the Band Council.



Chief



Band Councilor

Tel: 250 492 6020
Fax: 250 492 8110
Toll-free: 800 279 3658
www.bdo.ca

BDO Canada LLP
100 Front Street, Suite 102
Penticton, BC V2A 1H1 Canada

Independent Auditor's Report

To the Members of Penticton Indian Band

We have audited the accompanying consolidated financial statements of Penticton Indian Band "the Band", which comprise the consolidated statement of financial position as at March 31, 2019, the consolidated statements of operations, change 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 and other explanatory information.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2019, and the results of its operations, change in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter- Restated Comparative Information

We draw attention to Note 2 to the consolidated financial statements, which explains that certain comparative information presented for the year ended March 31, 2018 has been restated. Our opinion is not modified in respect of this matter.

Other Matters

The Band has also prepared another set of consolidated financial statements for the year ended March 31, 2019 in accordance with Canadian public sector accounting standards. However, those consolidated financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures prepared to assist management of the Band to meet the reporting requirements of various funding agencies. Our audit report on the other set of financial statements was issued to Chief and Council of the Band and was dated September 3, 2019.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK District limited by guarantee, and forms part of the international BDO network of independent member firms.

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 Band or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 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 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 Band'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 Band'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 Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Band to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants

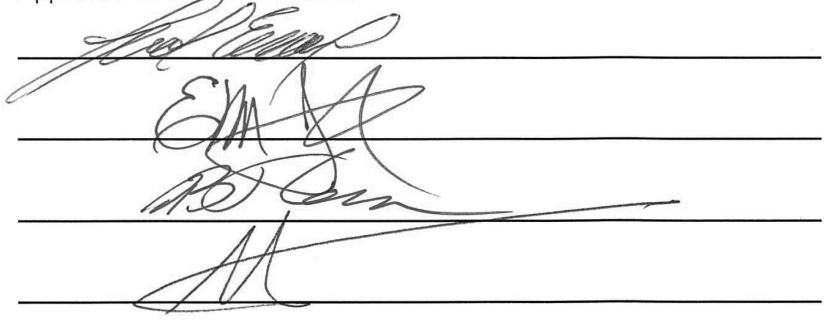
Penticton, British Columbia
September 3, 2019

Penticton Indian Band
Consolidated Statement of Financial Position

March 31	2019	Restated 2018
Financial assets		
Cash and cash equivalents (Note 4)	**$ 6,512,591**	$ 2,108,774
Short term investments (Note 4)	**4,710,471**	6,141,898
Accounts receivable (Note 6)	**2,906,270**	4,208,820
Debt Reserve Fund (Note 9)	**595,146**	574,171
Investment in Band owned entities (Note 22)	**15,110,497**	10,212,571
Funds held in trust (Note 5)	**292,560**	288,706
Loans receivable from band members (Note 7)	**77,367**	84,473
	30,204,902	23,619,413
Liabilities		
Accounts payable and accrued liabilities (Note 8)	**3,879,900**	2,895,178
Line of credit (Note 13)	**823,664**	971,840
Deferred revenue (Note 10)	**1,089,189**	540,810
Long-term debt (Note 15)	**15,384,841**	15,306,773
	21,177,594	19,714,601
Net financial assets	**9,027,308**	3,904,812
Non-financial assets		
Prepaid expenses	**232,129**	558,702
Tangible capital assets (Note 14)	**45,373,072**	41,612,683
	45,605,201	42,171,385
Accumulated surplus	**$ 54,632,509**	$ 46,076,197

Contingencies (Note 19)

Approved on behalf of Council



Chief

Band Councilor

Chief Financial Officer

Finance and Audit Committee

Penticton Indian Band
Consolidated Statement of Operations

For the year ended March 31	(Note 23) Budget	2019	Restated 2018
Revenues			
Federal Government			
Indigenous Services Canada	**$ 8,953,537**	**$ 9,391,820**	$ 6,642,471
Canada Mortgage and Housing Corporation	**159,084**	**318,121**	401,270
Government of Canada	**247,413**	**-**	-
First Nations Health Authority	**1,084,897**	**1,141,281**	1,042,275
Provincial Government			
First Nations Education Steering Committee	**513,836**	**748,097**	473,069
Okanagan Training & Development Council	**88,374**	**97,593**	156,156
Province of British Columbia	**1,290,499**	**1,478,716**	3,321,509
Other			
Housing charges and rental	**392,812**	**406,720**	398,298
Interest and investment income	**74,650**	**164,711**	143,099
Other contracts and miscellaneous	**1,877,165**	**2,792,419**	2,846,006
Land Lease	**-**	**4,800,000**	-
Property taxes (Note 11)	**1,422,423**	**926,013**	798,579
Royalties	**529,600**	**607,650**	548,113
Total revenues for the year	**16,634,290**	**22,873,141**	16,770,845
Expenditures (Note 24)			
Administration	**3,066,176**	**3,583,191**	3,194,993
Community health	**1,592,644**	**1,626,907**	1,611,271
Economic development	**578,955**	**91,719**	24,907
Education	**3,461,977**	**4,493,753**	3,811,193
Forestry	**-**	**-**	79,263
Housing	**648,095**	**780,782**	525,133
Land, estate and membership	**958,120**	**1,185,825**	912,298
K'ul Group Ltd.	**38,799**	**1,479,808**	435,540
Public works	**1,112,966**	**1,336,782**	1,289,678
O.N.T.E.H	**624,030**	**657,213**	747,825
Social development	**1,425,800**	**1,482,967**	1,414,315
Total expenditures for the year	**13,507,562**	**16,718,947**	14,046,416
Excess of revenue for the year	**3,126,728**	**6,154,194**	2,724,429
Net income from Band owned entities (Note 22)		**2,402,118**	2,047,494
Annual surplus		**8,556,312**	4,771,923
Accumulated surplus, beginning of year as previously stated		**46,617,007**	41,304,274
Prior period adjustment (Note 2)		**(540,810)**	-
Accumulated surplus, beginning of year restated		**46,076,197**	41,304,274
Accumulated surplus, end of year		**$ 54,632,509**	$ 46,076,197

The accompanying notes are an integral part of these consolidated financial statements.

Penticton Indian Band
Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	(Note 23) Budget	2019	Restated 2018
Annual surplus	**$ 3,126,728**	**$ 8,556,312**	$ 4,771,923
Acquisition of tangible capital assets	**(4,636,993)**	**(5,540,366)**	(3,523,200)
Amortization of tangible capital assets	**-**	**1,773,341**	1,695,020
Disposal of tangible capital assets	**-**	**6,636**	-
	(4,636,993)	**(3,760,389)**	(1,828,180)
Use (acquisition) of prepaid expenses	**-**	**326,573**	(449,317)
Net change in net financial assets	**(1,510,265)**	**5,122,496**	2,494,426
Net financial assets, beginning of year		**3,904,812**	1,410,386
Net financial assets, end of year		**$ 9,027,308**	$ 3,904,812

Penticton Indian Band
Consolidated Statement of Cash Flows

For the year ended March 31	2019	Restated 2018
Cash flows from operating activities		
Cash received during the year	**$ 24,559,350**	$ 18,054,261
Cash paid to suppliers and employees	**(13,077,897)**	(14,906,680)
Interest paid	**(552,369)**	(481,765)
Interest received	**167,309**	143,099
	11,096,393	2,808,915
Cash flows from capital activities		
Purchase of tangible capital assets	**(5,540,366)**	(3,523,200)
Cash flows from financing activities		
Issuance of long-term debt	**673,313**	2,578,000
Increase (decrease) in line of credit	**(148,175)**	103,185
Repayment of long-term debt	**(595,244)**	(558,613)
Increase in First Nation Finance Authority debt reserve	**(20,975)**	(139,359)
Increase in trust funds	**(3,854)**	(2,320)
	(94,935)	1,980,893
Cash flows from investing activities		
Decrease in member loans receivable	**7,106**	31,218
Decrease (increase) in investment in Band owned Entities	**(2,495,808)**	2,126,496
	(2,488,702)	2,157,714
Increase in cash for the year	**2,972,390**	3,424,322
Cash and cash equivalents, beginning of year	**8,250,672**	4,826,350
Cash and cash equivalents, end of year	**$ 11,223,062**	$ 8,250,672
Represented by:		
Unrestricted (Note 4)	**$ 6,567,641**	$ 2,166,414
Restricted (Note 4)	**4,655,421**	6,084,258
	11,223,062	8,250,672
	$ 11,223,062	$ 8,250,672

The accompanying notes are an integral part of these consolidated financial statements.

March 31, 2019

1. Summary of Significant Accounting Policies

Nature of Business

Penticton Indian Band provides services and support to its band members.

Penticton Indian Band is an Indian Band and, as such, is exempt from income tax under Section 87 of the Indian Act.

Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board.

Reporting Entity

The Penticton Indian Band "the Band" reporting entity includes the Penticton Indian Band government and all related entities that are controlled by the First Nation.

Principles of Consolidation

All governmental units are fully consolidated by the government reporting entity. Other business enterprises and partnerships which meet the definition of a government business enterprise or partnership are accounted for on the modified equity basis of accounting.

Entities that fall under the consolidated basis of accounting are fully consolidated on a line-by-line basis with inter-organizational balances and transactions eliminated. The following entities are accounted for on a consolidation basis:

Okanagan Nations Family Intervention Services Society
K'ul Management Group Ltd.
Penticton Indian Band Utilities Limited Partnership
K'ul Management Group Limited Partnership

Other entities (Note 22) that are accounted for on the modified equity basis of accounting include the cost of the Band's investment in the entities plus the undistributed proportionate share of earnings. Under the modified equity basis of accounting inter-organizational balances are not eliminated.

Entities owned by the Band directly:

Skaha Hills Limited Partnership

Entities owned through K'ul Management Group Limited Partnership:

Westhills Aggregates Limited Partnership
snpinktn FORESTRY LIMITED PARTNERSHIP
Coyote Cruises Limited Partnership
Skaha Hills Residential Development Limited Partnership
K'ul Construction Limited Partnership

1. Summary of Significant Accounting Policies (continued)

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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments.

Short-term Investments

Short-term investments include guaranteed investment certificates and mutual funds maturing at various times during the next fiscal year. These investments are recorded at cost.

Financial Instruments

The Band carries a number of financial instruments. 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.

Interest Income

Interest income on loans receivable and on funds held in trust are recorded as revenue when received or receivable by the Band.

Revenue Recognition

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

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes are recognized net of an allowance for anticipated uncollectable amounts.

Taxation arrears and interest revenue are recognized at the time of issuing overdue property tax notices to the rate payers for the fiscal year based on the time overdue.

Rental revenue is recognized when the services are provided to tenants, and collection is reasonably assured. When rental payments are received in advance of contracted services, the Band records this as deferred revenue.

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Segmented Information

The Band is a First Nation organization that provides a wide range of services to its members including social, education, health, housing, public works and economic activities. For management reporting purposes, the Band's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives with special regulations, restrictions or limitations. Services are provided by programs and their activities are reported in these funds. Certain programs have been separately disclosed in the segmented information, along with the services they provide, and are detailed in the Schedule of Segmented Operations.

Administration Services
The Administration Services program provides administration support to other band operated programs and services.

Social Development
The Social Development program provides financial benefits and services to individuals and families, resident on reserve, who are in need.

Education
The Education program provides services to eligible First Nations students enrolled in elementary/secondary education programs and eligible post-secondary education programs.

Forestry
The Forestry program is a management initiative that includes monitoring and enhancement projects.

Community Health
The Band provides health programs and services under an agreement with First Nations Health Authority, and the Province of British Columbia.

1. Summary of Significant Accounting Policies (continued)

Segmented Information (continued)

Housing
The Housing program provides on-reserve housing to eligible members under the CMHC housing programs for First Nations.

Land, Estates and Memberships Program
The Land, Estates and Memberships program negotiates and implements land claim and self-government agreements on behalf of the Band.

Public Works
The Public Works program is responsible for the construction and maintenance of public spaces within the community and includes the Penticton Indian Band Utilities Limited Partnership (PIBULP).

Economic Development Program
The Economic Development program provides planning and capacity development initiatives under agreements with the Province of British Columbia.

Okanagan Nation Family Intervention and Services Society (ONTEH)
The ONTEH program is a Band-run organization that operates a transition house.

K'ul Management Group Ltd. (K'ul Group)
The K'ul Group is a Band-run organization that invests in development opportunities.

Tangible Capital Assets and Amortization

Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of goods and services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets are valued at acquisition cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs.

Amortization is charged against tangible capital assets based on the estimated useful life of the asset as follows.

- Automotive equipment	- 10-20% straight line
- Buildings	- 5% straight line
- Equipment	- 20% - 50% straight line
Infrastructure	- 15-60 years straight line
- Land improvements	- 5 - 20% straight line
Leasehold improvements	- 5 years straight line

Tangible capital assets under construction, development or that have been removed from service are not amortized until they are available to be put into service.

Tangible capital assets are written down when contributions indicate that they no longer contribute to the Band's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Contributed tangible capital assets are recorded at their fair value on the date of contribution, except in unusual circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

2. Prior Period Adjustment

During the year it was discovered that certain government funding with stipulations regarding spending that was received, but not spent during the 2018 fiscal year was not deferred as at March 31, 2018. This resulted in an overstatement of revenue for the year ended March 31, 2018 and an understatement of deferred revenue as at March 31, 2018. As a result, an adjustment was made to reduce revenue for the year ended March 31, 2018 and increase deferred revenue as at March 31, 2018 by $540,810.

3. Restructuring Transaction

On January 1, 2019, to better separate Band activities from business activities, the Band transferred its interest in Westhills Aggregates Limited Partnership, Coyote Cruises Limited Partnership and snpinktn FORESTRY LIMITED PARTNERSHIP, that was previously included in investment in band owned entities, to K'ul Management Group Limited Partnership ("K'ul") for a $9,900,343 promissory note. The Band is the limited partner of K'ul with a 99.99% interest. As K'ul is considered an other government organization, K'ul's investment in these partnerships is recorded by the Band on a consolidated basis.

4. Cash and Short-term Investments

	2019	2018
Consists of:		
Cash	**$ 6,512,591**	$ 2,108,774
Term deposits	**107,235**	106,273
Mutual funds	**4,603,236**	6,035,625
	$ 11,223,062	$ 8,250,672
Restricted		
Ottawa trust funds	**$ 52,185**	$ 48,632
Social housing reserves (Note 15)	**1,085,802**	1,071,397
Band capital trust funds	**2,285,057**	2,710,699
Band revenue trust funds	**134,753**	1,170,460
Capital contingency fund	**818,153**	807,300
Stabilization fund	**279,471**	275,770
	4,655,421	6,084,258
Unrestricted	**6,567,641**	2,166,414
	$ 11,223,062	$ 8,250,672

Term deposits consist of two one-year cashable GICs at a rate of 0.5% per annum, maturing June 2019 (0.5-0.75% at March 31, 2018).

In 2004, the Band removed their funds from the Ottawa trust funds and have set up a separate trust fund account administered by the Band Council. The amount remaining in this fund represents the interest earned in the fiscal year that transfers to the Band on April 1 of each year.

4. Cash and Short-term Investments (continued)

Band capital trust funds are funds earned from sale of natural resources, and government transfers that are internally restricted for use towards future capital projects.

Band revenue trust funds are funds received from government business enterprises in the form of profit shares, and government transfers that are internally restricted for use as determined by the Chief and Council.

The capital contingency fund is designed to be used as designated by Chief and Council from time to time for extraordinary capital expenditures which benefit or service rate payers and requires an annual contribution of up to ten percent (10%) of the annual gross taxes.

The stabilization fund is designed to hold any surplus monies remaining in the taxation fund at the end of the fiscal year as specified in the Expenditure By-law Annual Budget Schedule, and may be applied towards the operation and administration costs for the next fiscal year.

5. Funds Held in Trust

As at March 31, funds were held for Penticton Indian Band as follows:

	2019	2018
Cedar Law Law Corporation, Barristers and Solicitors	**$ 292,560**	$ 288,706

Peace Hills Trust (Minors Trust) holds $77,433 (2018 - $77,433) on deposit in a Minors Trust fund for minor band members. This amount is not included in these financial statements.

Cedar Law Law Corporation also holds $957,741 in trust for the band. This amount is not included in these financial statements.

6. Accounts Receivable

	2019	2018
First Nation Education and Steering Committee	**$ 100,063**	$ 111,842
Indigenous Services Canada	**48,430**	60,697
Trade	**1,255,359**	1,578,437
Property taxes	**483,512**	422,849
Rent receivable	**694,827**	727,887
Canada Mortgage and Housing Corporation	**20,008**	283,803
Skaha Hills Limited Partnership	**1,178,920**	1,721,389
Allowance for Doubtful Accounts	**(874,849)**	(698,084)
Net accounts receivable	**$ 2,906,270**	$ 4,208,820

7. Loans Receivable from Band Members

	2019	2018
Members' loans receivable	**$ 77,367**	$ 84,473

Loans receivable from Band Members are non interest bearing, unsecured, and due on demand.

8. Accounts Payable and Accrued Liabilities

	2019	2018
Trade payables	**$ 3,263,117**	$ 2,391,902
Accrued liabilities	**289,317**	154,048
ISC Funding Surplus	**-**	17,331
Accrued salaries and employee benefits payable	**327,466**	331,897
	$ 3,879,900	$ 2,895,178

9. Debt Reserve Fund - First Nation Finance Authority

The Penticton Indian Band has the option to issue its long-term debt through the First Nation Finance Authority ("FNFA"). As a condition of borrowing, 5% of the gross debenture proceeds are withheld by the FNFA as a debt reserve fund. The debt reserve fund is invested by the FNFA and interest earned and expenses incurred are reported annually to the Band. If at any time the FNFA does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments will be made from the debt reserve fund. Details of cash deposits held in the debt reserve fund are as follows:

Debt Reserve Fund - Cash Deposits	2019	2018
	$ 595,146	$ 574,171

10. Deferred Revenue

	2019	Restated 2018
Aboriginal Housing Management Association	**7,788**	-
Canada Mortgage and Housing Corporation	**$ -**	$ 91,783
First Nations Education Steering Committee	**115,433**	-
First Nations Health Authority	**15,000**	-
Information Technology Apprenticeship Program	**14,332**	$ -
Indigenous Services Canada	**696,777**	449,027
Province of British Columbia	**239,309**	-
Prepaid rent	**550**	-
	$ 1,089,189	$ 540,810

11. Property Tax Collected for Other Governments

The Band collects taxation revenue on behalf of other entities for government services as follows:

	2019	2018
BC Assessment Authority	**$ 18,947**	$ 15,835
Regional District Okanagan-Similkameen	**61,019**	62,998
Hospital	**87,936**	92,528
Sewer	**30,986**	30,986
Library	**28,545**	22,935
Fire protection	**243,479**	190,374
	$ 470,912	$ 415,656

12. Property Taxes

	2019	2018
Gross property taxation revenue	**$ 1,758,123**	$ 1,539,290
Less: Home owner grants	**(361,198)**	(325,055)
Less: Collections on behalf of other governments (Note 11)	**(470,912)**	(415,656)
Net property taxation revenue	**$ 926,013**	$ 798,579

13. Line of Credit

K'ul Management Group Limited Partnership has a line of credit for up to $5,000,000. The limit will be required to be reduced by March 2020 in the amount of $1,250,000 and then by a further $1,250,000 reduction by March 2021. The facility bears interest at the bank's prime rate plus 0.50% per annum and is secured by a general security agreement providing a security interest over all present and after-acquired personal/movable property of the band. At March 31, 2019 $4,196,335 was available.

The Bank has also provided a line of credit to a maximum of $400,000, bearing interest at the bank's prime rate plus 0.8% per annum and secured by a general security agreement providing a floating charge over band receivables. At March 31, 2019 $380,000 was available.

Tangible Capital Assets

	Automotive Equipment	Buildings	Equipment	Land and Land Improvements	Roads	Water, Sewer, Drainage	Electrical	Work in Process	Social Housing	ONTEH	K'ul Group	PIBULP	**20 To**
st, inning of r	$ 994,201	$ 17,865,781	$ 1,782,164	$ 1,764,938	$ 13,802,465	$ 14,502,851	$ 285,917	$ 2,022,196	$ 6,017,266	$ 323,722	$ 20,136	$ 3,100	**$ 59,384,73**
litions	7,747	496,824	29,473	-	355,518	382,235	-	2,856,789	1,072,129	32,790	306,861	-	**5,540,36**
posals	-	(174,629)	-	-	-	-	-	-	-	-	-	-	**(174,62**
nsfers	-	-	-	-	329,831	612,544	-	(1,324,945)	382,570	-	-	-	
st, end of r	1,001,948	18,187,976	1,811,637	1,764,938	14,487,814	15,497,630	285,917	3,554,040	7,471,965	356,512	326,997	3,100	**64,750,47**
cumulated ortization, inning of r	694,696	6,224,723	1,087,679	1,046,317	3,225,937	3,074,559	28,087	-	2,151,980	216,615	18,361	3,100	**17,772,05**
ortization	47,117	553,071	173,736	23,607	351,780	332,922	7,148	-	246,008	36,270	1,682	-	**1,773,34**
posals	-	(167,993)	-	-	-	-	-	-	-	-	-	-	**(167,99**
te- vns/transfer	-	-	-	-	-	-	-	-	-	-	-	-	
cumulated ortization, d of year	741,813	6,609,801	1,261,415	1,069,924	3,577,717	3,407,481	35,235	-	2,397,988	252,885	20,043	3,100	**19,377,40**
carrying ount, end of r	$ 260,135	$ 11,578,175	$ 550,222	$ 695,014	$ 10,910,097	$ 12,090,149	$ 250,682	$ 3,554,040	$ 5,073,977	$ 103,627	$ 306,954	$ -	**$ 45,373,07**

	Automotive Equipment	Buildings	Equipment	Land and Land Improvements	Roads	Water, Sewer, Drainage	Electrical	Work in Process	Social Housing	ONTEH	K'ul Group	PIBULP	2019 T
st, inning of r	$ 911,471	$ 17,868,837	$ 1,738,362	$ 1,755,382	$ 13,063,644	$ 13,130,755	$ 285,917	$ 831,437	$ 6,017,266	$ 235,230	$ 20,136	$ 3,100	$ 55,861,5
litions	82,730	-	43,802	6,500	665,717	1,236,332	-	1,399,627	-	88,492	-	-	3,523,2
nsfers	-	(3,056)	-	3,056	73,104	135,764	-	(208,868)	-	-	-	-	
st, end of r	994,201	17,865,781	1,782,164	1,764,938	13,802,465	14,502,851	285,917	2,022,196	6,017,266	323,722	20,136	3,100	59,384,7
umulated ortization, inning of r	647,804	5,683,003	905,797	1,022,098	2,891,291	2,766,124	20,939	-	1,943,274	177,257	17,897	1,550	16,077,0
ortization	46,892	542,332	181,882	23,607	334,646	308,435	7,148	-	208,706	39,358	464	1,550	1,695,0
te-ns/transfer	-	(612)	-	612	-	-	-	-	-	-	-	-	
umulated ortization, l of year	694,696	6,224,723	1,087,679	1,046,317	3,225,937	3,074,559	28,087	-	2,151,980	216,615	18,361	3,100	17,772,0
carrying ount, end of r	$ 299,505	$ 11,641,058	$ 694,485	$ 718,621	$ 10,576,528	$ 11,428,292	$ 257,830	$ 2,022,196	$ 3,865,286	$ 107,107	$ 1,775	$ -	$ 41,612,6

15. Long-term Debt

	2019	2018
Operating Fund		
Term loan - repayable at $4,437 monthly, including interest at 4.16% per annum, maturing March 2022, secured by ministerial guarantee from ISC.	**$ 312,109**	$ 350,408
Capital Fund		
Demand loan - repayable at $372 monthly, including interest at prime plus 1% per annum, maturing December 2019, secured by ministerial guarantee from ISC.	**28,424**	31,365
Demand loan - repayable at $3,894 monthly, including interest at 3.84% per annum, due on demand, maturing March 2020, secured by ministerial guarantee from ISC.	**45,663**	89,722
Term loan - repayable at $14,615 monthly, including interest at 3.65% per annum, maturing June 2028, secured by debt reserve fund.	**2,537,359**	2,578,000
Demand loan - repayable at $468 monthly, including interest at 3.16% per annum, maturing June 2019, secured by ministerial guarantee from ISC.	**1,378**	6,856
Term loan - repayable at $10,590 monthly, including interest at 3.16% per annum, maturing October 2021, secured by ministerial guarantee from ISC.	**1,431,674**	1,496,150
Term loan - repayable at $39,113 monthly, including interest at 3.79% per annum, maturing June 2024, secured by debt reserve fund.	**7,652,575**	7,826,558
Social Housing Fund		
Mortgage - repayable at $2,767 monthly, including interest at 1.83% per annum, maturing November 2019.	**21,984**	54,465
Mortgage - repayable at $2,721 monthly, including interest at 1.11% per annum, maturing January 2021.	**59,226**	91,029
Balance carried forward	**$ 12,090,392**	$ 12,524,553

15. Long-term Debt (continued)

Balance brought forward	**$ 12,090,392**	$ 12,524,553
Social Housing Fund (continued)		
Mortgage - repayable at $1,409 monthly, including interest at 1.82% per annum, maturing September 2019.	**114,760**	129,440
Mortgage - repayable at $2,390 monthly, including interest at 1.04% per annum, maturing October 2020.	**182,393**	209,023
Mortgage - repayable at $1,215 monthly, including interest at 1.31% per annum, maturing December 2021.	**171,078**	183,330
Mortgage - repayable at $2,504 monthly, including interest at 1.30% per annum, maturing June 2022.	**259,631**	286,133
Mortgage - repayable at $2,246 monthly, including interest at 0.94% per annum, maturing September 2020.	**411,911**	434,886
Mortgage - repayable at $8,099 monthly, including interest at 2.68% per annum, maturing October 2023.	**1,481,363**	1,539,408
Mortgage - repayable at $3,219 monthly, including interest at 2.14% per annum, maturing March 2024.	**673,313**	-
	$ 15,384,841	$ 15,306,773

All Social Housing mortgages are secured by a ministerial guarantee from ISC.

Principal repayments on long-term debt for the next five years and thereafter are estimated as follows:

2020	**$ 2,442,489**
2021	**975,286**
2022	**550,858**
2023	**568,252**
2024	**8,772,764**
Thereafter	**2,075,192**
	$ 15,384,841

16. Housing Reserves

	2019	2018
Replacement reserve	**$ 499,514**	$ 504,068
Operating reserve	**886,439**	835,791
	$ 1,385,953	$ 1,339,859

Under the terms of the agreement with CMHC, the Replacement Reserve account is to be credited in the amount of $43,380 annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the CDIC or as may otherwise be approved by CMHC. Withdrawals are credited to interest first and then principal.

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Operating Reserve account is to be credited with any surplus amount in phase 7 to 15, based on the minimum rent calculation.

As at March 31, 2019 the housing reserves are underfunded by $300,151 (2018 - $269,462).

17. Federal Assistance Payments

The Social Housing Fund receives federal assistance through CMHC 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 $192,872 (2018 - $263,000), and this amount is included in CMHC revenue on the statement of operations.

18. Related Party Transactions

During the year, transactions with business entities which the Band owns and controls, and that are not disclosed separately in these financial statements are as follows:

(a) Royalties revenue received of $607,650 (2018 - $548,113) from Westhills Aggregates Limited Partnership of which $55,019 is included in accounts receivable.

(b) Purchases for services of $2,939,598 (2018 - $1,770,206) from Westhills Aggregates Limited Partnership of which $859,262 was included in accounts payable.

Included in Investment in Band Owned Entities on the Statement of Financial Position are the following amounts owed to the Band:

Skaha Hills Residential Development Limited Partnership	**$ 4,843,361**	$ -
Skaha Hills Limited Partnership	**964,673**	1,311,946
Coyote Cruises Limited Partnership	**28,460**	-
	$ 5,836,494	$ 1,311,946

18. Related Party Transactions (continued)

These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related parties. The transactions not in the normal course of operations are recorded at the carrying amount.

19. Contingencies

The Band has sued the Canadian Pacific Railway and Canada for the return of land to reserve status that was taken from the Reserve for railway purposes and have now ceased to be used for that purpose. The Band is actively negotiating a settlement that would see most of the lands returned to the Band's Reserve.

Various lawsuits have been filed against the Band for incidents which arose in the ordinary course of business. In the opinion of management and legal counsel, the outcome of the lawsuits, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

20. Economic Dependence

Penticton Indian Band receives approximately 41% (2018 - 40%) of its revenues pursuant to a funding arrangement with Indigenous Services Canada (ISC).

21. Loan Guarantees

The Penticton Indian Band has guaranteed a line of credit for Westhills Aggregates Limited Partnership for up to $100,000 with an interest rate of prime + 1%. At March 31, 2019 the facility was unused. The Band has guaranteed an additional revolving facility for Westhills Aggregates Limited Partnership for up to a maximum of $500,000 which is available through a series of term loans with an interest rate of prime +1% of which $500,000 was available at March 31, 2019. These loans are secured by a first ranking interest in all personal property of Westhills Aggregates, and Penticton Indian Band, in addition to a general guarantee and postponement of claim in the amount of $1,000,000.

Skaha Hill Limited Partnership has a credit facility in the amount of $8,750,000, of which the Band has provided a guarantee in the amount of $1,750,000 at a rate of prime plus 1% and has also provided a general security agreement and postponement of debt for this amount. The loan is secured by a mortgage and assignment of rents on the property under development. At March 31, 2019 $6,454,122 (2018 - $3,640,946) is available to be drawn on the credit agreement, the Band's portion of which is $1,290,824 (2018 - $728,189).

ISC has provided ministerial loan guarantees to various financial institutions for certain loans to the Band and individual band members. The Band is contingently liable for these loans and has provided repayment agreements to ISC in the event of default.

arch 31, 2019

2. Band Owned Entities

					2019	201
	Real Estate	**Resources**	**Tourism**	**Other**	**Total**	To
Assets						
Current	**$16,600,705**	**$ 7,378,072**	**$ 32,257**	**$ 0**	**$24,011,034**	$16,674,61
Non-current	**338,971**	**3,821,923**	**56,981**	**0**	**4,217,875**	9,433,41
	$16,939,676	**$11,199,995**	**$ 89,238**	**$ 0**	**$28,228,909**	$26,108,02
Liabilities						
Current	**$11,060,142**	**$ 1,891,109**	**$ 119,668**	**$ 12,786**	**$13,083,705**	$13,139,65
Non-current	**-**	**747,151**	**-**	**0**	**747,151**	818,72
	11,060,142	**2,638,260**	**119,668**	**12,786**	**13,830,856**	13,958,38
Equity (deficit)	**5,879,534**	**8,561,735**	**(30,430)**	**(12,786)**	**14,398,053**	12,149,64
	$16,939,676	**$11,199,995**	**$ 89,238**	**$ 0**	**$28,228,909**	$26,108,02
Revenue	**$ 4,822,611**	**$16,282,795**	**$ 161,092**	**$ 0**	**$21,266,498**	$19,959,84
Expenditures	**3,224,238**	**14,048,946**	**246,905**	**0**	**17,520,089**	16,894,65
Total income	**$ 1,598,373**	**$ 2,233,849**	**$ (85,813)**	**$ 0**	**$ 3,746,409**	$ 3,065,19
Allocation	**$ 254,082**	**$ 2,233,849**	**$ (85,813)**	**$ 0**	**$ 2,402,118**	$ 2,047,49

22. Band Owned Entities (continued)

Nature of Business

Real Estate

This line of business consists of three Partnerships that are all established under the laws of British Columbia. Two of the partnerships are engaged in the business of land development, and one is engaged in the business of real estate construction. Penticton Indian Band has a 20% interest in one of these Partnerships.

Resources

This line of business consists of two Partnerships that are both established under the laws of British Columbia. One of the partnerships is engaged in the operation of gravel sales and the other one is engaged in the sale of logs.

Tourism

This line of business is a Partnership that is established under the laws of British Columbia and is engaged in the business of recreational water sport activities.

Other

Includes four corporations that are incorporated under the laws of British Columbia. The individual operations of these companies are insignificant and are therefore shown together.

23. Pension Plan

The Band and certain of its employees contribute to the Penticton Indian Band Pension Plan (the "Plan"). The Plan is a defined contribution plan. Capri Insurance administers the Plan through Great West Life, including the payment of pension benefits on behalf of the employer and employees in accordance with the federal legislation.

During the year, the Band paid $210,749 (2018 - $198,591) to the Plan on behalf of its employees.

24. Comparative Figures

Certain comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

25. Budget

The Band Council Budget Resolution adopted by Council was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget represents the inital budget that was approved by council and does not reflect subsequent approved amendments to revenues and expenses. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Budget adopted by Council with adjustments as follows:

	2019
Budget Bylaw deficit for the year	$ -
Add:	
Capital expenditures	4,636,993
Less:	
Budgeted transfers from accumulated surplus	(1,510,265)
Budget deficit per statement of operations	$ 3,126,728

26. Statement of Expenditures by Object

	2019	2018
Advertising and promotion	**42,408**	2,710
Amortization	**1,773,348**	1,695,021
Bad debts (recovery)	**346,963**	(54,924)
Bank charges	**101,239**	79,985
Contract services	**756,492**	977,812
Community outreach	**43,307**	66,300
Direct social assistance	**955,238**	931,954
Honoraria	**202,612**	176,795
Insurance	**182,869**	164,264
Interest on long-term debt	**552,369**	481,765
Loan and lease payments	**46,246**	44,411
Materials, supplies and services	**503,471**	409,766
Office	**60,708**	102,584
Professional fees	**1,175,450**	925,184
Rental of facilities and equipment	**14,378**	-
Repairs and maintenance	**251,507**	259,339
Salaries and benefits	**6,659,710**	5,538,806
Student allowances and tuition	**1,864,055**	1,471,482
Telephone	**85,314**	71,297
Travel and meetings	**304,909**	217,854
Utilities	**265,408**	218,388
Vehicle	**62,159**	50,133
Workshops, seminars and training	**468,787**	215,490
Total expenditure for the year	**$ 16,718,947**	$ 14,046,416

r the year ended March 31 20

	Admin.	Social Development	Education	Forestry	Community Health	Housing	Public Works	Lands, Estates and Memberships	Economic Development	K'ul Group	ONTEH	T
venue												
SC	$ 564,650	$ 1,318,727	$ 3,411,770	$ -	$ -	$ -	$ 3,227,873	$ 201,480	$ -	$ 48,444	$ 618,876	$ 9,391,8
MHC	-	-	-	-	-	192,872	125,249	-	-	-	-	318,1
NESC	-	-	748,097	-	-	-	-	-	-	-	-	748,0
NHA	8,000	-	-	-	1,133,281	-	-	-	-	-	-	1,141,2
axation	926,013	-	-	-	-	-	-	-	-	-	-	926,0
rovince of B.C.	34,100	233,944	902,604	-	168,464	-	47,501	92,103	-	-	-	1,478,7
iscellaneous	6,106,429	65,793	180,302	-	314,290	398,944	383,945	881,044	22,150	404,937	111,259	8,869,0
	7,639,192	1,618,464	5,242,773	-	1,616,035	591,816	3,784,568	1,174,627	22,150	453,381	730,135	22,873,1
penditure												
dministrative	552,604	3,444	22,799	-	192,931	240,459	478,155	357,265	91,719	439,341	21,651	2,400,3
mortization	1,489,387	-	-	-	-	246,009	-	-	-	1,682	36,270	1,773,3
irect Assistance	-	955,238	-	-	-	-	-	-	-	-	-	955,2
ease payments	11,807	1,740	9,613	-	13,458	-	-	7,625	-	-	2,004	46,2
laterials, supplies, utilities	189,252	59,540	174,108	-	153,537	7,513	180,134	46,211	-	39,028	109,818	959,1
perations and maintenance	85,216	3,949	159,894	-	72,353	137,268	474,588	43,820	-	21,342	23,947	1,022,3
tudent costs	-	-	1,864,055	-	-	-	-	-	-	-	-	1,864,0
ransportation costs	100,181	56,374	119,602	-	151,835	1,613	23,673	88,305	-	243,320	50,952	835,8
Vages and benefits	1,154,744	402,682	2,143,682	-	1,042,793	147,920	180,232	642,599	-	735,095	412,571	6,862,3
	3,583,191	1,482,967	4,493,753	-	1,626,907	780,782	1,336,782	1,185,825	91,719	1,479,808	657,213	16,718,9
cess (deficiency) evenue the year	$ 4,056,001	$ 135,497	$ 749,020	$ -	$ (10,872)	$ (188,966)	$ 2,447,786	$ (11,198)	$ (69,569)	$ (1,026,427)	$ 72,922	$ 6,154,1

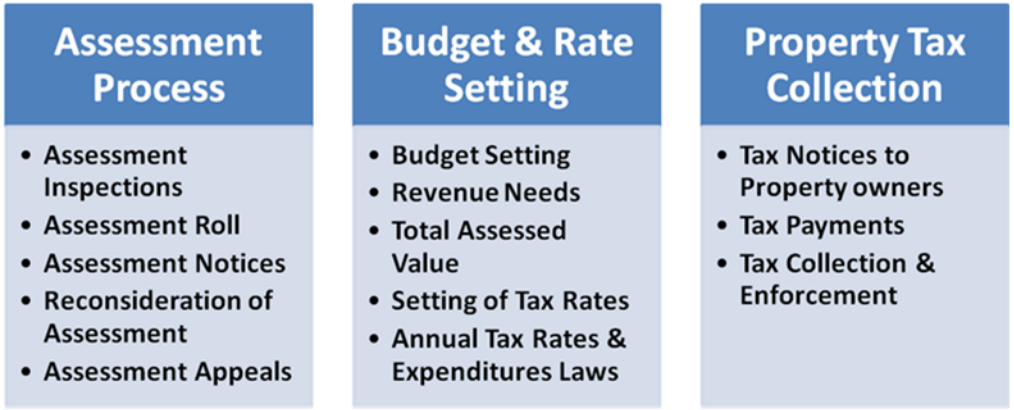
	Admin.	Social Development	Education	Forestry	Community Health	Housing	Public Works	Lands, Estates and Memberships	Economic Development	K'ul Group	ONTEH	T
venue												
SC	$ 552,780	$ 1,239,606	$ 3,249,849	$ -	$ -	$ 121,744	$ 462,809	$ 333,336	$ -	$ 47,742	$ 634,605	$ 6,642,4
MHC	-	-	-	-	-	271,510	129,760	-	-	-	-	401,2
NESC	-	-	473,069	-	-	-	-	-	-	-	-	473,0
NHA	-	-	-	-	1,042,275	-	-	-	-	-	-	1,042,2
axation	798,579	-	-	-	-	-	-	-	-	-	-	798,5
rovince of B.C.	2,250,103	104,880	388,845	-	331,688	-	-	245,993	-	-	-	3,321,5
iscellaneous	1,144,671	29,238	293,712	79,263	175,947	384,902	1,241,071	570,978	10,459	10,919	150,512	4,091,6
	4,746,133	1,373,724	4,405,475	79,263	1,549,910	778,156	1,833,640	1,150,307	10,459	58,661	785,117	16,770,8
penditure												
dministrative	438,938	4,615	27,692	-	119,755	70,924	415,179	219,750	24,907	257,661	19,072	1,598,4
mortization	1,444,942	-	-	-	-	208,706	1,550	-	-	464	39,359	1,695,0
irect Assistance	-	931,954	-	-	-	-	-	-	-	-	-	931,9
ease payments	11,807	920	9,612	-	12,532	-	-	7,535	-	-	2,004	44,4
laterials, supplies, utilities	142,871	44,973	157,343	-	134,117	5,139	194,602	48,830	-	12,033	128,920	868,8
perations and maintenance	164,528	(3,293)	116,129	79,263	127,694	138,817	482,639	78,886	-	4,730	47,757	1,237,1
tudent costs	-	-	1,471,483	-	-	-	-	-	-	-	-	1,471,4
ransportation costs	23,357	51,418	87,525	-	148,435	2,772	20,476	46,515	-	22,496	80,482	483,4
/ages and benefits	968,550	383,728	1,941,409	-	1,068,738	98,775	175,232	510,782	-	138,156	430,231	5,715,6
	3,194,993	1,414,315	3,811,193	79,263	1,611,271	525,133	1,289,678	912,298	24,907	435,540	747,825	14,046,4
cess (deficiency) evenue the year	$ 1,551,140	$ (40,591)	$ 594,282	$ -	$ (61,361)	$ 253,023	$ 543,962	$ 238,009	$ (14,448)	$ (376,879)	$ 37,292	$ 2,724,4

2007 – Penticton Indian Band enacted the Penticton Indian Band Property Taxation Bylaws, through Section 83 taxation.

2008 – Penticton Indian Band property taxation department sent out the first property tax notices to taxpayers.

2015 – Penticton Indian Band moved from S.83 to FMA, Fiscal Management Act taxation. This allowed PIB to access a more comprehensive framework and additional tools to increase revenue and improve financial management.

Taxation laws enacted under the FMA must comply with all statutory requirements, any regulations made under the FMA and any standards established by the First Nation Tax Commission (FNTC).



The Penticton Indian Band property taxation department has the following service agreements:

BC Assessment: professional assessors assess land and improvements based on market value assessment methods. The ability to appeal the assessments are available, those instructions are on the back of your assessment notice.

RDOS Service Agreement: 911 Emergency call systems, General Government, Emergency Planning, Mosquito Control, Regional Area Planning, Solid Waste Management, Okanagan Water Basin.

Hospital District: Hospital facility construction and funding for various equipment and capital improvement projects as defined by the Ministry of Health

Library Services: If you would like a library card you must provide proof of residence.

City of Penticton Sewer Agreement: The sewer agreement amount that the taxation budget currently pays for is specifically for the design and construction of Penticton Indian Band connection lines, this is part of community infrastructure.

PIB Waste Management: helps maintain the community building garbage bin removal.

The Lands and Estates Department has a staff compliment of two full-time staff. Contractors are brought in on an “as needed” basis to ensure the workload of special initiatives or projects is not carried by the full-time staff.

The Lands and Estates Department is accountable for the management of the 18,637 Hectares of PIB Reserve Lands.

In the 2018-2019 fiscal year, this department had an operating budget of $436,375 with $352,175 coming from the Federal Government and the remainder from Own Source Revenue (OSR) or Tax Flow.

Under the direction of the Chief Administrative Officer, the Lands Department has a fiduciary obligation to ensure the responsible management of Reserve Lands for future generations, including but not limited to:

- Managing lands in a way that balances the environmental, cultural and heritage values of PIB Reserve Lands with the need to maximize the economic benefits to the Band; and
- Maintaining the confidential records of the Band and its members.

Key achievements for the Lands and Estates Department for 2018-2019 included:

- Supported the inclusion of DL 1149, 1150 and 1151 as an asset of the Band through Penticton Indian Band Holdings Ltd;
- Researched and supported the negotiation for the return of KVR lands to reserve;
- Researched and supported the negotiation for the return of Penticton Airport lands;
- Conducted research in support of Canada’s acceptance of three specific claims;
- Monitored terms and conditions and ensured environmental compliance of leases/ permits;
- Prepared a draft Land Use Plan for vetting to the community;
- Prepared and delivered 36 sub-lease packages to Indigenous Services Canada for final registration; and
- Provided lands policy, research and analytic support and assistance to Taxation and K’uL Group.

Little Paws

Little Paws is a provincially licensed Daycare operating under the Community Care and Assisted Living Act. Currently Little Paws is licensed to provide care for 47 children ages 0-5 years old. The daycare gives priority to Penticton Indian Band members and also enrolls children from the broader community in Penticton. The centre offers a balance of activities to help children develop socially, emotionally, physically and cognitive in a safe and nurturing environment.

The 2018-2019 budget was approved for $459,400 with funding coming from Parent User Fees, Affordable Childcare Benefit, Provincial Childcare Operating Fund, First Nations Health Authority, OTDC and PIB Taxation Department.

Little Paws was at capacity in the infant/Toddler, 3-5 Daycare, and Preschool program.

Created employment for 13 individuals on a full and part-time basis.

Outma Sqilx'w Cultural School

Outma Sqilx'w Cultural School provides a strong, culturally centred education program from Jr. Kindergarten to Grade 9.The revitalization of Syilx language and culture is paramount with OSCS working to expand the language immersion program to 2 hours per day in every grade with the goal of eventually teaching the entire curriculum both Okanagan culture aspects and BC Ministry of Education curriculum in the language.

The 2018-2019 budget was approved with revenue being $2,212,661 with funding sources being Indigenous Services Canada (ISC), First Nation Education Steering Committee (FNESC), and BC Ministry of Education for students identified on the reciprocal agreement. Reciprocal Tuition is funding for students living off-reserve who attend OSCS. ISC funding includes tuition from nominal roll, Operations and maintenance, and school transportation.

OSCS Gr 5-9 participated in the syilx hunting camp, Winter Dance, and sweat ceremonies. Jr K- Gr 9 participated in Indian Tea harvesting, drying, and storage, the Salmon Feast, learning Captik'w, buttercup and sunflower observation, spitlem harvesting, Siya Pow Wow, Salmon release and Feast.

OSCS completed Canadian Achievement Test in Spring 2019. The following is OSCS K-Gr 8 average percentage of students who are average or above in the following areas: Reading 79.1%, Word Analysis 70%, Vocabulary 82%, Spelling 69.2%, Writing Conventions 68.8%, Mathematics 704%, Estimating and Computing 70%.

PIB students in grade K-12 have an option to attend a local public school, independent school or Band school.

> 103 PIB students attend the following public schools in 2018-2019: KVR, West Bench, Uplands, Parkway Princess Margaret Secondary, Penticton Secondary, Skaha Lake Middle School and Queens Park.
>
> 15 PIB Students attend Holy Cross and Ascend Online Catholic School.

The 2018-2019 budget was approved for $821,951 for public schools and $130,352 for Private Schools and $79,132 for K-12 school supplies and fees.

2018-2019 Public and Private School Goals:

> Work collaboratively with SD67 Aboriginal Principal to increase the number of ways to access culture, language and syilx protocols to increase sn'pinktn identity, flag and signage.
> Build networking capacity to improve relations and communication between PIB and public/private schools.
> Host community networking events and workshops between schools, families and the PIB community.
> Develop strategies to increase parental engagement in their children's education.



PIB Education Centre continues to work collaboratively and collectively with NVIT, En'owkin Centre, Okanagan College, OTDC, First Nation School Association (FNSA) and First Nation Education Steering Committee (FNESC) and outside agencies to increase employability and offer on-reserve training opportunities to membership.

The 2018-2019 budget was approved for $447,955. The funding received increased to $1,126,982 due to additional Ministry of Advanced Education grants obtained, additional FNESC Funding received and PIB education surplus funding of $263,314 that was used to purchase, move and renovate the new Education building.

2018-2019 PIB Education Grads:

6 students completed Adult Dogwood Certificates
Dion Alex, Gerry Gabriel, William Hall, Emma Jack, Alan Louie
3 students from OSCS Adult Dogwood Certificates:
Taylor Lezard, Hayli Baptiste, McKelty Lezard
3 students completed Environmental Natural Resources Certificates
KK Jack, Amanda Kruger and Two Buck Pierre
16 students completed Heavy Equipment Operators Certificates
Dion Alex, Floyd Baptiste Jr, Quentin Basil, Noah Bower, Gerry Gabriel, Gavin Harris, Jullian Kruger, Silous Paul, Mike Squakin, Jennifer Squakim, Josh Wilson, Dale Marchand, Bryton James, Josh Gabriel, William Hall, Alan Louie



OTDC's mandate is to provide funding to increase employment training opportunities for all aboriginal clients both on and off reserve. Employment services fall under the Aboriginal Skills Employment and Training Strategies (ASETS) agreement with Service Canada. OTDC employment counselor works with clients to establish a file with supporting documentation to qualify them for training funds.

The 2018-2019 budget was approved for $192,111 with funding coming Service Canada with one full-time employee.

In partnership with PIB Adult Education program, OTDC provided living allowance and other supports for 8 PIB clients to obtain their Heavy Equipment Operators Certificate and their Adult Dogwood Certificate.

6 students graduated from various post secondary education programs:

Chris Marchand-Trades Red Seal-Journeyman Heavy Duty Mechanic (OK College)
Dayton Jack-Carpentry Level 3 (Ok College)
Emilio Paul-Carpentry Level 1-(Ok College)
Corinna Gabriel-Public Works Certificate (Ok College)
Craig John-Public Works Certificate (Ok College)
Aaron Terbasket-Maintenance Worker for Westhills Aggregate and OTDC partnership

Post Secondary Education

PIB Post Secondary Education is an integral part of the PIB Strategic Plan to promote the acquisition of knowledge, skills and attitudes required to promote and contribute to a healthy society and a prosperous and sustainable way of life.

The 2018-2019 budget was approved with $432,274 in funding coming from Indigenous Affairs Canada (ISC) to support Post Secondary Education.

2018-2019 PSE Sponsorship:

31 students received full sponsorship
7 students received partial sponsorship.

8 students graduated from various post secondary education programs:

Brandon Pierre-1st year Heavy Duty Mechanic (Ok College)
Cassandra Pierre-Bachelor of Business Administration (Ok College)
Schynel Carley-Bachelor of Nursing (UBC)
Kylie Jack-Bachelor of Criminology (SFU)
Kaeloni Jack-Environmental Natural Resource Technician Certificate (NVIT)
Amanda Kruger-Environmental Natural Resource Technician Certificate (NVIT).
Breanna George-Foundations in Fine Arts Certificate (En'owkin Centre)

In partnership with Neil Squire Society; The centre provides services to people with disabilities with a focus on employment, bridging the gap in services, promoting health and social inclusion.

With two full-time staff the Footprints Centre has averaged 60 person drop in /month, 80% are members. Overall average 72% success rate in participants achieving goals and 75% maintain employment after using a wage subsidy program. The Centre has a very high completion rate as we offer many flexible options.

Footprints is committed to providing 36 programs per year including;
Upskills
Chronic Pain and Surviving Cancer
Living Life to the Full
Computer Literacy
Wellness Wednesdays

Footprints was nominated for The Penticton Chamber of Commerce Workplace Cultural Excellence Award.



PIB Health Department continues to work collaboratively and collectively with PIB Departments, Okanagan Nation Alliance Wellness department, Interior Health Authority , First Nations Health Authority, and South Okanagan Primary Care Network.

The 2018-2019 budget that was approved with revenue being $1,302,596 and expenses being $1,464,838. We had $37,300.00 surplus at year end – this was allowable carry forward funds from FNHA.

Health Programs and Initiatives in the 2018-2019 fiscal year:

- Primary Care Network - This initiative will provide PIB with potential 3 additional Primary Care provider clinics assisting in ensuring PIB community are attached to a Primary Care Provider and receiving continuum of care.
- Youth Martial Arts program - Two-three month sessions each with 18 attending
- Hosted 4 traditional Healer sessions
- Hosted Children's Health fair – 110 adults and children attended
- Hosted Naloxone training – 85 community members trained (elders to youth)
- Health Department structure and re organization Started in January 2019 this includes updating Position Descriptions, Program Policy and Procedures.

The Health Department oversees the Operations and Maintenance of the Snxastwilxtn Centre along with year-over-year programming.



Social development delivers two program areas to community Income Assistance and Child, Family and Community Services.

The Income Assistance program is regulated by (ISC) Department of Indigenous Services Canada while the child and family side is primarily funded through Own Source Revenue, contracts with the Ministry of Children and Family Development and a wellbeing grant received at the end of the 2018/2019 from Indigenous Services Canada.

As a team we operate from a strength based perspective attempting to meet the needs of community members in the areas of spiritual, physical, emotional and mental quadrants for community members.

Income Assistance meets basic needs such as food/clothing and shelter. Child, Family and Community services assists in strengthening individuals to overcome challenges they may face.

Social Development programs and initiatives

- Partnership with the Pre-employment Program – offered training in communities such as Cashier Workshop; Women In Leadership; Going M.I.L.E.S, Wildfire boot-camp
- Second Family Preservation position funding obtained and filled
- Circle of Security and Anger Solutions offered to community
- Weekly Drum Nights
- Staff and community took the Mental Health First Aid and Assist courses
- Financial Literacy workshop attended and offered
- Series of life skill and leadership workshops with Indigenize
- Built strong relationships with outside partners such as Fortis, Bridges, Footprints, RCMP
- Started the fill the pantry campaigns



K'uL MANAGEMENT GROUP

2018 & 2019 Summary (abbreviated)

Message from the CEO

Our mandate from Chief and Council is to build a *sustainable economy that respects the land and its people. We take this mandate seriously and are very proud of how this is unfolding.*

We hear and understand the significant needs of the community with regards to a desperate shortage in housing, healing centre etc, and are determined to generate profits from our businesses that can flow into PIB to meet the needs of the community. This is why we are making changes to increase revenues to the band.

In November 2018, we completed the legal restructuring of PIB companies to ensure there was the necessary liability protection for the band and Chief and Council. This **legal strengthening** — together with a **full audit** to ensure **accountability** and **transparency** on all the companies — creates a solid foundation from which to grow.

We also negotiated on the **Skaha Hills Development** so that the band now owns 100% of the project. This is the biggest project the PIB has undertaken to date; with expected benefits in excess of $360 million over the life of the project to the band. This will create many construction jobs and contracts for PIB companies and band members. We expect a 3 to 4 year start-up period before significant results are realized.

K'uL Construction is now well underway with houses being sold and built. We expect to complete on the first houses in February next year.

We have been able to **protect habitat areas** and wildlife corridors at Skaha Hills - Total Habitat Area protected (Habitat and Corridors) = 265.24 acres (based on an appraisal of $230,000 per acre of raw land, that's the equivalent of $61,005,200 allocation for the habitat areas for the whole site.

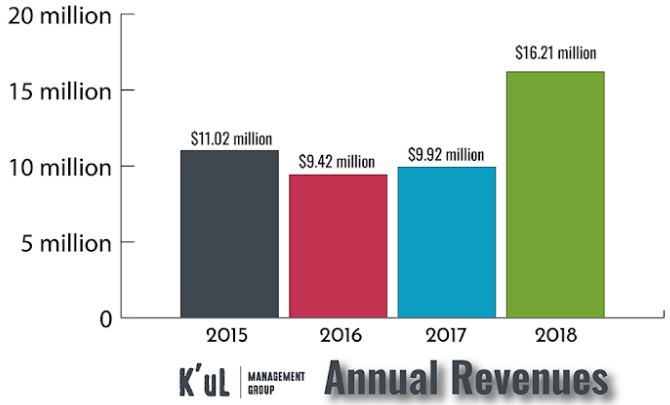
Westhills Civil Division is positioning itself to take on larger contracts in the region.

Coyote Cruises has surpassed all expectations with a record year, new management and stronger financial controls..

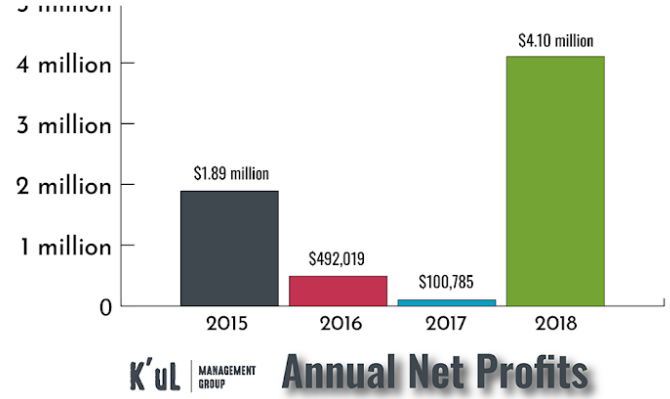
If 2018 was the year of building a strong foundation, 2019 is the year of consolidation and building capacity in people and systems. 2020-21 will be a year of growth in revenues as we come out of the housing and construction slump.

It is an absolute privilege to work for the Penticton Indian Band in this part of its' story. We will continue to seek ways to improve, communicate better and create opportunities for everyone equally so that what we do now, will make our great, great grandchildren proud of us.

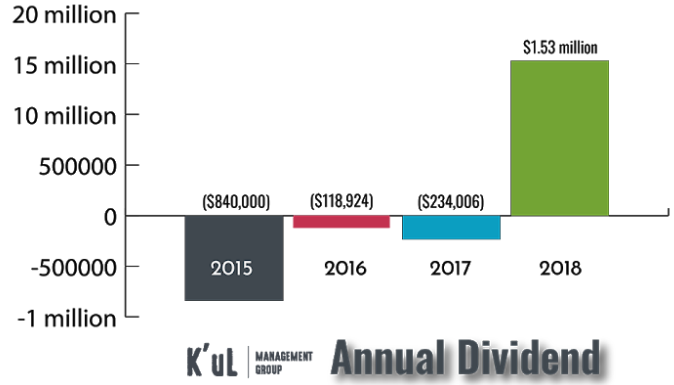
— Jonathan Baynes, CEO



This is the total amount of money made by the companies before expenses are deducted.



This is the total amount of money the companies made after all expenses were paid.



This is the amount of money transferred to PIB (own source revenue) account. Some of the profits are reinvested into the companies or utilized as reserves to ensure the companies remain in a strong financial position.

- Completed a full audit on all PIB companies.
- Centralized Finance to increase transparency, accountability and financial controls.
- Consolidated contracts between K'uL Construction and Westhills to maximize revenue coming to the band.
- Leased new equipment, which dramatically improved production and reduced maintenance costs at Westhills.
- Remediation of the Westhills Aggregate mine to ensure a long term value from the mine and to save money. This has already created numerous efficiencies (saving time and money).
- Completed new management agreement for Coyote Cruisers - in the first season of this new partnership Coyote revenues hit an all-time high and provided PIB youth with excellent work and management experiences.
- The Chief and CEO visited with BC Premier John Horgan and gained support on our Indigenous-led clean energy initiative (K'uL H2Go), and a number of other PIB related concerns.
- Submitted the following opportunities for consideration;
- Superpark at the Game Farm site.
- Initiated the conversation to return the Airport to the PIB.
- Cultural visitor centre & K'uL Offices at the Rose Garden.
- Industrial / Commercial Park at #IR2.
- Food Security and cultivation opportunities at the back of the Reserve near Summerland.
- Control of existing Outdoor Advertising billboards previously leased to Pattison Outdoor Advertising.

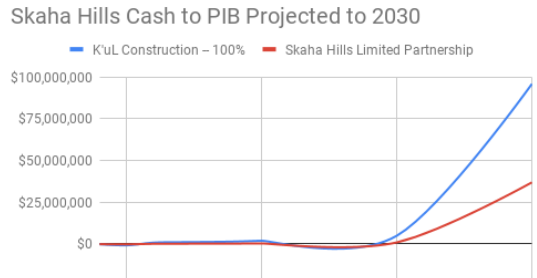
K'uL Construction & Skaha Hills

Work on Headlease three is well underway following a delay due to weather. The Westhills Civil crew, our partners and individual PIB business owners did an incredible job in moving over 40,000 m3 in 30 days to prepare the site for construction.

The K'uL Construction team now numbers six — with the large majority of employees being PIB members or of aboriginal descent. As of August we have 7 house sales and construction on these is underway. We expect this to continue growing.

The company is offering additional landscaping, carpentry, electrical, and general labour opportunities.

The decision to take full ownership of the Skaha Hills was a strategic one that will bring in far greater returns from the life of the project to the PIB.



Changes in management and the remediation of the pit were significant moves to prepare and protect this successful PIB company.

Drilling work will be taking place in the next month to assess the value and projected life of the mine. This engineering work will inform the long term pit plan and will include the remediation of the pit (how will the land be restored and repurposed).

Westhills Aggregates made the most of the Skaha Hills opportunity, partnering with other contractors to move more than 43,000 cubic metres of dirt over the next month.

Westhills Civil is being setup as its own division with new management in place to stop financial losses and to prepare the team for significant growth and opportunities in the years to come.

The appointment of a new Health and Safety manager will help the companies become CORE Certified this next year, will prevent and reduce accidents, and improve health and safety practices across all the companies.

Coyote Cruises

K'uL has negotiated a strategic management partnership for Coyote Cruises that limits the liability to the band company.

This new partnership has completely revitalized this business and will continue to open up opportunities for the PIB moving forward.

K'UL OPERATING UNITS FOR THE YEAR ENDED MARCH 2019

Profit and Loss						
Corporation	KulGroup	Westhills	Snpinktn	Coyote	SHRDLP	Kul Const
Income	753,381	11,876,369	4,240,982	174,787		2,883
Cost of Goods Sold	0	10,141,578	2,592,572	13,695		
Gross Margin	100.00%	14.61%	38.87%	92.16%		
Operating Income	**$753,381**	**$1,734,791**	**$1,648,410**	**$161,092**	**$0**	**$2,883**
Total Operating Costs	**$1,373,313**	**$800,065**	**$377,483**	**$221,948**	**$51,292**	**$32,747**
EBITDA	**-$619,932**	**$934,726**	**$1,270,927**	**-$60,856**	**-$51,292**	**-$29,864**
Interest Expense	48,013	81,809			266	568
Interest income		(77,547)	(27,640)	(1,786)		
Depreciation	1,682		8,277	6,277		
Loss on sale of assets		47,430		20,466		
Net Profit	**-$669,627**	**$883,034**	**$1,290,290**	**-$85,813**	**-$51,558**	**-$30,432**
Profit Margin	**-88.88%**	**7.44%**	**30.42%**	**-49.10%**		**-1055.57%**
Distribution:						
Transfers from/(to) PIB	705,192					
Net	**$35,565**	**$883,034**	**$1,290,290**	**-$85,813**	**-$51,558**	**-$30,432**

Please Note: A full summary is available by email request to; info@kulgroup.ca


Visit Us At: kulgroup.ca
K'uL
GROUP
Building A Sustainable Economy That Respects The Land And Its People
Creating true prosperity for generations to come.



Penticton Indian Band
841 Westhills Dr
Penticton, BC V2A 0E8
(250) 493-0048
www.pib.ca