

**SAMAHQUAM INDIAN BAND**

**FINANCIAL STATEMENTS  
MARCH 31, 2017**

# **SAMAHQUAM INDIAN BAND**

## **ANNUAL FINANCIAL REPORT**

**March 31, 2017**

---

	Page
<b>Management's Responsibility for Financial Reporting</b>	1
<b>Independent Auditors' Report</b>	2-3

### **SUMMARY FINANCIAL STATEMENTS**

Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to the Financial Statements	8-15



## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Samahquam Indian Band for the year ended March 31, 2017 and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB). 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 financial statements are presented fairly, in all material respects.

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

The Samahquam Indian Band Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

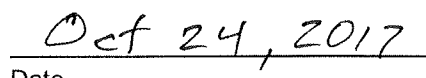
The Council reviews the First Nation's financial statements. The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report. The Council approves the consolidated financial statements for issuance to the Members. The Council also considers, for review and approval by the Members, the engagement of the external auditors.

The consolidated financial statements have been audited by Reid Hurst Nagy Inc., Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Members. Reid Hurst Nagy Inc., Chartered Professional Accountants have full and free access to the books and records of the First Nation.

  
Chief

  
Date

  
Councillor

  
Date

## INDEPENDENT AUDITORS' REPORT

### SAMAHQUAM INDIAN BAND

---

#### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Samahquam Indian Band, which comprise the statement of financial position as at March 31, 2017, and the consolidated statements of operations and changes in fund balances, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

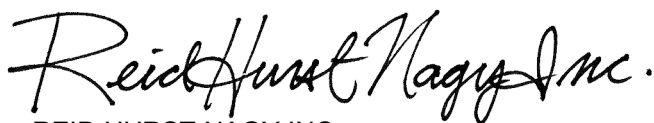
#### Basis for Qualified Opinion

Beginning April 1, 2009, generally accepted accounting principles for government entities required that the Band record the net value of tangible capital assets in its financial statements. The Band has not applied these new financial statement reporting standards. Because the Band did not provide us with a completed capital asset register reflecting the total cost of tangible capital assets owned by the Band and appropriate accumulated amortization and any impairment attributable to each of those assets, we were unable to determine the net value of the tangible capital assets that should have been recorded as an asset and the related amortization or impairment that should have been recorded as an expense in the current and prior year. Upon adoption of PS 1200 Financial Statement Presentation, the Band did not fully adopt all aspects of the standard as they relate to the aforementioned tangible capital assets as they have reported capital purchases and long-term debt payments as expenses and have failed to appropriately report depreciation as an expense.

## INDEPENDENT AUDITORS' REPORT (Continued)

### Opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Samahquam Indian Band as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'Reid Hurst Nagy Inc.' in a cursive script.

REID HURST NAGY INC.  
CHARTERED PROFESSIONAL ACCOUNTANTS

RICHMOND, B.C.  
OCTOBER 24, 2017

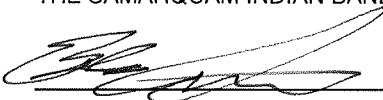
# SAMAHQUAM INDIAN BAND

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION March 31, 2017

Statement 1

	2017 \$	2016 \$
<b>FINANCIAL ASSETS</b>		
Cash	548,559	596,495
Marketable securities - Samahquam Community Trust	1,234,254	1,040,849
Ottawa Trust funds (Note 6)	399,594	391,264
Accounts receivable	451,929	204,083
Investments (Note 4)	55,087	-
Due from employees	-	292
Due from former employee (Note 2)	61,040	61,040
	<b>2,750,463</b>	<b>2,294,023</b>
<b>LIABILITIES</b>		
Bank indebtedness	79,728	-
Accounts payable	182,939	122,333
Deferred revenue (Note 5)	542	542
Long-term debt (Note 7)	275,948	318,305
	<b>539,157</b>	<b>441,180</b>
<b>NET FINANCIAL ASSETS</b>	<b>2,211,306</b>	<b>1,852,843</b>
<b>NON-FINANCIAL ASSETS</b>		
Capital assets (Note 3)	3,277,028	3,371,499
Prepaid expenses	20,190	3,272
	<b>3,297,218</b>	<b>3,374,771</b>
<b>EQUITY (Note 10)</b>	<b>5,508,524</b>	<b>5,227,614</b>

APPROVED ON BEHALF OF  
THE SAMAHQUAM INDIAN BAND

 Chief

 Councillor

The notes to the financial statements are an integral part thereof.

# SAMAHQUAM INDIAN BAND

## CONSOLIDATED STATEMENT OF OPERATIONS For the year ended March 31, 2017

## Statement 2

	2017 \$	2016 \$
<b>REVENUE</b>		
Indigenous and Northern Affairs Canada	641,831	575,448
B.C. Hydro	156,193	313,905
Capital fund additions	-	4,281
First Nations Education Steering Committee	-	2,647
First Nations Health Authority	34,514	32,765
In-SHUCK-ch Development Corporation	106,453	106,453
Logging revenue	133,632	-
Miscellaneous income	129,751	303,533
Community Trust Funds	215,792	18,779
Rental income	32,184	22,721
Social Housing	96,530	97,365
Southern Stl'atl'imx Health Society	16,755	67,211
First Nations' Emergency Services Society	10,000	-
Enterprise fund	55,087	-
Trust Funds	8,330	8,730
Allocation from deferred revenue	542	542
Allocation to deferred revenue	(542)	(542)
	<b>1,637,052</b>	<b>1,553,838</b>
<b>EXPENDITURES</b>		
Band programs	797,003	850,252
Education	164,343	171,746
Social development	194,831	232,191
Capital programs	38,409	4,223
Social housing	44,009	67,964
Capital fund	95,160	95,880
Community Trust Funds	22,387	11,572
	<b>1,356,142</b>	<b>1,433,828</b>
<b>ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES</b>	<b>280,910</b>	<b>120,010</b>

# SAMAHQUAM INDIAN BAND

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS March 31, 2017

## Statement 3

	2017 \$	2016 \$
<b>ANNUAL (SHORTFALL) EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>280,910</b>	120,010
Acquisition of tangible capital asset	-	-
Amortization of tangible capital assets	<b>94,471</b>	95,880
	<b>375,381</b>	215,890
Acquisition of prepaid asset	<b>(16,918)</b>	24,265
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>358,463</b>	240,155
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>1,852,843</b>	1,612,688
<b>NET FINANCIAL ASSETS, AT END OF YEAR</b>	<b>2,211,306</b>	1,852,843



# SAMAHQUAM INDIAN BAND

## CONSOLIDATED STATEMENT OF CASH FLOWS March 31, 2017

## Statement 4

	2017 \$	2016 \$
<b>OPERATING ACTIVITIES</b>		
Excess (Shortfall) of revenue over expenditures	280,910	120,010
Non-cash items:		
Depreciation	94,471	95,880
Adjustment for Capital and Investment Transactions included in Operations:		
Changes in operating net assets	(258,264)	(19,037)
	117,117	196,853
<b>FINANCING ACTIVITIES</b>		
Principal repayment on capital asset loan	-	(4,281)
Repayment of Social Housing long-term debt	(43,046)	(40,297)
	(43,046)	(44,578)
<b>CHANGES IN CASH AND CASH EQUIVALENTS DURING YEAR</b>	<b>74,071</b>	<b>152,275</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>2,028,608</b>	<b>1,876,333</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>2,102,679</b>	<b>2,028,608</b>
<b>REPRESENTED BY:</b>		
Cash	548,559	596,495
Bank indebtedness	(79,728)	-
Marketable securities - Samahquam Community Trust	1,234,254	1,040,849
Ottawa Trust funds	399,594	391,264
	2,102,679	2,028,608

The notes to the financial statements are an integral part thereof.

# SAMAHQUAM INDIAN BAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

---

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

These Consolidated Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, which encompasses the following principles:

#### a) Fund Accounting

The Samahquam Indian Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the Consolidated Financial Statements. Details of the operations of each fund are set out in the supplementary schedules. Samahquam Indian Band maintains the following funds:

- The Operating Fund which reports the general activities of the First Nation Administration.
- The Capital Fund which reports the capital assets of the First Nation, together with their related financing.
- The Social Housing Fund which reports the social housing assets of the First Nation, together with related activities.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties.

#### b) Reporting Entity and Principles of Financial Reporting

The Samahquam Indian Band reporting entity includes the Samahquam Indian Band government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

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

- Samahquam Indian Band Operating Fund
- Samahquam Indian Band Social Housing Fund
- Samahquam Indian Band Capital Fund
- Samahquam Indian Band Trust Fund
- Samahquam Indian Band Enterprise Fund

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

# SAMAHQUAM INDIAN BAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

---

### c) **Tangible Capital Assets**

Tangible Capital assets are expensed at the time of purchase and are also capitalized at cost on the Statement of Financial Position.

The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenditures are also recorded as an addition to assets of the Capital Fund with a corresponding increase in Equity in Capital Assets.

Tangible capital assets are depreciated annually with a resulting reduction of equity in capital assets.

Tangible capital assets acquired as part of the Social Housing Fund are recorded as assets of that fund.

### d) **Depreciation**

Tangible capital assets are recorded and depreciated annually with a corresponding reduction in Equity in Capital Assets. Assets are depreciated over their expected useful life using the straight line method at the following rates:

Buildings (other than C.M.H.C. housing)	5%
Equipment and furniture	20%
Infrastructure	5%
Software	50%
Trailer	10%
Vehicles	30%

Social Housing assets acquired under Canada Mortgage and Housing Corporation sponsored housing programs are not being depreciated.

### e) **Revenue Recognition**

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding 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 Consolidated Statement of Financial Position.

### f) **Comparative Figures**

Prior year's comparative amounts have been reclassified where necessary to conform to the current year's presentation.

### g) **Economic Dependence**

Samahquam Indian Band receives a major portion of its revenues pursuant to a funding arrangement with Indigenous and Northern Affairs Canada.

# SAMAHQUAM INDIAN BAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

### h) Budget Figures

Budget amounts have been derived from the official budget adopted by Council at the beginning of the current year. The budget figures have not been subject to any audit verification.

### NOTE 2: DUE FROM FORMER EMPLOYEE

In accordance with the terms of a reconciliation agreement, the amount due from a former employee represents unauthorized expenditures by that former employee which are anticipated to be recovered. At the date of the auditor's report, it is undeterminable what portion of the outstanding amount will be recovered. As such, no allowance for doubtful amounts has been recognized in the accounts.

### NOTE 3: CAPITAL ASSETS

	<u>COST</u> \$	<u>ACCUMULATED DEPRECIATION</u> \$	<u>2017 NET</u> \$	<u>2016 NET</u> \$
Completed subdivision	1,108,404	-	<b>1,108,404</b>	1,108,404
Computer equipment	8,414	8,414	-	-
Computer software	8,769	8,769	-	-
Infrastructure	1,601,473	1,072,936	<b>528,537</b>	555,302
Housing	668,556	232,249	<b>436,307</b>	503,162
Learning centre	8,501	3,825	<b>4,676</b>	5,527
Office equipment	26,845	26,845	-	-
Radio equipment	10,878	10,878	-	-
Trailer	80,673	80,673	-	-
Vehicles	119,614	119,614	-	-
Capital Fund Assets	3,642,127	1,564,203	<b>2,077,924</b>	2,172,395
Social Housing Fund Assets	1,199,104	-	<b>1,199,104</b>	1,199,104
Total Capital Assets	4,841,231	1,564,203	<b>3,277,028</b>	3,371,499

### NOTE 4: INVESTMENTS

#### 1094415 BC LTD. (100%)

Shares	<b>1</b>	-
Accumulated equity in earnings	<b>55,086</b>	-
Accumulated equity in earnings	<b>55,087</b>	-

# SAMAHQUAM INDIAN BAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

### NOTE 5: DEFERRED REVENUE

	2017	2016
Community Expansion 4903	542	542

### NOTE 6: TRUST FUNDS

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

### NOTE 7: LONG-TERM DEBT

	2017 \$	2016 \$
TD Canada Trust - repayable in monthly instalments of \$407.65 including interest at 2.89% per annum, matured February 1, 2016, secured by a first mortgage on one housing unit. Subsequent to the year-end, the balance has been paid in full.	6,670	5,981
All Nations Trust Company - repayable in monthly instalments of \$2,259.13 including interest at 2.69% per annum, maturing April 1, 2020 secured by a Ministerial Guarantee from Indigenous and Northern Affairs Canada.	79,166	104,284
All Nations Trust Company - repayable in monthly instalments of \$2,111.60 including interest at 1.64% per annum, maturing December 1, 2026, secured by a Ministerial Guarantee from Indigenous and Northern Affairs Canada.	190,112	208,040
	275,948	318,305

### FUTURE PRINCIPAL REPAYMENTS

The estimated principal payments for the next five years are as follows:

	\$
2017	50,087
2018	44,401
2019	45,407
2020	20,835
And beyond	115,218
	275,948

# SAMAHQUAM INDIAN BAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

---

### NOTE 8: SEGMENTED INFORMATION

The Samahquam Indian Band is a First Nations government institution that provides a range of programs and services to its members, including band support, social services, education, capital projects and natural resources. For management reporting purposes the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

#### Band Support:

Band Support supports the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, band government, economic development, community services and technical services.

#### Social Services:

Social Services provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

#### Education:

Education supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs, it also provides services for students at the elementary/secondary and post secondary level, including; instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

#### Capital Projects:

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

#### Housing:

Housing is responsible for the administration and management of Social Housing units.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

# SAMAHQUAM INDIAN BAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

### NOTE 8: SEGMENTED INFORMATION (Continued)

	Band Programs	Education	Social Services	Health	Capital Projects	Other	Social Housing	Total 2017	Total 2016
<b>REVENUE</b>									
Indigenous and Northern Affairs Canada	319,363	167,599	154,869	-	-	-	-	<b>641,831</b>	575,448
B.C. Hydro	156,193	-	-	-	-	-	-	<b>156,193</b>	313,905
Capital fund additions	-	-	-	-	-	-	-	-	4,281
First Nations Emergency Services Society	10,000	-	-	-	-	-	-	<b>10,000</b>	-
First Nations Education Steering Committee Society	-	-	-	-	-	-	-	-	2,647
First Nations Health Authority	-	-	-	34,514	-	-	-	<b>34,514</b>	32,765
In-Shuck-ch Development Corporation	106,453	-	-	-	-	-	-	<b>106,453</b>	106,453
Logging revenue	133,632	-	-	-	-	-	-	<b>133,632</b>	-
Miscellaneous income	129,751	-	-	-	-	-	-	<b>129,751</b>	303,533
Rent income	32,184	-	-	-	-	-	-	<b>32,184</b>	22,721
Social Housing	-	-	-	-	-	-	96,530	<b>96,530</b>	97,365
Southern Stl'at'imx Health Society	-	-	-	16,755	-	-	-	<b>16,755</b>	67,211
Enterprise fund	-	-	-	-	-	55,087	-	<b>55,087</b>	-
Trust funds	-	-	-	-	-	8,330	-	<b>8,330</b>	8,730
Community trust funds	-	-	-	-	-	215,792	-	<b>215,792</b>	18,779
	<b>743,944</b>	<b>167,599</b>	<b>154,869</b>	<b>51,269</b>	<b>-</b>	<b>279,209</b>	<b>96,530</b>	<b>1,637,052</b>	<b>1,553,838</b>
<b>EXPENSES</b>									
Salaries and benefits	155,381	5,812	15,271	17,718	-	-	-	<b>194,182</b>	290,811
Other	678,835	158,531	110,139	48,693	4,206	23,076	44,009	<b>1,067,489</b>	1,047,137
Amortization	-	-	-	-	-	94,471	-	<b>94,471</b>	95,880
	<b>834,216</b>	<b>164,343</b>	<b>125,410</b>	<b>66,411</b>	<b>4,206</b>	<b>117,547</b>	<b>44,009</b>	<b>1,356,142</b>	<b>1,433,828</b>
	<b>(90,272)</b>	<b>3,256</b>	<b>29,459</b>	<b>(15,142)</b>	<b>(4,206)</b>	<b>161,662</b>	<b>52,521</b>	<b>280,910</b>	<b>120,010</b>

# SAMAHQUAM INDIAN BAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS March 31, 2017

### NOTE 9: EXPENDITURES BY OBJECT

	2017	2016
	\$	\$
Administration	28,008	154,205
Amortization	94,471	95,880
Bank charges and interest	9,785	14,735
Community meetings	115,065	36,097
Contracted services	6,188	5,083
Contribution to Social Housing program	10,547	15,386
Culture and Heritage	28,768	14,512
Debt servicing	4,206	8,504
Equipment leasing	7,226	9,911
Garbage disposal	86,693	71,975
Honoraria	70,380	51,000
Indian registry	1,283	2,771
Insurance	46,661	49,249
Office and miscellaneous	25,131	35,663
Professional fees	65,713	47,819
Program expenditures	399,404	390,015
Repairs and maintenance	49,836	77,353
Supplies	1,772	3,095
Telephone	21,395	10,858
Travel	103,042	36,360
Utilities	48,736	63,545
Wages and benefits	131,832	239,812
Total	1,356,142	1,433,828



# SAMAHQUAM INDIAN BAND

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS March 31, 2017

### NOTE 10: MEMBERS' EQUITY

	2017 \$	2016 \$
<b>Restricted</b>		
Social Housing Fund	11,773	2,300
Social Housing Fund - Equity in Housing Facilities	929,827	886,781
Trust Fund	399,594	391,264
Samahquam Community Trust Fund	1,234,254	1,040,849
Enterprise Fund	55,087	-
	<b>2,630,535</b>	2,321,194
<b>Unrestricted</b>		
Operating Fund	806,735	740,006
Capital Fund	2,071,254	2,166,414
	<b>2,877,989</b>	2,906,420
<b>TOTAL EQUITY</b>	<b>5,508,524</b>	5,227,614

### NOTE 11: REPLACEMENT RESERVE FUND

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Housing Program must set aside funds annually for the non-annual expenditures of the Program for the repair, maintenance and replacement of worn out assets.

These funds are to be held in a separate interest-bearing bank account or term deposit with the interest earned to be credited as revenue to the Replacement Reserve Fund. As at March 31, 2017, funds totaling \$203,348 (2016 - \$190,515) segregated for this purpose, are still to be deposited to a separate interest-bearing account.

### NOTE 12: OPERATING RESERVE FUND

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Program is to set aside any surplus revenue to an operating reserve for the purpose of meeting future requirements of income listed occupants over and above the maximum federal assistance. The Fund may be replenished to its original limit from subsequent operating surpluses.

As at the Audit Report date, the Fund is under funded by \$10,384 (2016 underfunded by \$13,744).