
Financial statements of Okanagan Indian Band

March 31, 2018

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Management's Responsibility for Financial Reporting

The accompanying financial statements ("financial statements") of Okanagan Indian Band (the "Band") as at March 31, 2018 and for the year then ended are the responsibility of management. The 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 financial statements are presented fairly, in all material respects.

Management 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 Band's assets are appropriately accounted for and adequately safeguarded.

The Okanagan Indian Band Council ("Council") is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

Council reviews the financial statements and approves them. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the independent auditor's report. Council considers its findings when approving the financial statements.

The financial statements have been approved by Council. In addition, these financial statements have been audited by Deloitte LLP in accordance with Canadian generally accepted auditing standards. Deloitte LLP has full access to Council.



Chief Councillor

Executive Director

Independent Auditor's Report

To the Members of
Okanagan Indian Band

We have audited the accompanying financial statements of Okanagan Indian Band, which comprise the statement of financial position as at March 31, 2018, and the statements of operations and accumulated surplus, changes in net financial liabilities and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 control. 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 financial statements.

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

Basis for Qualified Opinion

Canadian public sector accounting standards require that tangible capital assets be recorded at cost and amortized over their estimated useful lives, less any provision for impairment. Certain tangible capital assets acquired prior to 2010 were expensed in the accounting records at the time of acquisition or construction, and the cost of these assets and their date of acquisition or construction has not been determined. We were unable to obtain sufficient, appropriate audit evidence to support the carrying value of tangible capital assets as at March 31, 2018 and March 31, 2017. Consequently, we were unable to determine whether any adjustments were necessary to tangible capital assets as at March 31, 2018 and March 31, 2017, excess of revenues over expenses for the years ended March 31, 2018 and March 31, 2017 or accumulated surplus as at March 31, 2018, March 31, 2017 and April 1, 2016.

Qualified Opinion

In our opinion, except for possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Okanagan Indian Band as at March 31, 2018, and the results of its operations, changes in its net financial liabilities and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Professional Accountants
July 27, 2018
Langley, British Columbia

Okanagan Indian Band
Statement of operations and accumulated surplus
Year ended March 31, 2018

Notes	Budget	2018		2017
		\$	\$	\$
Revenue				
Federal government transfers	10	11,356,590	10,220,253	9,234,600
Provincial government transfers		2,335,408	3,444,086	748,348
General revenue	22	2,498,843	2,270,433	1,762,439
Contract revenue		1,941,940	1,582,062	1,926,524
Rent		984,290	874,104	937,793
Forestry Consultation and Revenue Sharing Agreement		630,000	671,270	529,979
Equity income from Band owned entities	7	600,000	628,518	251,390
Interest and investment income		12,000	27,244	120,306
		20,359,071	19,717,970	15,511,379
Expenses				
Education	20	4,156,747	4,260,787	3,908,173
Public works		3,213,442	4,064,534	1,317,538
Social services		2,418,433	2,346,915	1,965,270
Band government		1,994,693	1,643,686	1,366,890
Territorial stewardship		2,111,449	1,773,994	2,003,040
Health		1,920,914	1,480,579	1,419,033
Housing		1,013,974	928,274	1,025,824
Amortization		—	817,733	795,216
Lands management		1,346,615	742,382	600,785
Council	21	554,182	554,317	420,267
Economic development		173,902	178,500	610,935
Land claims		87,376	148,501	59,175
Employment programs		18,182	16,182	118,698
		19,009,909	18,956,384	15,610,844
Excess (deficiency) of revenue over expenses for the year		1,349,162	761,586	(99,465)
Accumulated surplus, beginning of year		20,137,600	20,137,600	20,237,065
Accumulated surplus, end of year		21,486,762	20,899,186	20,137,600

The accompanying notes are an integral part of the financial statements.

Okanagan Indian Band
Statement of changes in net financial liabilities
Year ended March 31, 2018

	Budget	2018	2017
	\$	\$	\$
Excess (deficiency) of revenue over expenses	1,349,162	761,586	(99,465)
Acquisition of tangible capital assets	-	(902,287)	(551,616)
Amortization of tangible capital assets	-	817,733	795,216
Change in prepaid expenses	-	(9,031)	(34,746)
Decrease in net financial liabilities	1,349,162	668,001	109,389
Net financial liabilities, beginning of year	(1,977,214)	(1,867,825)	(1,977,214)
Net financial liabilities, end of year	(628,052)	(1,199,824)	(1,867,825)

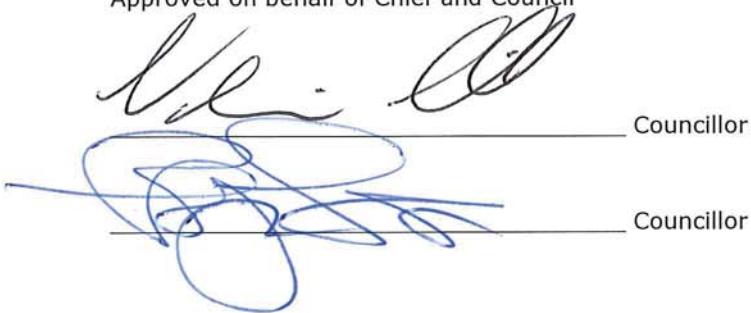
The accompanying notes are an integral part of the financial statements.

Okanagan Indian Band
Statement of financial position
As at March 31, 2018

Notes	2018		2017	
		\$		\$
Financial assets				
Cash and cash equivalents	2	3,077,365	895,163	
Accounts receivable	3	1,679,338	1,336,985	
Loan receivable	4	226,572	232,691	
Due from Government	5	1,082,377	115,140	
Investment in Band-owned entities	7	1,720,962	1,929,839	
Funds held in Ottawa Trust	8	4,789,302	5,012,255	
		12,575,916	9,522,073	
Liabilities				
Bank indebtedness	14	-	768,553	
Accounts payable and accrued liabilities	9	2,966,863	1,397,818	
Deferred revenue	10	3,247,563	2,243,709	
Due to Government	11	500,564	535,126	
Employee benefit obligations	12	169,129	168,693	
Security deposits	13	3,480	3,504	
Long-term debt	15	6,888,141	6,272,495	
		13,775,740	11,389,898	
Commitments and contingencies	23			
Net financial liabilities		(1,199,824)	(1,867,825)	
Non-financial assets				
Tangible capital assets (Schedule)		21,702,031	21,617,477	
Property under development	6	200,000	200,000	
Prepaid expenses		196,979	187,948	
Accumulated surplus	16	22,099,010	22,005,425	
		20,899,186	20,137,600	

The accompanying notes are an integral part of the financial statements.

Approved on behalf of Chief and Council



Councillor

Councillor

Okanagan Indian Band
Statement of cash flows
Year ended March 31, 2018

	2018	2017
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses for the year	761,586	(99,465)
Items not affecting cash		
Amortization	817,733	795,216
Equity income from Band-owned entities	(628,518)	(251,390)
	950,801	444,361
Changes in non-cash working capital		
Accounts receivable	(342,353)	(532,038)
Due from Government	(967,237)	2,428
Prepaid expenses	(9,031)	(34,746)
Due to Government	(34,562)	172,875
Accounts payable and accrued liabilities	1,558,226	(93,203)
Deferred revenue	1,003,854	888,326
Employee benefit obligations	436	24,627
Security deposits	(24)	(14,919)
	2,160,110	857,711
Capital activities		
Additions to tangible capital assets	(902,287)	(551,616)
	(902,287)	(551,616)
Financing activities		
Bank indebtedness	(768,553)	535,331
Proceeds from long-term debt	953,476	605,465
Repayment of long-term debt	(323,310)	(846,937)
	(138,387)	293,859
Investing activities		
Loan receivable	6,119	5,846
Advances from (to) Band-owned entities	233,694	(411,010)
Distributions from Band-owned entities	600,000	—
Funds held in Ottawa Trust	222,953	(407,609)
	1,062,766	(812,773)
Change in cash and cash equivalents	2,182,202	(212,819)
Cash and cash equivalents, beginning of year	895,163	1,107,982
Cash and cash equivalents, end of year	3,077,365	895,163
Supplementary cash flow information		
Interest paid	86,398	86,973

The accompanying notes are an integral part of the financial statements.

Okanagan Indian Band
Notes to the financial statements
March 31, 2018

1. Significant accounting policies

Okanagan Indian Band (the Band) is part of the Okanagan Nation, which is comprised of seven Indian Bands, including the Lower Similkameen Indian Band, Upper Similkameen Indian Band, Osoyoos Indian Band, Penticton Indian Band, Westbank First Nation, Upper Nicola Indian Band and the Okanagan Indian Band. Okanagan Indian Band is located at the head of Okanagan Lake in Vernon, British Columbia, and provides various services to its members.

These financial statements, which represent the operations of the Okanagan Indian Band ("OKIB") as represented by its Band Council, have been prepared in accordance with Canadian public sector accounting standards. The significant accounting policies are as follows:

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that can 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 and may be consumed in normal operations. Non-financial assets include tangible capital assets, property under development, and prepaid expenses. Intangible assets, and items inherited by right of the Crown, are not recognized in the financial statements.

Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and short-term money market instruments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

Property under development

Property under development consists of residential lots that are or will be actively developed for the purposes of generating revenue from sales for the Band. Property under development is carried at the lower of cost and net realizable value, with net realizable value being determined as the estimated selling price less estimated costs to sell.

Investment in Band-owned entities

Incorporated business entities which meet the definition of a government business enterprise are included in the financial statements using the modified equity method and, as such, the accounting policies of these entities are not adjusted to conform with those of the Band. These include:

- (i) Okanagan Indian Band Land Holding Company Ltd.
- (ii) Okanagan Band Development Corporation
- (iii) Okanagan Indian Band Forestry Limited Partnership

The Band also owns the following corporations, which are inactive and which have no assets or liabilities:

- (iv) Okanagan Log Homes Inc. (Inactive)
- (v) Swan Lake Industrial Park Ltd. (Inactive)
- (vi) ERA Aggregates Ltd. (Inactive)

1. Significant accounting policies (continued)

Funds held in trust

Interest earned on funds held in trust are accounted for on an accrual basis. All other revenue paid to funds in trust are recorded when received.

Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the assets. The cost, less residual value of the capital assets, is amortized using the declining balance method at the following annual rates:

Buildings and improvements	4-5%
General equipment	20%
Infrastructure	2%

When conditions indicate that a tangible capital asset no longer contributes to the ability to provide goods or services, or that the value of future economic benefits is less than its book value, the carrying value of the asset is reduced to reflect the decline in value.

Revenue recognition

Government transfers from the federal and provincial governments that do not include stipulations are recognized as revenue when the transfers have been authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. Government transfers with stipulations are recognized as revenue in the period the transfers are authorized, and eligibility criteria and stipulations are met.

Restricted contributions received under terms of agreements are recognized as revenue in the year in which the related expenses are incurred. Unexpended restricted contributions are deferred. Unrestricted contributions are recognized as revenue when received.

Revenue from leases is recognized on a straight-line basis as it is earned based on the lease agreements and when collectability is reasonably assured. Other income, contract revenue and sale of properties are recognized when the risks and rewards have passed to the buyer, the price is fixed and determinable, and collectability is reasonably assured. Interest and investment income is recognized on an accrual basis when earned.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the determination of the allowance for doubtful accounts, the useful lives and recoverability of tangible capital assets, and the recording of deferred revenue where appropriate. Actual results could differ from those estimates.

Employee benefits

Under the terms and conditions of employment, Band employees may qualify and earn benefits for annual leave, elective leave, severance and other benefits. The estimated liability for these benefits is recorded as the benefits are earned by employees. Severance liabilities are recorded when employees are identified for lay-off.

1. Significant accounting policies (continued)

Liability for contaminated sites

The Band recognizes and measures a liability for remediation of contaminated sites where:

- an environmental standard exists;
- contaminated levels exceed the environmental standards;
- the Band is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is based on the present value of the estimated costs directly attributable to the remediation and post-remediation activities.

As at March 31, 2018 and 2017, no contaminated sites have been identified that meet the criteria outlined in the standard.

2. Cash and cash equivalents

Under the terms of agreements with Canada Mortgage and Housing Corporation ("CMHC"), the Band must set aside funds annually for the repair, maintenance or replacement of certain tangible capital assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC, with any interest earned to be credited as revenue to the appropriate housing fund.

	2018	2017
	\$	\$
Externally restricted		
CMHC reserves	949,102	937,713
Internally restricted		
Restricted band accumulated surpluses	71,457	71,457
Unrestricted		
Band operating (Note 14)	1,602,763	(1,065,104)
Social housing operating	380,348	127,283
Eagle Rock Aggregates	73,695	55,261
	2,056,806	(882,560)
	3,077,365	126,610
Cash and cash equivalents consist of		
Bank indebtedness	-	(768,553)
Cash	2,002,078	225,383
Cash equivalents	1,075,287	669,780
	3,077,365	126,610

Okanagan Indian Band
Notes to the financial statements
March 31, 2018

3. Accounts receivable

	2018	2017
	\$	\$
Accounts receivable	1,697,270	1,528,660
Less: allowance for doubtful accounts	(139,043)	(258,557)
Net accounts receivable	1,558,227	1,270,103
Social housing rents receivable	168,361	183,198
Less: allowance for doubtful accounts	(50,557)	(125,861)
Net social housing rents receivable	117,804	57,337
Band member accounts receivable	25,043	28,028
Less: allowance for doubtful accounts	(21,736)	(18,483)
Net band member accounts receivable	3,307	9,545
	1,679,338	1,336,985

4. Loan receivable

	2018	2017
	\$	\$
Term loan receivable from a Band member bearing interest at 4.25% per annum, repayable in monthly blended instalments of \$1,322 maturing on March 1, 2020, secured by a personal guarantee and by the related property.	226,572	232,691

During the year, \$9,771 (\$10,024 in 2017) of interest was received related to this loan.

5. Due from Government

	2018	2017
	\$	\$
Federal Government		
INAC	900,999	—
Canada Mortgage and Housing Corporation (CMHC)	—	735
Sales taxes	7,310	13,463
	908,309	14,198
Other organizations		
Okanagan Nation Alliance (ONA)	—	7,967
Okanagan Training & Development Council (OTDC)	174,068	92,975
	174,068	100,942
	1,082,377	115,140

Okanagan Indian Band
Notes to the financial statements
March 31, 2018

6. Property under development

Property under development as at March 31, 2018 consists of residential building lots.

	2018	2017
	\$	\$
Balance, beginning of year	200,000	200,000
Additions	-	-
Inventory sold	-	-
Balance, end of year	200,000	200,000

7. Investment in Band owned entities

The Band has ownership interests in the following Band owned entities, which are all 100% enterprise investments.

	2018			
	Okanagan Indian Band Forestry LP	Okanagan Indian Band Land Holding Company Ltd.	Okanagan Band Development Corporation	Total
	\$	\$	\$	\$
Shares	1	331,864	120	331,985
Advances				
Opening balance	338,423	1,559,647	(3,929)	1,894,141
Advances for year	(238,347)	952	—	(237,395)
Closing balance	100,076	1,560,599	(3,929)	1,656,746
Retained earnings				
Opening balance	262,122	(566,116)	7,707	(296,287)
Net income (loss)	628,518	—	—	628,518
Distributions	(600,000)	—	—	(600,000)
Closing balance	290,640	(566,116)	7,707	(267,769)
Net investment	390,717	1,326,347	3,898	1,720,962

Okanagan Indian Band
Notes to the financial statements
March 31, 2018

7. Investment in Band owned entities (continued)

	Okanagan Indian Band	Okanagan Band Land Holding Company Ltd.	Okanagan Band Development Corporation	2017
				Total
Shares	1	331,864	120	331,985
Advances				
Opening balance	—	1,516,060	(3,929)	1,512,131
Advances for year	338,423	43,587	—	382,010
Closing balance	338,423	1,559,647	(3,929)	1,894,141
Retained earnings				
Opening balance	—	(555,384)	7,707	(547,677)
Net income (loss)	262,122	(10,732)	—	251,390
Closing balance	262,122	(566,116)	7,707	(296,287)
Net investment	600,546	1,325,395	3,898	1,929,839

Financial information for Band owned entities is as follows:

	2018					
	Net assets			Net income		
	Assets	Liabilities	(deficit)	Revenue	Expenses	(loss)
	\$	\$	\$	\$	\$	\$
Okanagan Indian Band						
Land Holding Company Ltd.	1,281,432	1,570,384	(288,952)	11,000	21,165	(10,165)
Okanagan Indian Band						
Forestry LP	755,777	718,137	37,640	895,885	267,367	628,518
Okanagan Band Development Corporation	11,291	3,000	8,291	464	—	464

Okanagan Indian Band
Notes to the financial statements
March 31, 2018

7. Investment in Band owned entities (continued)

	2017					
	Net assets			Net income		
	Assets	Liabilities	(deficit)	Revenue	Expenses	(loss)
	\$	\$	\$	\$	\$	\$
Okanagan Indian Band Land Holding Company Ltd.	1,290,997	1,569,783	(278,786)	9,900	20,632	(10,732)
Okanagan Indian Band Forestry LP	1,168,659	1,156,537	12,122	611,428	349,306	262,122
Okanagan Band Development Corporation	7,827	7,827	—	—	—	—

8. Funds held in Ottawa Trust

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 are primarily governed by Sections 63 through 69 of the Indian Act.

	Capital account	Revenue account	Total 2018	Total 2017
	\$	\$	\$	\$
Balance, beginning of year	258,964	4,753,291	5,012,255	4,604,645
Receipts during the year				
Federal government interest	—	108,828	108,828	90,623
Province of British Columbia	—	4,567	4,567	28,987
Permits and leases	—	341,039	341,039	288,000
Distributions	—	(677,387)	(677,387)	—
Balance, end of year	258,964	4,530,338	4,789,302	5,012,255

Up to and including the fiscal year ended March 31, 2012, the Band received cumulative royalty payments of \$793,430 relating to the sale of aggregates. These funds were included in the Band's unrestricted cash, but under the terms of an agreement were to be contributed to the funds held in Ottawa Trust. The Band anticipates making the transfer of these funds to the Ottawa Trust at such time that a designation vote is held and when cash resources allow.

9. Accounts payable and accrued liabilities

	2018	2017
	\$	\$
Trade accounts payable and accrued liabilities	1,449,107	523,301
Social assistance payable	37,955	169,330
Accrued education costs	1,295,817	585,536
Salaries and wages payable	183,984	119,651
	2,966,863	1,397,818

Okanagan Indian Band
Notes to the financial statements
March 31, 2018

10. Deferred revenue

To the extent that budgeted funding is received in excess of amounts spent the excess is recorded as an increase to deferred revenue. The following table presents the changes to the components of deferred revenue during the year.

	Balance at March 31, 2017	Funding received	Revenue recognized	Balance at March 31, 2018
	\$	\$	\$	\$
INAC	1,547,906	2,040,015	(1,547,906)	2,040,015
Health Authority	347,095	856,872	(347,095)	856,872
Other	348,708	350,676	(348,708)	350,676
	2,243,709	3,247,563	(2,243,709)	3,247,563

11. Due to Government

	2018	2017
	\$	\$
Federal Government		
Indigenous and Northern Affairs Canada (INAC)	500,564	535,126
Canada Mortgage and Housing Corporation (CMHC)	—	—
	500,564	535,126

12. Employee benefit obligations

	2018	2017
	\$	\$
Vacation pay and overtime		
Pension contributions (Note 19)	165,801	166,024
	3,328	2,669
	169,129	168,693

The vacation pay and overtime consist of amounts that employees have earned and are entitled to within the next budgetary year.

13. Security deposits

Security deposits are received from tenants of Band owned and CMHC social housing units.

14. Bank indebtedness

The Band has available an operating line of credit with a maximum authorized limit of \$900,000 which bears interest at the bank prime rate plus 0.75% per annum and is secured by a general security agreement over the Band's assets.

Okanagan Indian Band
Notes to the financial statements
March 31, 2018

15. Long-term debt

	2018	2017
	\$	\$
Phase 11 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$2,264 including interest at 1.97% per annum, mortgage interest term matures October 1, 2022, mortgage matures October 1, 2022 and is secured by ministerial guarantee	118,986	143,787
Phase 12 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$3,147 including interest at 1.82% per annum, mortgage interest term matures September 1, 2019, mortgage matures August 1, 2024 and is secured by ministerial guarantee	228,571	261,861
Phase 13 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$1,953 including interest at 1.03% per annum, mortgage interest term matures October 1, 2021, mortgage matures July 1, 2026 and is secured by ministerial guarantee	187,063	208,453
Phase 14 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$1,699 including interest at 1.97% per annum, mortgage interest term matures December 1, 2022, mortgage matures July 1, 2027 and is secured by ministerial guarantee	173,757	190,854
Phase 15 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$2,424 including interest at 1.92% per annum, mortgage interest term matures April 1, 2019, mortgage matures February 1, 2029 and is secured by ministerial guarantee	286,339	309,703
Phase 16 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$2,250 including interest at 1.08% per annum, mortgage interest term matures August 1, 2020, mortgage matures July 1, 2025 and is secured by ministerial guarantee	190,269	215,081
Phase 18 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$6,002 including interest at 1.30% per annum, mortgage interest term matures December 1, 2020, mortgage matures November 1, 2035 and is secured by ministerial guarantee Balance carried forward	1,136,611 2,321,596	1,193,495 2,523,234

Okanagan Indian Band
Notes to the financial statements
March 31, 2018

15. Long-term debt (continued)

	2018	2017
	\$	\$
Balance brought forward	2,321,596	2,523,234
Phase 19 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$1,930 including interest at 2.11% per annum, mortgage interest term matures January 1, 2019, mortgage matures November 1, 2033 and is secured by ministerial guarantee	308,847	325,324
Phase 20 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$3,294 including interest at 1.14% per annum, mortgage interest term matures June 1, 2021, mortgage matures June 1, 2041 and is secured by ministerial guarantee	807,191	837,351
Phase 21 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$4,014 including interest at 2.41% per annum, mortgage interest term matures April 1, 2023, mortgage matures April 1, 2043 and is secured by ministerial guarantee	869,961	-
Winfield 15 Units - Bank of Montreal demand loan payable in monthly installments of \$3,134 including interest at prime rate plus 1% per annum, secured by a mortgage on the related property	219,859	247,928
Six Mile Mould Remediation - Bank of Montreal demand loan payable in monthly installments of \$1,035 plus interest at prime rate plus 1% per annum, secured by a mortgage on the related property	91,080	103,500
Six Mile Renovation Costs - Bank of Montreal demand loan payable in monthly installments of \$2,592 plus interest at prime rate plus 1% per annum, secured by a mortgage on the related property	500,168	531,267
Royal Bank of Canada term loan payable in bi-weekly instalments of \$295 including interest at 1.99% per annum, loan matures on January 29, 2020 and is secured by a specified vehicle	13,927	21,235
Land Purchase - Bank of Montreal demand loan payable in monthly instalments of \$4,959 including interest at the bank prime rate plus 1% per annum, secured by the related property	878,455	892,975
Balance carried forward	6,011,084	5,482,814

Okanagan Indian Band
Notes to the financial statements
March 31, 2018

15. Long-term debt (continued)

	2018	2017
	\$	\$
Balance brought forward	6,011,084	5,482,814
Indigenous and Northern Affairs Canada Native Claims Loan Agreement payable, without interest, and unsecured on the date on which the Commonage claim is settled	332,659	332,659
Indigenous and Northern Affairs Canada Native Claims Loan Agreement payable, without interest and unsecured, due on the date on which the Colonial claim is settled	544,398	457,022
	6,888,141	6,272,495

16. Accumulated surplus

Accumulated surplus consists of individual fund balances. The use of certain surpluses have specific requirements.

	2018	2017
	\$	\$
Band accumulated deficit	(2,712,178)	(4,346,756)
Equity in investments in Band-owned entities	1,720,962	1,929,839
CMHC housing reserves (Note 17)	870,790	837,137
Equity in Ottawa Trust Funds	4,789,302	5,012,255
Restricted capital surplus	39,195	39,195
Equity in tangible capital assets	16,191,115	16,665,930
	20,899,186	20,137,600

17. Housing replacement reserves

	2018	2017
	\$	\$
CMHC replacement reserves		
Beginning balance	737,821	705,254
Current provision	68,509	67,224
Interest earned	7,606	9,959
Disbursements	(26,607)	(44,616)
	787,329	737,821
Okanagan Indian Band replacement reserves		
Beginning balance	99,316	122,679
Disbursements	(15,855)	(23,363)
	83,461	99,316
	870,790	837,137

Okanagan Indian Band
Notes to the financial statements
March 31, 2018

18. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

19. Defined contribution plan

The Band maintains a defined contribution pension plan. Employee contributions are deducted as a percentage of earnings and the Band matches employee contributions. During the year, the Band contributed \$173,828 (\$159,929 in 2017) to the defined contribution pension plan and does not have any other obligations with regard to the pension plan.

20. Expenses by object

	2018	2017
	\$	\$
Wages and salaries	5,597,816	5,655,724
Professional fees	3,755,220	1,359,241
Student expenses	2,018,685	2,036,891
Administration	1,791,219	1,157,857
Member support	1,440,820	1,118,010
Repair and maintenance	1,339,235	1,144,771
Amortization	817,733	795,216
Materials and supplies	664,841	710,037
Council	554,317	600,006
Travel	437,525	536,444
Utilities	269,073	254,569
Community services	183,502	155,105
Interest	86,398	86,973
	18,956,384	15,610,844

21. Council expenses

	2018	2017
	\$	\$
Honoraria	370,195	334,496
Other	136,464	209,275
Travel	74,580	78,368
Recovery of travel costs	581,239	622,139
Net council expense	(26,922)	(22,133)
	554,317	600,006

Okanagan Indian Band
Notes to the financial statements
March 31, 2018

22. General revenue

	2018	2017
	\$	\$
Miscellaneous other income	702,666	158,276
Administration fees	802,289	614,028
Partnership distributions	-	250,000
Other First Nations funding	478,957	230,385
CMHC subsidies	156,599	142,893
Daycare fees and subsidies	129,922	142,211
Other own source revenue	-	224,646
	2,270,433	1,762,439

23. Commitments and contingencies

The Band has provided guarantees for housing loans for certain members, and is contingently liable for repayment of these loans to the extent that scheduled repayments are not being made by the members. As at March 31, 2018, the Band had provided guarantees for 10 loans (9 loans in 2017) for which a cumulative balance of \$2,106,936 (\$2,089,952 in 2017) is outstanding.

Okanagan Indian Band

Schedule of tangible capital assets

Year ended March 31, 2018

	Social Housing			Band				
	Land	Buildings	Equipment	Land	Buildings	Equipment	Infrastructure	
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
As at April 1, 2017	336,384	10,134,942	116,857	4,025,011	5,668,121	4,780,532	5,914,251	30,976,098
Additions	—	632,151	—	186,184	—	83,952	—	902,287
	336,384	10,767,094	116,857	4,211,195	5,668,121	4,864,484	5,914,251	31,878,386
Accumulated amortization								
As at April 1, 2017	—	2,472,626	93,841	—	2,364,780	3,970,474	456,901	9,358,622
Additions	—	398,919	4,603	—	139,760	165,304	109,147	817,733
	—	2,871,545	98,444	—	2,504,540	4,135,778	566,048	10,176,355
Net book value, March 31, 2018								
	336,384	7,895,549	18,413	4,211,195	3,163,581	728,706	5,348,203	21,702,031
Cost								
As at April 1, 2016	336,384	9,762,128	116,857	4,025,011	5,668,121	4,601,730	5,914,251	30,424,482
Additions	—	372,814	—	—	—	178,802	—	551,616
	336,384	10,134,942	116,857	4,025,011	5,668,121	4,780,532	5,914,251	30,976,098
Accumulated amortization								
As at April 1, 2016	—	2,117,326	88,086	—	2,218,738	3,793,729	345,527	8,563,406
Additions	—	355,300	5,755	—	146,042	176,745	111,374	795,216
	—	2,472,626	93,841	—	2,364,780	3,970,474	456,901	9,358,622
Net book value, March 31, 2017								
	336,384	7,662,316	23,016	4,025,011	3,303,341	810,058	5,457,350	21,617,477