

Consolidated Financial Statements of

TK'EMLÚPS TE SECWÉPEMC

Year ended March 31, 2017

TK'EMLÚPS TE SECWÉPEMC

Consolidated Financial Statements

Year ended March 31, 2017

Financial Statements

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Tk'emlups te Secwépemc ("TteS") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

TteS' management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Chief and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by TteS. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on TteS' consolidated financial statements.


Chief Councilor / FAC Chair


A / Chief Executive Officer



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INDEPENDENT AUDITORS' REPORT

To the Members of Tk'emlups te Secwépemc

We have audited the accompanying consolidated financial statements of Tk'emlups te Secwépemc ("the Entity"), which comprise the consolidated statement of financial position as at March 31, 2017, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising 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 consolidated 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 our judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control 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 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 consolidated financial statements.

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



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Tk'emlups te Secwépemc as at March 31, 2017, and its consolidated results of operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Kamloops, Canada
August 1, 2017

TK'EMLÚPS TE SECWÉPEMC

Consolidated Statement of Financial Position

March 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash and cash equivalents	\$ 12,023,666	\$ 9,502,408
Restricted cash and cash equivalents (note 2)	11,398,282	10,036,430
Funded reserves (note 3)	495,165	427,274
Ottawa trust funds (note 4)	54,725	53,642
Accounts receivable (note 5)	2,673,952	1,374,183
Property taxes receivable	1,726,586	1,720,683
Loan receivable (note 6)	-	133,953
Long-term investments and advances (note 7)	345,467	345,467
Investment in partnerships (note 8)	1,388,572	1,488,859
Advances to related entities (note 9)	8,719,048	9,646,807
Investment in government business enterprises (note 10)	1,262,449	1,264,431
	40,087,912	35,994,137
Liabilities		
Accounts payable and accrued liabilities	3,026,208	3,157,382
Landfill remediation liability (note 11)	111,799	80,637
Deferred revenue (note 12)	3,692,382	7,534,039
Debt (note 13)	4,973,153	5,942,125
	11,803,542	16,714,183
Net financial assets	28,284,370	19,279,954
Non-financial assets		
Tangible capital assets (note 14)	31,169,909	32,976,812
Prepaid expenses and deposits	598,164	371,049
Inventories	127,461	-
	31,895,534	33,347,861
Accumulated surplus (note 15)	\$ 60,179,904	\$ 52,627,815

Subsequent events (notes 1(a)(ii) and 2)

Contingencies (note 17)

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

Approved

Acting Chief 

Councillor 

TK'EMLÚPS TE SECWÉPEMC

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2017 with comparative information for 2016

	Budget (note 1(i))	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	\$ 5 328,358	\$ 5 796 127	\$ 5 803 402
Administration fees	1 518 926	140 667	121 809
Canada Mortgage and Housing Corporation	323 568	496 076	306 534
Contract revenue	329,550	592 667	663 495
Government business enterprises income (loss) (note 10)	197 736	(1 384 986)	1 193 643
Health Canada	11 000	14 542	13 784
Interest and investment income	1 080 658	1 521 558	551 258
Kamloops Indian Band (K.I.B.) Sales Tax	1 809 900	1 978 815	1 786 711
Lease and rental income	3 417 197	3 316 448	3,202 805
Management fees	858 396	858 396	689 112
Mutual Benefits Agreement	-	-	3 141 671
Partnership income (note 8)	63 945	243,975	1 058 854
Property taxation	6 376,254	6 840,883	6 510 534
Province of British Columbia	1 708 416	8 504 762	2 332 131
User fees and other	2,418,158	2,949,529	2,204,955
Total revenue	25 442 062	31 869 459	29,580 698
Expenses			
Administration	3 273 930	4 349 586	2,999 852
Band council	1 073,862	1 030,226	987 317
Chief Louis Centre	329,970	390,119	345 607
Legal	770,307	303,354	492 121
Social development	1 865,525	1 734 447	1 755 220
Sk'e'lep school	1 778 003	1 635 250	1 684 356
Education	3 337 764	3 407 705	3 096 810
Property tax	3 591 528	2,702 458	2,525 632
Land and leases	1 200 579	883,288	777 622
Housing	811 362	884 270	1 488 930
Maintenance	3 160,982	3 601,272	3 222 982
Natural resources	498 559	742,515	517 593
Social housing	796 981	758 444	872 737
Amortization - capital fund	1 650 000	1 621 432	1 639 013
Other	138,647	273,004	65,743
Total expenses	24 277 999	24 317 370	22 471 535
Annual surplus	1 164 063	7 552 089	7,109 163
Accumulated surplus, beginning of year	52 627 815	52 627 815	45 518 652
Accumulated surplus, end of year	\$ 53 791 878	\$ 60 179 904	\$ 52 627 815

Segmented information (note 19)

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

TK'EMLÚPS TE SECWÉPEMC

Consolidated Statement of Change in Net Financial Assets

Year ended March 31, 2017, with comparative information for 2016

	Budget (note 1(i))	2017	2016
Annual surplus	\$ 1,164,063	\$ 7,552,089	\$ 7,109,163
Acquisition of tangible capital assets	-	(138,927)	(342,853)
Amortization of tangible capital assets	1,650,000	1,945,830	1,981,769
	1,650,000	1,806,903	1,638,916
Usage of inventories net of acquisitions	-	(127,461)	-
Usage of prepaid expenses, net of acquisitions	-	(227,115)	38,643
Change in net financial assets	2,814,063	9 004,416	8 786,722
Net financial assets, beginning of year	19,279,954	19,279,954	10,493,232
Net financial assets, end of year	\$ 22,094,017	\$ 28,284,370	\$ 19 279,954

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

TK'EMLÚPS TE SECWÉPEMC

Consolidated Statement of Cash Flows

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 7,552,089	\$ 7,109,163
Items not involving cash		
Amortization of tangible capital assets	1,945,830	1,981,769
Write down of loan receivable	133,953	-
Loss (equity) in income of business enterprises and partnerships	1,141,011	(2,252,497)
Change in non-cash assets and liabilities		
Accounts receivable	(1,299,769)	896,344
Property taxes receivable	(5,903)	(139,001)
Inventories	(127,461)	-
Prepaid expenses and deposits	(227,115)	38,643
Loan receivable	-	165
Accounts payable and accrued liabilities	(131,174)	(2,505)
Landfill remediation liability	31,162	-
Deferred revenue	(3,841,657)	885,266
Net change in cash from operating activities	5,170,966	8,517,347
Capital activities		
Acquisition of tangible capital assets	(138,927)	(121,738)
Net change in cash used in capital activities	(138,927)	(121,738)
Investing activities		
Purchase of investments	-	(24)
Advances (to) from related entities	(455,245)	84,407
Contributions from partnerships	344,262	227,517
Net change in cash (used in) from investing activities	(110,983)	311,900
Financing activities		
Proceeds from debt	581,820	544,872
Repayment of debt	(1,550,792)	(1,499,724)
Net change in cash used in financing activities	(968,972)	(954,852)
Net change in cash and cash equivalents	3,952,084	7,752,657
Cash and cash equivalents, beginning of year	20,019,754	12,267,097
Cash and cash equivalents, end of year	\$ 23,971,838	\$ 20,019,754
Represented by		
Cash and cash equivalents	\$ 12,023,666	\$ 9,502,408
Restricted cash and cash equivalents	11,398,282	10,036,430
Funded reserves	495,165	427,274
Ottawa trust funds	54,725	53,642
	\$ 23,971,838	\$ 20,019,754

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

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements

Year ended March 31, 2017

Tk'emlups te Secwépemc ("TteS") is a First Nations government operating out of Kamloops, British Columbia. TteS is a progressive community committed to attaining self-sufficiency and independence through education and economic development. TteS was established in 1862 and is responsible for the well-being of its community and the enactment of legal policies and programs in the areas of capital, education, membership, health, and social and economic development.

1 Basis of presentation and significant accounting policies

These consolidated financial statements reflect the assets, liabilities and results of operations of TteS and all related entities and organizations subject to control by TteS. These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada, which encompass the following principles:

(a) Basis of consolidation

(i) Consolidated entities

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise or government business partnership. The reporting entity is comprised of all related entities and organizations subject to control by TteS. Organizations consolidated in these financial statements include:

- Tk'emlups te Secwépemc
- Tk'emlups te Secwépemc Social Housing Section 95 Phases 1-13
- Tk'emlups te Secwépemc Social Housing Section 95 Phases 14-20

Inter-departmental and inter-organizational transactions and balances between these entities have been eliminated.

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Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

1 Basis of presentation and significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Investment in government business enterprises

TteS' investment in the following government business enterprises are accounted for on a modified equity basis. Under the modified equity basis, these entities' accounting policies are not adjusted to conform with those of TteS and inter-organizational transactions and balances are not eliminated. TteS recognizes its equity interest in the annual income or loss of the entities in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment asset account. Any dividends that TteS may receive from these entities will be reflected as reductions in the investment asset account.

Organizations accounted for on a modified equity basis include:

- Kamloops Indian Band Development Corporation,
- Kamloops Indian Band Utility Corporation,
- Spiyu7ullucw Ranch Corporation,
- Mount Paul Centre Inc ,
- Tk'emlupsemc Forestry Development Corporation, which includes its pro-rated portion of its investment in the Tk'emlupsemc Forestry Limited Partnership, and
- 1038547 B C Ltd , which includes its pro-rated portion of its investment in the Tk'emlups te Secwépemc Hops Farm Partnership. Subsequent to year end on April 1, 2017, the Tk'emlups te Secwépemc Hops Farm Partnership was dissolved.

(iii) Investment in partnerships

TteS' investment in the Tk'emlupsemc Forestry Limited Partnership and the Stk'emlupsemc Limited Partnership (the "partnerships") are accounted for on a modified equity basis.

Under the modified equity basis, the partnerships' accounting policies are not adjusted to conform with those of TteS and inter-organizational transactions and balances are not eliminated. TteS recognizes its equity interest in the annual income or loss of the partnerships in its consolidated statement of operations and accumulated surplus, less cash advances or cash disbursements, with a corresponding increase or decrease in its investment asset account.

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Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

1 Basis of presentation and significant accounting policies (continued)

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term, highly liquid investments that are readily convertible to cash

(c) Restricted cash and cash equivalents

Restricted cash and cash equivalents represents amounts reserved either internally, by statute or in relation to external funding requirements for specific future purposes

(d) Investments

Investments in entities that TteS does not control individually or jointly are recorded at cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to its net realizable value.

(e) Deferred revenue

Deferred revenue represents grants and other fees which have been collected, but for which the related expenses or services have yet to be incurred or performed. These amounts will be recognized as revenues in the fiscal year in which the services are performed or related expenses incurred.

Development cost charge levies are restricted by law in their use for providing funds to assist TteS in paying the capital cost of providing, constructing, altering or expanding sewer, water, stormwater, parks and recreation land and transportation facilities and the revenue is deferred until the expenses are incurred. When development cost charge expenses are made, a corresponding amount is recorded in revenue.

(f) Non-financial assets

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

(i) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible capital assets are recorded at fair value at the time of the donation with a corresponding amount recorded as revenue. Expenses for repairs and maintenance that do not materially add to the useful life or service potential of the asset are not capitalized, but expensed as incurred.

Tangible capital assets acquired on April 1, 1975 or later are recorded at cost. Tangible capital assets acquired prior to April 1, 1975 are recorded at net replacement values as appraised by Harker Appraisals Ltd. at August 15, 1977 and July 31, 1978, except land, which is recorded at a nominal value of \$1.

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Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

1 Basis of presentation and significant accounting policies (continued)

(f) Non-financial assets (continued)

(i) Tangible capital assets (continued)

The cost, less residual value, of the tangible capital assets, excluding land, is amortized over their estimated useful lives as follows

Asset	Basis	Rate
Automotive	Declining balance	30%
Buildings	Declining balance	4%
Social housing buildings	Straight-line	40 years
Computer equipment	Declining balance	50%
Equipment	Declining balance	20%
Fencing and other land improvements	Declining balance	4%
Furniture and fixtures	Declining balance	20%
Social housing fixtures	Straight-line	10 years
Property and equipment, recorded at appraised values	Declining balance	2.5 - 10%
Roadways, sewer and water systems	Declining balance	4 - 8%

Assets under construction are not amortized until the asset is available for productive use. When a tangible capital asset no longer contributes to TteS' ability to provide services, its carrying amount is written down to its recoverable amount.

All intangibles and items inherited by right of TteS, such as land, forests, water, and mineral resources, that have not been purchased, are not recognized in these consolidated financial statements.

Contributed tangible capital assets are recognized at fair market value at the date of contribution. Where an estimate of fair value cannot be made, the tangible capital asset is recognized at a nominal value.

(ii) Works of art and cultural and historic assets

Works of art and cultural and historic assets, including artifacts, paintings and sculptures, are not recorded as assets in these consolidated financial statements.

(iii) Inventories of supplies

Inventories of supplies held for consumption are recorded at lower of cost and replacement cost.

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

1 Basis of presentation and significant accounting policies (continued)

(g) Revenue recognition

Revenue is recognized on the accrual basis as it is earned, or as services are provided, and is measurable and becomes receivable under the terms of the applicable funding agreements

Government transfers are recognized as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria is met, and reasonable estimates of the amounts can be made. If the transfer contains stipulations that create a liability, the transfer is recognized as revenue in the period in which the liability is extinguished.

Contract revenues are recorded on an accrual basis and are recognized when the service has been provided.

Grants and donations are recognized as revenue when received or receivable if amounts can be reasonably estimated and collection is reasonably assured.

Interest and investment income is recorded as revenue in the period earned.

Lease and rental income is recorded on a straight-line basis over the term of the lease or agreement and is recognized when a tenant commences occupancy, the amounts to be received can be reasonably estimated and collection is reasonably assured.

Property tax revenues are recorded on the accrual basis and are recognized when the amounts to be received can be reasonably estimated and collection is reasonably assured.

Sales tax, user fees and other income are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(h) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. The recoverable amount of accounts receivable and property taxes receivable, and the recoverable amount and estimated useful lives of tangible capital assets are significant items subject to such estimates and assumptions. Actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are adjusted prospectively.

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

1 Basis of presentation and significant accounting policies (continued)

(i) Budgets

Budget information for individual programs has been included in the consolidated financial statements when the information is available and represents the 2016/2017 operating and capital budgets approved by Chief and Council on March 22, 2016

(j) Funded reserves

In order to provide for replacement of major tangible capital assets, the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC") provide that a Replacement Reserve Fund be established by annual charges to operations in an amount prescribed by the agreement. Interest is to accrue on the cumulative reserve balance. In addition, under the terms of the agreement for the 2% Subsidy Program, TteS may retain, in a Subsidy Surplus Reserve, excess federal assistance payments up to a maximum of \$500 per unit plus interest, and under the terms of the agreement for the Full Subsidy Program, TteS may retain in an Operating Reserve all excess federal assistance, plus interest.

(k) Employee future benefits

TteS contributes to a private defined contribution multi-employer pension plan. Contributions are expensed as incurred.

(l) Segmented disclosure

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of TteS. TteS identifies its segments based on specific projects and funding arrangements. Revenue and expenses are allocated to these segments according to the method of identification.

(m) Landfill liability

The liability and annual expenditure for closure of the operational site and post-closure care has been recognized as the landfill site's capacity is used each year, based on the present value of estimated future cash flows, after being adjusted for estimated inflation.

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Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

2 Restricted cash and cash equivalents

Certain funds have been internally restricted by TteS or externally restricted by federal or provincial government authorities or other entities for the following specific purposes. These funds have been invested in separate investment funds and bank accounts.

	2017	2016
Externally restricted		
Six Mile Settlement Fund	\$ 75,302	\$ 75,301
Tessie J. Jules Bursary Fund	111,351	110,299
Little Fawn Daycare Fundraising Trust Fund	27,649	25,960
First Nations Market Housing Fund	-	15,755
Development cost charges	513,842	300,488
	728,144	527,803
Internally restricted		
Kinder Morgan Mutual Benefits Agreement	3,035,181	3,014,239
Stk'emlupsemc te Secwepemc Nation - Economic and Community Development Agreement	1,161,029	1,149,813
Forestry Contribution Revenue Sharing Agreement	2,310,845	1,098,006
First Nations Land Acquisitions Fund	1,621,584	1,983,813
Net Smelter Fund	889,692	785,054
Capital reserve (Ottawa Trust withdrawal)	361,830	358,410
Development cost charges reserve	857,331	566,000
Long-term capital plan reserve	432,646	553,292
	10,670,138	9,508,627
	\$ 11,398,282	\$ 10,036,430

Included in the Kinder Morgan Mutual Benefits Agreement internally restricted balance is \$2,450,000 (2016 - \$nil) in Royal Bank of Canada ("RBC") money market funds with an annual rate of return of approximately 0.43%. Restricted cash and cash equivalents reported on the consolidated statement of financial position have a cost that approximates market value.

Subsequent to year end, \$30,000 was transferred to the First Nations Market Housing Fund. In addition, there is a shortfall of \$422,087 in the long-term capital plan reserve account which will be funded subsequent to year end by a transfer from unrestricted cash.

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Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

3 Funded reserves

Replacement Reserve

Under the terms of the agreement with CMHC, the Replacement Reserve account was credited during the year ended March 31, 2017, in the amount of \$95,867 (2016 - \$103,563) including interest. The funds in the account may only be used as approved by CMHC.

The Replacement Reserve, as reported in the consolidated statement of financial position, consists of

	2017	2016
Restricted cash - replacement reserve	\$ 495,165	\$ 427,274
Monies to be deposited subsequent to year-end	694	101,067
Total replacement reserve funds	\$ 495,859	\$ 528,341

As at March 31, 2017, total funded reserves are \$495,165 (2016 - \$427,274)

4 Ottawa Trust Funds

Indigenous and Northern Affairs Canada ("INAC") holds certain funds in trust for TteS. These funds are designated as revenue or capital funds 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. Subject to approval by the Minister of Indigenous and Northern Affairs, TteS is permitted to expend its revenue funds for any purpose that will promote the general progress and welfare of TteS and TteS members. The expense of capital funds requires the consent of the Minister of Indigenous and Northern Affairs and such expense generally must be for projects of a capital nature. At March 31, 2017, the balance in revenue funds was \$54,725 (2016 - \$50,669) (see note 15).

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Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

5 Accounts receivable

	INAC	Social Housing	Band Members	Other	2017	2016
Accounts receivable	\$ 1 009 103	\$ 16 566	\$ 1 071 217	\$ 1 962 996	\$ 4 059 882	\$ 2 526 759
Allowance for doubtful accounts			(1 026 873)	(359 057)	(1 385 930)	(1 152 576)
	\$ 1 009 103	\$ 16 566	\$ 44 344	\$ 1 603 939	\$ 2 673 952	\$ 1 374 183

6 Loan receivable

The amounts due from the Kamloopa Pow Wow Society were forgiven during the year

7 Long-term investments and advances

	2017	2016
All Nations Trust Company ("ANTCO")		
156,270 Class A common shares	\$ 156,270	\$ 156,270
First Nations Finance Authority, pooled investments		
18,850 units, Intermediate Money Market Fund	188,503	188,503
1038547 B C Ltd (note 10)	24	24
Cuwkeltam Leasing Inc (note 10)	1	1
Kamloops Indian Band Development Corporation (note 10)	1	1
Kamloops Indian Band Utility Corporation (note 10)	1	1
Spiyu7ullucw Ranch Corporation (note 10)	1	1
Mount Paul Centre Inc (note 10)	1	1
Tk'emlupsemc Forestry Development Corporation (note 10)	1	1
Tk'emlupsemc Forestry Limited Partnership (note 8)	199	199
Stk'emlupsemc Enterprises Inc, 50% interest		
Investment in shares	10	10
Advances	455	455
	\$ 345,467	\$ 345,467

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Notes to Consolidated Financial Statements (continued)

Year ended March 31 2017

8 Investment in partnerships

Tk'emlupsemc Forestry Development Corporation ("TFDC") and TteS have an investment in Tk'emlupsemc Forestry Limited Partnership ("TFLP") TFDC, the general partner owns 0.5% (1/200) of the units of TFLP and TteS, the limited partner, owns 99.5% (199/200) of the units of TFLP

Stk'emlupsemc Enterprises Inc ("SEI"), the Skeetchestn Indian Band ("SIB") and TteS have an investment in Stk'emlupsemc Limited Partnership ("SLP") SEI is the general partner and owns 0.01% of SLP, while the limited partners, SIB and TteS, each own 49.995% of SLP

As at March 31, 2017, the assets, liabilities, equity, and net income of TFLP and SLP are as follows

	Tk'emlupsemc Forestry Limited Partnership	Stk'emlupsemc Limited Partnership	2017	2016
Total assets	\$ 2,510,928	\$ 1,888,034	\$ 4,398,962	\$ 4,541,905
Total liabilities and partners' equity	2,510,928	1,888,034	4,398,962	4,541,905
Net income				
Revenue	4,939,195	3,321,664	8,260,859	8,879,977
Expenses	4,867,511	1,652,770	6,520,281	6,402,229
Net income	\$ 71,684	\$ 1,668,894	\$ 1,740,578	\$ 2,477,748

As at March 31, 2017, TteS' investment in partnerships is comprised of

	2017	2016
Tk'emlupsemc Forestry Limited Partnership	\$ 1,311,084	\$ 1,277,728
Stk'emlupsemc Limited Partnership	77,488	211,131
Total investment	\$ 1,388,572	\$ 1,488,859

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Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

9 Advances to (from) related entities

The amounts advanced to (from) related entities are non-interest bearing, unsecured and have no specified terms of repayment

	2017	2016
1038547 B C Ltd	\$ 80,326	\$ (24)
Kamloops Indian Band Utility Corporation	5,696	7,650
Kamloops Indian Band Development Corporation	(1,424,568)	(54,621)
Mount Paul Centre Inc	6,457	6,456
Stk'emlupsemc te Secwepemc Nation	129,097	129,097
Spiyu7ullucw Ranch Corporation	9,069,774	9,036,922
Tk'emlupsemc Forestry Development Corporation	848,223	508,723
Tk'emlups te Secwépemc Hops Farm Partnership	261,060	9,768
Less allowance for uncollectible inter-entity advances	(261,060)	-
Other	4,043	2,836
	\$ 8,719,048	\$ 9,646,807

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

10 Investment in government business enterprises

	Kamloops		Kamloops		Spiyu7ullucw		Tkemlupsemc			
	Indian Band	Development Corporation	Indian Band	Utility Corporation	Ranch Corporation	Mount Paul Centre Inc	Development Corporation	Forestry Corporation	2017	2016
									Total	Total
Total assets	\$ 5 472,811	\$ 4 224 149	\$ 7 379 055	\$ 402 334	\$ 400 335	\$ (915 495)	\$ 16 963 189	\$ 17 067 935		
Total liabilities	2 848,799	2 610 744	9 145 747	117 739	897 357	80 325	15 700 711	15 803 475		
Share capital	1	1	1	1	1	24	29	29		
Retained earnings (deficit)	2 624 011	1 613 404	(1 766 693)	284 594	(497 023)	(985 844)	1 262 449	1 264 431		
Total liabilities and equity	\$ 5 472 811	\$ 4 224 149	\$ 7 379 055	\$ 402 334	\$ 400 335	\$ (915 495)	\$ 16 963 189	\$ 17 067 935		
Net income (loss)										
Revenue	\$ 1 248 406	\$ 11 640 771	\$ 323 014	\$ 26 154	\$ 325 883	\$ (941 772)	\$ 12 622 456	\$ 13 469 280		
Expenses	688 863	10 972 001	439 631	69 612	373 981	80 350	12 624 438	12 275 647		
Net income (loss)	\$ 559 543	\$ 668 770	\$ (116,617)	\$ (43 458)	\$ (48 098)	\$ (1 022 122)	\$ (1 982)	\$ 1 193 643		
Less allowance for uncollectible inter-entity advances	(1 383 004)	-	-	-	-	-	(1 383 004)	-		
Adjusted net income (loss)	\$ (823 461)	\$ 668 770	\$ (116 617)	\$ (43 458)	\$ (48 098)	\$ (1 022 122)	\$ (1 384 986)	\$ 1 193 643		

TieS holds 100% ownership or otherwise exerts control over the above entities

TieS has a 100% investment in Cuwkelam Leasing Inc , which is an inactive company The total investment at March 31, 2017 is \$1 (2016 - \$1) (note 7)

TieS also has a 100% investment in Kamloopa Property Management Association, which is an inactive association

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

11 Landfill remediation liability

TteS operates one landfill located on Paul Lake Road. TteS has recognized a liability of \$111,799 related to closure and post-closure costs at March 31, 2017 (2016 - \$80,637). The estimated liability is recognized as the landfill site's capacity is used. The reported liability represents management's best estimate of the present value of the expected future cash flows as at March 31, 2017, prorated based on the ratio of currently utilized capacity to the total estimated landfill capacity (see table below). Present value of future cash flows for total landfill closure and post-closure care costs is estimated to be \$624,475 (2016 - \$600,457).

The estimated years until planned closure, remaining capacity and life of the landfill site are as follows:

	Paul Lake Road
Closure date	2092
Future costs	\$ 14,412,608
Present value of future costs	\$ 624,475
Total capacity (m3)	180,000
Deposited to date (m3)	29,000
Utilization of total capacity to date	16%

Once the landfill is closed, post-closure care is estimated to occur annually over 25 years. Estimated closure and post-closure costs have been adjusted for inflation using a rate of 2.0% per year, and the present value has been calculated using a 4.0% discount rate.

The reported liability is based on estimates and assumptions with respect to anticipated events over the expected remaining service life of the landfill of 76 years, using the best information available to management. Changes in the liability could result from new technology, settling of waste or changes in fill rates, changes in the closure plan, regulatory requirements, inflation rates and interest rates. Future events may result in significant changes to the estimated timelines, total expenditures, capacity used or total capacity and the resulting estimated landfill remediation liability. Any change in the liability for cumulative capacity used, which could be material, would be recognized prospectively as a change in estimate when applicable. Management periodically performs an assessment of the underlying assumptions related to the reported liability.

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

12 Deferred revenue

(a)

	2016	Funding Received	Revenue Recognized	2017
INAC contributions				
Economic development				
- West Coast Energy	\$ 50 000	\$ -	\$ (50 000)	\$ -
Housing funds				
- CPMS #11633 Stream 3	112 201	-	-	112 201
Municipal services				
- Fire protection	46,548	-	(46 548)	-
Education				
- Private schools	-	35 231	(25 713)	9 518
Environment				
- Herptofauna inventory survey	-	45 000	-	45 000
Remediation				
- 301 Chilcotin Road	-	190 440	(56 810)	133 630
New Paths				
- Parental and Community	-	44 335	-	44 335
	208,749	315,006	(179,071)	344,684
Other contributions				
Forestry contribution revenue				
sharing agreement	1 256 078	1 198 878	(2 454 956)	-
Land acquisitions	1 985 592	-	(1 985 592)	-
First Nations environmental				
contamination	6 250	-	(6 250)	-
First Nations Health Authority	6,250	-	(6 250)	-
Unearned business licences	74 702	108 748	(111 557)	71 893
Unearned lease rental	859 998	2 528 099	(2 439 395)	948,702
Sk'elep school	253 176	259,173	(253 176)	259 173
Environmental security funds	189,654	1 226	-	190,880
Economic and Community				
Development contributions	1,062 831	646 376	(1,709 207)	-
Other unearned revenue	1 330 267	1 415 446	(1 382 505)	1 363,208
Development cost charges				
(see (b) for detail)	300,492	213,350	-	513,842
	7 325 290	6 371 296	(10 348 888)	3 347 698
	\$ 7 534 039	\$ 6 686 302	\$ (10 527 959)	\$ 3 692 382

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

12 Deferred revenue (continued)

- (b) TteS collects development cost charges to pay for the proportionate share of infrastructure related to new growth. In accordance with the Development Cost Charges Law, these funds must be deposited into a separate reserve fund. Because these funds are externally restricted in nature they are shown as a liability.

	2016	Receipts	Interest	Transfers Out	2017
Development cost charges					
Transportation	\$ 218 451	\$ 193 165	\$ -	\$ -	\$ 411 616
Stormwater	3 429	3 356	-	-	6 785
Water	59 153	14,877	-	-	74 030
Sewer	17 803	386	-	-	18,189
Parks and recreation	1 656	1 566	-	-	3 222
	\$ 300 492	\$ 213 350	\$ -	\$ -	\$ 513 842

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

13 Debt

	2017	2016
Social Housing		
ANTCO, mortgages, repayable in monthly instalments ranging from \$1,181 to \$3,831, including interest at rates ranging from 1.03% to 2.11% per annum, secured by INAC guarantees for all loan amounts outstanding, with the exception of \$121,604 maturities ranging from April 2018 to February 2022	\$ 1,938,793	\$ 1,607,510
RBC, mortgages, repaid during the year	-	639,886
TteS Term Loans and Other		
RBC, term loans, repayable in monthly instalments ranging from \$8,118 to \$19,651, including interest at rates ranging from 2.69% to 3.79% per annum, secured as per below, maturities ranging from August 2017 to September 2019	3,034,360	3,694,729
	\$ 4,973,153	\$ 5,942,125

Scheduled principal repayments due in the next five years are approximately as follows

2018	\$ 492,903
2019	957,423
2020	2,945,443
2021	251,824
2022	325,560
	\$ 4,973,153

Total interest paid on debt for the year was \$123,823 (2016 - \$163,889)

The RBC facilities include two revolving demand lines of credit to a maximum of \$300,000 (2016 - \$300,000) and \$500,000 (2016 - \$500,000), respectively, which bear interest at the RBC prime rate plus 0.15% and plus 0.5% per annum respectively (2017 - 2.85% and 3.20% in aggregate respectively)

The RBC lines of credit and term loans are secured by a general security agreement constituting a first ranking security interest in all personal property of TteS as well as a security agreement over accounts receivable constituting a first ranking security interest in all sales tax revenues and other income or monies payable to TteS by the Government of Canada

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

14 Tangible capital assets

Cost	2016	Additions	Disposals/ transfers	2017
TteS capital				
Land	\$ 913,225	\$ -	\$ 110,000	\$ 1,023,225
Automotive	2,471,247	-	-	2,471,247
Buildings	14,701,475	-	874,656	15,576,131
Computer equipment	1 891,377	18,927	-	1,910,304
Equipment	1,366,135	120,000	20,850	1,506,985
Fencing and other land improvements	3,469,464	-	-	3,469,464
Furniture and fixtures	724,271	-	-	724,271
Property and equipment, recorded at appraised values	3,545,768	-	-	3,545,768
Roadways, sewer and water systems	29,431,289	-	-	29,431,289
Total TteS capital	58,514,251	138,927	1,005,506	59,658,684
Social Housing				
Land	477,386	-	(110,000)	367,386
Buildings and fixtures	7,804,091	-	(895,506)	6,908,585
Total Social Housing	8,281,477	-	(1 005,506)	7,275,971
Total	\$ 66,795,728	\$ 138,927	\$ -	\$ 66,934,655

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

14 Tangible capital assets (continued)

Accumulated amortization	2016	Amortization	Disposals/ transfers	2017
TteS capital				
Automotive	\$ 2,057,035	\$ 124,264	\$ -	\$ 2,181,299
Buildings	6,973,288	372,041	698,184	8,043,513
Computer equipment	1,835,264	32,790	-	1,868,054
Equipment	1,005,114	88,374	-	1,093,488
Fencing and other land improvements	2,149,417	52,802	-	2,202,219
Furniture and fixtures	571,331	30,588	-	601,919
Property and equipment, recorded at appraised values	3,144,070	16,068	-	3,160,138
Roadways, sewer and water systems	12,385,241	920,301	-	13,305,542
Total TteS capital	30,120,760	1,637,228	698,184	32,456,172
Social Housing				
Buildings and fixtures	3,698,156	308,602	(698,184)	3,308,574
Total Social Housing	3,698,156	308,602	(698,184)	3,308,574
Total	\$ 33,818,916	\$ 1,945,830	\$ -	\$ 35,764,746

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

14 Tangible capital assets (continued)

Net book value	2016	2017
TteS capital		
Land	\$ 913,225	\$ 1,023,225
Automotive	414,212	289,948
Buildings	7,728,187	7,532,618
Computer equipment	56,113	42,250
Equipment	361,021	413,497
Fencing and other land improvements	1,320,047	1,267,245
Furniture and fixtures	152,940	122,352
Property and equipment, recorded at appraised values	401,698	385,630
Roadways, sewer and water systems	17,046,048	16,125,747
Total TteS capital	28,393,491	27,202,512
Social Housing		
Land	477,386	367,386
Buildings and fixtures	4,105,935	3,600,011
Total Social Housing	4,583,321	3,967,397
Total	\$ 32,976,812	\$ 31,169,909

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

15 Accumulated surplus

Accumulated surplus consists of individual fund surpluses and reserves as follows

	2017	2016
Financial surplus		
Unrestricted operating surplus	\$ 19,051,322	\$ 19,714,878
Internally restricted surplus (note (a) below)	13,971,232	4,990,566
	33,022,554	24,705,444
Invested in tangible capital assets (note (b) below)	26,196,756	27,034,687
Externally restricted surplus (note (c) below)	960,594	887,684
	\$ 60,179,904	\$ 52,627,815

(a) Internally restricted surplus

	Beginning balance	Contributions	Interest	Approved expenses/ transfers	Ending balance
Economic and Community Development Agreement	\$ -	\$ 1,709,207	\$ 10,045	\$ (107,287)	\$ 1,611,965
Forestry Contribution Revenue Sharing Agreement	-	2,706,952	12,810	(440,509)	2,279,253
New Gold NSR Reserve	-	1,266,354	5,643	(10,000)	1,261,997
Land Acquisitions	-	1,985,592	15,172	(65,405)	1,935,359
Long-term Capital Plan Reserve	694,620	150,000	10,113	-	854,733
Development Cost Charges Reserve	566,000	283,000	8,331	-	857,331
Kinder Morgan Mutual Benefits Agreement	3,141,671	-	-	-	3,141,671
Ottawa Trust Withdrawal	355,110	-	-	3,300	358,410
Stk'emlupsemc te Secwepemc Nation	133,724	58,241	-	306,642	498,607
Replacement Reserve from Phases 4-7, 9 and 12	99,441	-	-	62,089	161,530
Day Scholar	-	210,376	-	-	210,376
General Reserve	-	-	-	600,000	600,000
Economic development	-	-	-	200,000	200,000
	\$ 4,990,566	\$ 8,369,722	\$ 62,114	\$ 548,830	\$ 13,971,232

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

15 Accumulated surplus (continued)

(b) Invested in tangible capital assets

	2017	2016
Tangible capital assets	\$ 31,169,909	\$ 32,976,812
Less financed by		
Term debt	(4,973,153)	(5,942,125)
	<u>\$ 26,196,756</u>	<u>\$ 27,034,687</u>

(c) Externally restricted surplus

	Beginning balance	Contributions	Interest	Approved expenses/ transfers	Ending balance
Ottawa Trust					
Capital	\$ -	\$ -	\$ -	\$ -	-
Revenue	50,669	-	4,056	-	54,725
INAC - Capital (note 21)	168,204	-	-	-	168,204
Tessie J. Jules Bursary	110,273	-	963	-	111,236
Six Mile Settlement	75,302	-	-	-	75,302
Little Fawn Daycare Fund	25,962	-	1,670	(1,670)	25,962
First Nation Housing Market Fund	30,000	-	-	-	30,000
Funded reserves (note 3)	427,274	192,630	3,610	(128,349)	495,165
	<u>\$ 887,684</u>	<u>\$ 192,630</u>	<u>\$ 10,299</u>	<u>\$ (130,019)</u>	<u>\$ 960,594</u>

16 Economic dependence

TteS receives a major portion of its revenue pursuant to a funding arrangement with INAC. Any disruption in this funding could have a negative effect on TteS' operations.

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

17 Contingencies

(a) Ministerial guarantees

As at March 31, 2017, TteS is contingently liable for ministerial guarantees provided to individual TteS members for loans made by various financial institutions totaling \$1,650,821 (2016 - \$1,690,116) for purposes of acquiring on-reserve housing. In the event that TteS members default on their obligations under these loans, TteS would be required to pay the outstanding loan balance to the lenders. TteS' guarantee is secured by the related real properties. All loans are in good standing as at March 31, 2017.

(b) Douglas reserve litigation

TteS has identified ongoing future legal costs for a lawsuit brought against the Government of British Columbia and the Government of Canada to recover land originally granted to TteS by Governor James Douglas in the mid-1800's. The trial, which was scheduled to commence in November 2012, has been adjourned generally to allow discussions towards a potential settlement; negotiations are still ongoing.

(c) Hazardous materials

TteS has identified potential obligations relating to the removal and disposal of environmentally hazardous materials in certain facilities held by TteS. Such potential obligations would be incurred only upon major renovations or demolition of the site in the future. No liability has been recognized in these consolidated financial statements as there are currently no plans for such renovations or demolition, a settlement date is therefore indeterminate, and the fair value cannot be reasonably estimated at this time.

(d) Ministry of Transportation funds held in trust

TteS is disputing the amount of compensation receivable for use of land by the British Columbia Ministry of Transportation for a highway. Monies in the amount of \$202,521 (2016 - \$201,246) held in trust by a law firm on behalf of TteS are not recorded as an asset in the consolidated statement of financial position pending resolution of the dispute. The final compensation amount is not determinable.

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

17 Contingencies (continued)

(e) Residential Day School Scholars Class Action Lawsuit

TteS is a plaintiff in a proposed Day School Scholars Class Action Lawsuit on behalf of the Residential School Day Scholars. The class action was certified in June 2015. The outcome of the lawsuit is unknown. If the court decision is in favour of the plaintiff, all or part of the legal fees will be reimbursed to TteS.

(f) Letters of guarantee

TteS is contingently liable with respect to two individual \$50,000 letters of guarantee issued by RBC in favour of Her Majesty the Queen for a timber permit, and in favour of the City of Kamloops for the November 12, 1996 Sanitary Sewer Effluent agreement.

18 Employee future benefits

TteS matches employee contributions to a defined contribution multi-employer plan, which is administered by Manulife. The total pension expense, representing employer contributions to the plan, for the year ended March 31, 2017 was \$391,721 (2016 - \$378,451).

19 Segmented information

Segmented information has been identified based upon lines of service provided by TteS. TteS services are provided by departments and their activities are reported by functional area in the consolidated statement of operations and accumulated surplus. Certain lines of service that have been separately disclosed in the segmented information, along with a description of the services, are as follows:

(a) Administration

Administration provides the functions of corporate administration, finance, human resources, and any other functions not categorized to a specific department.

(b) Band council

Band council encompasses the costs and services provided by Chief and Council to TteS.

(c) Chief Louis Centre

The Chief Louis Centre houses the TteS museum and other commercial lots.

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

19 Segmented information (continued)

(d) Legal

Legal provides the function to protect and advance the rights of TteS, provide justice programs and services, and promote respect for TteS rights and title

(e) Social development

Social development offers a broad range of services and social programs to TteS members, including income assistance, homemaking for elders and disabled, book/video library, youth programs, counselling and/or referrals (individuals and families), parenting programs, community health representatives, and recreational programming. As well, social development funds, coordinates and delivers many community events including women's retreat, community dinners, annual picnics, and holiday themed events

(f) Sk'elep School

Sk'elep School is responsible for administering and operating an on-reserve school of elementary grades (full time kindergarten to grade seven), with a vision of combining tradition with the tactics of modern education in order to provide TteS members' children with an encompassing future

(g) Education

Education is responsible for administering and facilitating educational programs, post-secondary education support, and the operations of various other community education programs. Education manages all funds received from INAC pertaining to students from pre-school to post-secondary

(h) Property tax, land and leases

Property tax is responsible for the levy and collection of tax and fees for designated lands and leasehold interest

Land and leases administers the leasing of Tk'emlups land through a business opportunity analysis, leasing application and/or development approval process

(i) Housing

Housing provides construction, renovations and capital maintenance programs that service the needs of its members

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

19 Segmented information (continued)

(j) Maintenance

Maintenance provides an array of services related to landscaping, security, landfill, custodial and other public works related to the development, maintenance and service of TteS' assets, infrastructure and common property

(k) Natural resources

Natural resources operates natural and cultural resource related projects

(l) Social housing

Social housing administers services to provide social housing to TteS members

TK'EMLÚPS TE SECWÉPMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

19 Segmented Information (continued)

2017	Administration	Band council	Chief Louis Centre	Legal	Social development	Sklep school	Education	Property tax	Sub-total
Revenues									
Indigenous and Northern Affairs Canada	\$ 939 418	\$ 75 858	\$ 66 000	\$	\$ 884 348	\$ 796 242	\$ 1 771 126	\$ -	\$ 4 532 992
Administration fees								7 415	7 415
Canada Mortgage and Housing Corporation									
Contract revenue					61 273				61 273
Government business enterprises income (loss) (note 10)	(1 384 986)								(1 384 986)
Health Canada									
Interest and investment income	62 405			2 867					65 272
Kamloops Indian Band (K.I.B.) Sales Tax	1 978 815								1 978 815
Lease and rental income			58 368						58 368
Management fees	858 396								858 396
Mutual Benefits Agreement									
Partnership income (note 8)	243 975								243 975
Property taxation								6 840 883	6 840 883
Province of British Columbia									
User fees and other	195 821	65 000	2,500	229 564	253 550	890 538	300 068	1 444 156	1 444 156
Total revenues	2 893 844	140 858	128 868	232 431	1 574 188	1 890 742	2 626 097	7 048 392	16 531 420
Expenses									
Salaries wages and employee benefits	1 841 914	680 492		4 254	638 109	1 155 261	1 240 559	117 027	6 677 616
Operating expenses	2 507 672	349 734	380 119	298 100	1 096 338	484 193	2 167 146	2 586 431	9 869 733
Amortization						15,796			15,796
Total expenses	4 349 586	1 030 226	390 119	303 354	1 734 447	1 635 260	3 407 705	2 702 458	15 553 145
Annual surplus (deficit)	\$ (1 455 742)	\$ (889 368)	\$ (263 251)	\$ (70 923)	\$ (160 259)	\$ 255 492	\$ (781 608)	\$ 4 343 934	\$ 978 275

TK'EMLÚPS TE SECWÉPMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

19 Segmented information (continued)

2017 (continued)	Sub-total (previous page)	Land and leases	Housing	Maintenance	Natural resources	Social housing	Amortization capital fund	Other	Total
Revenues									
Indigenous and Northern Affairs Canada	\$ 4 532 992	\$ 602 333	\$ -	\$ 660 802	\$ -	\$ -	\$ -	\$ -	\$ 5 796 127
Administration fees	7 415	133 252	-	-	-	-	-	-	140 667
Canada Mortgage and Housing Corporation	61 273	(720)	206 648	532 114	-	289 428	-	-	496 076
Contract revenue (recovery)									592 667
Government business enterprises income (loss) (note 10)	(1 384 986)			14 542					(1 384 986)
Health Canada				43 865		400		1 393 398	1 521 558
Interest and Investment Income	85 272	18 823							1 978 815
Kamloops Indian Band (K.I.B.) Sales Tax	1 978 815								3 316 448
Lease and rental income	58 368	2 736 047			59 940	462 093			858 396
Management fees	858 396								243 975
Mutual Benefits Agreement	243 975								6 840 883
Partnership income (note 8)	6 840 883								8 504 762
Property taxation									2 849 529
Province of British Columbia	1 444 156	-			658 855			6 401 751	8 504 762
User fees and other	1 824 861	159 227	1	929 085	36 355			-	2 849 529
Total revenues	16 531 420	3 648 962	206 649	2 180 208	755 150	751 921	1 621 432	7 795 149	31 869 459
Expenses									
Salaries wages and employee benefits	5 677 616	521 547	222 587	2 055 471	158 210				8 635 431
Operating expenses	9 859 733	361 741	661 683	1 545 801	584 305	449 842		273 004	13 738 109
Amortization	15,796					308 602	1 621 432		1 945 830
Total expenses	15 553 145	883 288	884 270	3 601 272	742 515	758 444	1 621 432	273,004	24 317 370
Annual surplus (deficit)	\$ 978 275	\$ 2 765 674	\$ (677 621)	\$ (1 421 064)	\$ 12 635	\$ (6 523)	\$ (1 621 432)	\$ 7 522 145	\$ 7 552 089

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

19 Segmented information (continued)

2016	Administration	Band council	Chief Louis Centre	Legal	Social development	Sk elep school	Education	Property tax	Sub-total
Revenues									
Indigenous and Northern Affairs Canada	\$ 824 371	\$ 40 284	\$ 56 776	\$ -	\$ 805 633	\$ 763 616	\$ 1 657 310	\$ 6 155	\$ 4 167 990
Administration fees	8 719	-	-	-	-	-	-	-	14 874
Canada Mortgage and Housing Corporation									
Contract revenue					8 727				8 727
Government business enterprises income (note 10)	1 183 843	-	-	-	-	-	-	-	1 183 843
Health Canada									
Interest and Investment income	48 440	-	-	-	-	-	-	-	48 440
Kamloops Indian Band (K.I.B.) Sales Tax	1 786 711	-	-	-	-	-	-	-	1 786 711
Lease and rental income			65 563						65 563
Management fees	689 112								689 112
Mutual Benefits Agreement									
Partnership income (note 8)	1 058 854								1 058 854
Property taxation								8 510 534	8 510 534
Province of British Columbia									
User fees and other	171,098	22,573	4,806	3,183	248 205	948 067	227 545	189,719	1 421 817
Total revenues	5 780 946	62 857	127 145	3 183	1 403 054	1 849 493	2 392 200	6 715 010	18 333 888
Expenses									
Salaries, wages and employee benefits	1 530 484	688 365			648 500	1 242 312	1 141 819	98 814	5 348 094
Operating expenses	1 469 368	300 952	345 607	492 121	1 106 720	421 115	1 955 191	2 426 818	8 517 892
Amortization						20,929			20,929
Total expenses	2 999 852	987 317	345 607	492 121	1 755 220	1 684 356	3 096 810	2 525 632	13 888 915
Annual surplus (deficit)	\$ 2 781 094	\$ (924 460)	\$ (218 462)	\$ (488 938)	\$ (352 166)	\$ 165 137	\$ (704 610)	\$ 4 189 378	\$ 4 446 973

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

19 Segmented information (continued)

2016 (continued)	Sub-total (previous page)	Land and leases	Housing	Maintenance	Natural resources	Social housing	Amortization capital fund	Other	Total
Revenues									
Indigenous and Northern Affairs Canada	\$ 4 167 980	\$ 626 351	\$ 427 362	\$ 581 699	\$		\$		\$ 5 803 402
Administration fees	14 874	108 835							121 809
Canada Mortgage and Housing Corporation						229 208			306 534
Contract revenue	8 727	35 681	77 326	619 087					663 495
Government business enterprises income (note 10)	1 193 643								1 193 643
Health Canada				13 784					13 784
Interest and investment income	57 042			64 983				429 233	551 258
Kamloops Indian Band (K.I.B.) Sales Tax	1 788 711								1 788 711
Lease and rental income	65 563	2 597 074			59 940	480 228			3 202 805
Management fees	689 112								689 112
Mutual Benefits Agreement								3 141 671	3 141 671
Partnership income (note 8)	1 058 854								1 058 854
Property taxation	6 510 534								6 510 534
Province of British Columbia	1 421 817				283 376			626 938	2 332 131
User fees and other	1,359,021	89,946	5,050	714,888	36,250				2,204,955
Total revenues	18 333 888	3 455 987	509 738	1 994 241	379 566	709 436		4 197 842	29 580 698
Expenses									
Salaries, wages and employee benefits	5 348 084	384 719	249 664	1 925 151	219 934				8 127 562
Operating expenses	8 517 892	382 903	1 239 266	1 297 831	297 859	550 910		65 743	12 362 204
Amortization	20,929					321,827	1,639,013		1,981,769
Total expenses	13 886 915	777 622	1 488 930	3 222 982	517 593	872 737	1 639 013	65 743	22 471 535
Annual surplus (deficit)	\$ 4 446 973	\$ 2 678 365	\$ (979 192)	\$ (1 228 741)	\$ (138 027)	\$ (163 301)	\$ (1 639 013)	\$ 4 132 099	\$ 7 109 163

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

20 Related party transactions

During the year, TteS entered into the following transactions with related entities

	2017	2016
Management fees received from		
Kamloops Indian Band Development Corporation	\$ 450 000	\$ 450,000
Kamloops Indian Band Utility Corporation	123,306	111,108
Spiyu7ullucw Ranch Corporation	23 000	23,004
Tk'emlupsemc Forestry Limited Partnership	105,000	105,000
Tk'emlups te Secwepemc Hops Farm Partnership	157,090	-
Fuel purchased from		
Kamloops Indian Band Utility Corporation	143,102	149,667
Office equipment rentals, including photocopier revenues, received from		
Kamloops Indian Band Utility Corporation	1,646	1,640
Kamloops Indian Band Development Corporation	1,800	1,800
Tk'emlupsemc Forestry Limited Partnership	1,167	-
Contract revenue received from		
Kamloops Indian Band Utility Corporation	17,038	-
Office rent revenue received from		
Kamloops Indian Band Development Corporation	10,931	10,931
Tk'emlupsemc Forestry Development Corporation	2,401	2,401
Tk'emlupsemc Forestry Limited Partnership	9,880	9,880
1038547 B C Ltd	77,350	-
Dividend income received from		
Stk'emlupsemc Enterprises Inc	58,241	37,500
Professional fees and contract services paid to		
Kamloops Indian Band Development Corporation	56,160	-

At March 31, 2017, accounts payable and accrued liabilities includes amounts owed to Kamloops Indian Band Utility Corporation of \$12,645 (2016 - \$7,356)

At March 31, 2017 accounts receivable includes amounts due from Kamloops Indian Band Utility Corporation of \$5 655 (2016 - \$6,621)

At March 31 2017, accounts receivable includes amounts due from Tk'emlupsemc Forestry Limited Partnership of \$2,000 (2016 - \$nil)

These related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related entities

TK'EMLÚPS TE SECWÉPEMC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

21 Restricted surplus

Under the terms of the contribution agreement between TteS and INAC, TteS may be liable to repay any capital funds either not expended or not expended in accordance with the agreement. However, capital funds not expended can be transferred and applied to other capital projects with INAC's approval. At March 31, 2017, the Capital Fund had a restricted capital surplus (CPMS project number 7747) of \$168,204 (2016 - \$168,204).

22 Comparative information

Certain 2016 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.