

**Little Shuswap Lake Indian Band
Consolidated Financial Statements
For the year ended March 31, 2016**

Little Shuswap Lake Indian Band
Consolidated Financial Statements
For the year ended March 31, 2016

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Management's Responsibility for Financial Reporting

The accompanying financial statements of the Little Shuswap Lake Indian Band are the responsibility of management and have been approved by the Chief and another Band Councilor of the Band Council.

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.

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

The Little Shuswap Lake Indian Band is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through its Finance review meetings.

The Chief and Council review the Band's financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also appoint the engagement of the external auditors.

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



Chief Councilor



Band Administrator

Independent Auditor's Report

**To the Members of
Little Shuswap Lake Indian Band**

We have audited the accompanying consolidated financial statements of Little Shuswap Lake Indian Band, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of change in net financial assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's 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 the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Little Shuswap Lake Indian Band as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Other Matters

These consolidated financial statements include unaudited supplementary exhibits and schedules which present detailed program revenues and expenditures and have been prepared to assist management of Little Shuswap Lake Indian Band to meet the reporting requirements of various funding agencies. Our report is intended solely for management of Little Shuswap Lake Indian Band and various funding agencies. As a result, the financial statements should not be distributed to or used by other parties.

Little Shuswap Lake Indian Band has also prepared another set of consolidated financial statements for the year ended March 31, 2016 in accordance with Canadian public sector accounting standards. However, these consolidated financial statements do not include unaudited supplementary exhibits and schedules, and have more aggregated disclosures in the consolidated financial statements. Our audit report on the other set of consolidated financial statements was issued to the members of Little Shuswap Lake Indian Band and was dated August 24, 2016.

A handwritten signature in black ink that reads 'BDO Canada'.

Chartered Professional Accountants

Kamloops, British Columbia

August 24, 2016

Little Shuswap Lake Indian Band
Exhibit A - Consolidated Statement of Financial Position

As at March 31	2016	2015
Financial Assets		
Cash (Note 2)	\$ 5,811,674	\$ 5,942,954
Restricted cash (Note 3)	1,776,997	1,599,357
Accounts receivable (Note 4)	2,639,906	1,846,849
Inventory held for resale	227,152	206,768
Long-term investments (Note 5)	150,002	150,002
	<hr/>	<hr/>
	10,605,731	9,745,930
Liabilities		
Accounts payable (Note 6)	992,733	1,293,656
Deferred revenue (Note 7)	2,071,105	2,926,422
Long term debt (Note 8)	5,274,344	5,626,896
Replacement reserve	-	(69)
	<hr/>	<hr/>
	8,338,182	9,846,905
Net Debt (Asset)	<hr/>	<hr/>
	2,267,549	(100,975)
Non-financial Assets		
Prepaid expense	37,866	63,812
Capital assets (Note 9)	27,429,302	27,687,896
	<hr/>	<hr/>
	27,467,168	27,751,708
Accumulated Surplus (Note 10)	<hr/>	<hr/>
	\$ 29,734,717	\$ 27,650,733

Approved on behalf of the Band Council:




Chief Councilor

for Band Administrator

Little Shuswap Lake Indian Band
Exhibit B - Consolidated Statement of Change in Net Assets (Debt)

For the year ended March 31	Budget	2016	2015
Surplus - Exhibit C	\$ 4,089,321	\$ 1,831,790	\$ 2,267,394
Purchases of tangible capital assets	-	(979,240)	(2,333,390)
Amortization of tangible capital assets	-	<u>1,237,873</u>	<u>1,091,779</u>
	-	<u>258,633</u>	<u>(1,241,611)</u>
Change in prepaid expense	-	<u>25,946</u>	<u>(32,457)</u>
	-	<u>25,946</u>	<u>(32,457)</u>
Equity change in Ottawa Trust	-	69,396	109,490
Change in reserves	-	101,299	173,031
Equity change in funded reserves	-	(4,718)	1,346
Change on consolidation of investment	-	<u>86,178</u>	<u>-</u>
	-	<u>252,155</u>	<u>283,867</u>
Increase in net debt	4,089,321	2,368,524	1,277,193
Net debt, beginning of year	(100,975)	(100,975)	(1,378,168)
Net assets (debt), end of year	\$ 3,988,346	\$ 2,267,549	\$ (100,975)

Little Shuswap Lake Indian Band
Exhibit C - Consolidated Statement of Operations

For the year ended March 31	Budget	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	\$ 3,140,296	\$ 2,752,736	\$ 4,141,876
Taxation	841,000	628,044	885,894
Fisheries and Oceans Canada	102,400	104,447	205,079
Province of British Columbia	120,475	623,655	372,368
Human Resources and Skills Development Canada	3,230	4,083	3,151
Canada Mortgage and Housing Corporation	172,500	171,955	178,729
Health Canada	-	-	30,036
Rental Income	425,000	384,954	408,429
Interest and investment income	80,000	78,169	59,233
Other income	2,774,708	6,434,640	4,766,055
Skwlax Investments Inc	-	5,080,572	4,838,471
Administration	320,000	49	(2,393)
	7,979,609	16,263,304	15,886,928
Expenses			
Administration	1,621,895	2,032,229	1,698,860
Membership	2,635	2,635	2,793
Education - Local Education Agreement	312,145	398,410	242,819
Education - Service Delivery	67,310	66,521	66,819
Education - University Program	140,176	179,671	101,262
Daycare	269,255	225,221	234,598
Health Transfer	640,010	531,792	496,297
Sewer System - IR #4	-	13,213	-
MOTI - Capacity	-	35,127	-
Dental Services	46,500	38,563	35,703
Social Assistance	505,480	510,462	525,902
Youth Program	59,217	72,617	71,760
Shuswap Training & Employment Program	44,009	37,200	58,873
FNESC	4,320	4,822	4,820
Community Works and Services	1,135,927	953,382	963,634
Community Health Programs	25,011	23,025	29,675
Band Fisheries	102,400	135,620	237,174
Taxation - Commodity	102,350	115,335	168,852
Property Taxation	317,000	196,484	87,882
Lands & Resources	216,500	28,382	99,878
Lands - RLEMP	143,565	143,565	95,205
EM Proposal Writing	-	9,249	1,097
Housing Department	251,900	188,923	162,681
Strip Mall - Management	37,950	43,062	24,720
Drinking Water Safety Program	31,688	2,637	26,536
Forestry & Aboriginal Interests	8,002	37,227	27,862
ACRS - Group 2	-	4,314	783
BC Hydro Tender Project	21,475	24,243	-
Gardening	-	18,989	92,036
Gas Bar	-	2,114,456	1,888,968
MARR - Secwepemc Development	-	55,000	-
Economic Development	16,395	16,395	22,965
Social Housing Fund	419,000	338,941	382,206
Skwlax Investments Inc.	-	5,492,645	5,281,718
Capital Fund repairs and maintenance	131,158	341,157	485,156
	6,673,273	14,431,514	13,619,534
Surplus for the year	\$ 1,306,336	\$ 1,831,790	\$ 2,267,394

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Little Shuswap Lake Indian Band
Exhibit D - Consolidated Statement of Cash Flows

<u>For the year ended March 31</u>	<u>2016</u>	<u>2015</u>
Operating activities		
Cash receipts from various sources	\$ 14,536,761	\$ 16,956,488
Cash paid to employees and suppliers	(13,353,175)	(11,907,482)
Interest paid	(145,724)	(187,398)
Interest earned	<u>78,169</u>	<u>59,233</u>
Cash flows from operating activities	1,116,031	4,920,841
Investing activities		
Purchase of capital assets	(979,240)	(2,333,390)
Increase (decrease) in investments	266,839	195,974
Change in restricted surplus	<u>(4,718)</u>	<u>1,346</u>
Cash flows from investing activities	(717,119)	(2,136,070)
Financing activity		
Repayment of long term debt, net of debt issuance	<u>(352,552)</u>	<u>(370,239)</u>
Net increase in cash and cash equivalents	46,360	2,414,532
Cash and cash equivalents, beginning of year	7,542,311	5,127,779
Cash and cash equivalents, end of year	\$ 7,588,671	\$ 7,542,311
Represented by:		
Cash	\$ 5,811,674	\$ 5,942,954
Restricted cash	<u>1,776,997</u>	<u>1,599,357</u>
	\$ 7,588,671	\$ 7,542,311

Little Shuswap Lake Indian Band Summary of Significant Accounting Policies

March 31, 2016

Basis of Presentation	These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook.
Reporting Entity and Principles	<p>The reporting entity includes the government and all related entities which are accountable to the Band and are either owned or controlled by the Band.</p> <p>The financial statements consolidate the assets, liabilities and results of operations for the following non-incorporated entities:</p> <p>The Little Shuswap Lake Indian Band, which include the Operating, Capital, Trust and Social Housing Funds, and the following incorporated entity:</p> <p>Skwlax Investments Inc., which has a year end of December 31, 2015. All amounts that have been consolidated are as of the December 31, 2015 year end date.</p>

Little Shuswap Lake Indian Band Summary of Significant Accounting Policies

March 31, 2016

Reporting Entity and Principles (continued)

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and bank balances, and lines of credit used for operating purposes.

Use of Estimates

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

Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization and are recorded in the Capital Fund. The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations through interfund transfers and matched with the applicable revenue source in the year of expenditure. Tangible capital asset acquisitions are also recorded as an addition to assets of the Capital Fund with a corresponding increase in equity in tangible capital assets.

Amortization is charged against tangible capital assets and equity in tangible capital assets on a straight-line basis at the following rates:

Automotive equipment	5 years
Buildings	20 to 50 years
Computer Software	3 years
Furniture and equipment	5 years
Water systems	15 to 25 years
Water wells	20 years

Little Shuswap Lake Indian Band Summary of Significant Accounting Policies

March 31, 2016

Revenue Recognition	<p>Government grants and transfers, which include Federal funding agreements are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. When the eligibility criteria is not met, transfers received are reflected as deferred revenue in the year of receipt and classified as such on the Consolidated Statement of Financial Position.</p> <p>Rental revenue is recognized when a tenant commences occupancy and rent is due. For annual lease agreements the Little Shuswap Lake Indian Band retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.</p> <p>The Little Shuswap Lake Indian Band, also has "sales type leases" where prepaid leases of 75 years were initiated. As the value of these leases approximates the fair value of a land purchases these prepaid amounts are recognized upon the signing and prepayment of the lease.</p>
Ottawa Trust Funds	<p>The Band uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized in revenue of the Band upon withdrawal from the Ottawa Trust Fund.</p>

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2016

1. Economic Dependence

The Little Shuswap Lake Indian Band receives as part of its operational funding, a significant portion of its revenues pursuant to a funding arrangement with Indigenous and Northern Affairs Canada ("INAC") and other federal departments.

2. Cash

	2016	2015
Operating	\$ 1,457,804	\$ 5,388,768
Short-term deposits	3,507,625	7,489
Skwlax Investments Inc.	<u>846,245</u>	<u>546,697</u>
	<u>\$ 5,811,674</u>	<u>\$ 5,942,954</u>

The bank indebtedness is owed by Skwlax Investments Inc. (a wholly owned subsidiary of the Little Shuswap Lake Indian Band) in the form of a operating line of credit payable to the Bank of Montreal to a maximum of \$500,000 based on the concentrated bank accounts on a consolidated basis. As at March 31, 2016, \$ Nil (2015 - \$ Nil) of this credit facility was outstanding directly related to Skwlax Investments Inc.

Cash is held in three Canadian Chartered Banks and earns interest at the current prevailing rates for business operating accounts.

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2016

3. Restricted Cash

	2016	2015
Ottawa Trust Funds	\$ 1,242,408	\$ 1,173,012
Social Housing reserves	<u>534,589</u>	<u>426,345</u>
	\$ 1,776,997	\$ 1,599,357

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. These funds are restricted in their use. The Band is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Band and Band members. The expenditures of capital funds requires the consent of Indigenous and Northern Affairs Canada and generally must be for projects of a capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended.

In order to provide for replacement of major capital items, the terms of the operating agreements between Little Shuswap Lake Indian Band and CMHC provide that a replacement reserve fund be established by annual charges to operations in amount prescribed by the agreements. Under these agreements, Little Shuswap Lake Indian Band is required to segregate annual transfers to reserve funds and interest earned on these funds from other cash. As at March 31, 2016, the replacement reserve was underfunded by \$47,287 and the operating surplus reserve was underfunded by \$65,994.

4. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	2016	2015
Operating Fund	\$ 3,700,578	\$ 2,597,258
Allowance for doubtful accounts	<u>(1,140,239)</u>	<u>\$ (980,676)</u>
	2,560,339	1,616,582
Social Housing Fund	14,102	14,419
Skwlax Investments Inc	<u>65,465</u>	<u>215,848</u>
	\$ 2,639,906	\$ 1,846,849

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2016

5. Investments

	2016	2015
Other Investments at cost		
All Nations Trust Company	\$ 150,000	\$ 150,000
Horseshoe Bay Developments Inc.	2	2
	<hr/> \$ 150,002	<hr/> \$ 150,002

The Shares in Skwlax Investments Inc. are held in Trust by specified band members under a trust agreement.

6. Accounts Payable

	2016	2015
Operating Fund	\$ 767,364	\$ 999,141
Skwlax Investments Inc	217,184	285,596
Social Housing Fund	8,185	8,919
	<hr/> \$ 992,733	<hr/> \$ 1,293,656

7. Deferred Revenue

Deferred revenue represents funding received for programs/projects that were not completed during the year.

	2016	2015
Operating Fund		
Deferred lease revenue	\$ 1,299,517	\$ 1,235,075
Damage Deposits	7,179	-
Capital Fund		
Tappen Water	<hr/> 638,193	<hr/> 1,485,396
	1,944,889	2,720,471
Skwlax Investments Inc	<hr/> 126,216	<hr/> 205,951
	<hr/> \$ 2,071,105	<hr/> \$ 2,926,422

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2016

8. Long Term Debt

	<u>2016</u>	<u>2015</u>
<u>Capital Fund</u>		
All Nations Trust, demand loan, repayable in monthly instalments of \$2,589 including interest at 4.99% per annum, maturing <u>August 2017</u>	\$ 101,758	\$ 127,041
Bank of Montreal, demand loan, repayable in monthly instalments of \$10,551 including interest at 3.45% per annum, maturing <u>November 2022</u>	2,109,563	1,701,740
TD Canada Trust, demand loan, repaid during the year	-	548,018
Jacobson Ford Sales Ltd., demand loan, repaid during the year	-	19,646
Subtotal	\$ 2,211,321	\$ 2,396,419

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2016

8. Long Term Debt (continued)			
Subtotal	\$ 2,211,321	\$ 2,396,419	
<u>Social Housing Fund</u>			
All Nations Trust Company, mortgage, repayable in monthly instalments of \$947 including interest at 1.67% per annum, maturing June 2018	125,094	134,289	
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,680 including interest at 1.80% per annum, maturing October 2016	191,461	208,021	
All Nations Trust Company, mortgage, repayable in monthly instalments of \$2,486 including interest at 1.67% per annum, maturing June 2018	447,015	469,186	
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,822 including interest at 2.08% per annum, maturing February 2019	326,999	341,906	
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,402 including interest at 1.83% per annum, maturing December 2019	104,282	119,052	
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,844 including interest at 1.65% per annum, maturing June 2017	315,357	332,137	
All Nations Trust Company, mortgage, repayable in monthly instalments of \$3,015 including interest at 1.71% per annum, maturing September 2017	519,979	547,022	
All Nations Trust Company, mortgage, repayable in monthly instalments of \$3,377 including interest at 0.98% per annum, maturing March 2020	702,316	735,772	
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,804 including interest at 2.75% per annum, maturing February 2016	330,520	343,092	
	3,063,023	3,230,477	
Total Loans Payable	\$ 5,274,344	\$ 5,626,896	

All Social Housing mortgages are secured by a Ministerial Guarantee from Indian and Northern Affairs Canada

The estimated principal repayments on the above long term debt required over the next five years are as follows:

2017	\$ 425,399
2018	1,028,956
2019	927,030
2020	730,142
2021	2,151,504
Thereafter	<u>11,313</u>
	\$ 5,274,344

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2016

9. Tangible Capital Assets

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Automotive	\$ 943,156	\$ (754,568)	\$ 873,114	\$ (651,061)
Computer software	282,927	(227,652)	282,927	(178,707)
Water systems	7,837,370	(2,137,839)	7,837,370	(1,791,992)
Land improvements	6,667,106	-	6,667,106	-
Equipment				
Furniture and equipment	1,285,814	(1,158,255)	1,169,446	(1,085,986)
Golf course equipment	158,287	(158,287)	158,287	(158,287)
Buildings				
Buildings	7,794,793	(4,881,598)	7,794,793	(4,736,847)
Commercial strip mall	643,776	(218,884)	643,776	(206,008)
Golf course maintenance	433,353	(82,337)	433,353	(73,670)
Health centre	2,195,222	(263,427)	2,195,222	(219,522)
Water towers	545,266	(272,633)	545,266	(245,370)
Water wells	267,426	(63,314)	267,426	(49,942)
Work in Progress	697,069	-	-	-
	29,751,565	(10,218,794)	28,868,086	(9,397,392)
Social Housing				
Buildings and equipment	5,539,561	(2,474,079)	5,539,561	(2,346,351)
Skwlax Investments Inc.				
Automotive	234,612	(193,232)	234,612	(175,610)
Arts and Artifacts	8,833	-	8,833	-
Buildings	6,754,356	(2,382,191)	6,726,606	(2,213,717)
Computers	125,815	(116,570)	115,815	(113,100)
Equipment	1,658,714	(1,259,288)	1,600,703	(1,160,150)
Land Improvements	420,285	(420,285)	420,285	(420,285)
	9,202,615	(4,371,566)	9,106,854	(4,082,862)
	\$ 44,493,741	\$ (17,064,439)	\$ 43,514,501	\$ (15,826,605)
Net book value				
	\$ 27,429,302			\$ 27,687,896

Little Shuswap Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2016

9. Tangible Capital Assets (continued)

	2016								
	Water Systems	Water Wells	Furniture and Equipment	Buildings	Land Improvements	Automotive	Computer Software	Art and Artifacts	Total
Cost, beginning of year	\$ 7,837,370	\$ 267,426	\$ 2,926,816	\$ 23,878,577	\$ 7,087,392	\$ 1,107,726	\$ 400,361	\$ 8,833	\$ 43,514,501
Additions	697,069	-	174,379	27,750	-	70,042	10,000	-	979,240
Disposals									
Cost, end of year	<u>\$ 8,534,439</u>	<u>\$ 267,426</u>	<u>\$ 3,101,195</u>	<u>\$ 23,906,327</u>	<u>\$ 7,087,392</u>	<u>\$ 1,177,768</u>	<u>\$ 410,361</u>	<u>\$ 8,833</u>	<u>\$ 44,493,741</u>
Accumulated amortization, beginning of year	\$ 1,791,992	\$ 49,942	\$ 2,404,422	\$ 10,041,447	\$ 420,286	\$ 826,708	\$ 291,808	\$ -	\$ 15,826,605
Amortization	345,847	13,371	171,408	533,664	-	121,129	52,415	-	1,237,834
Accumulated amortization, end of year	<u>\$ 2,137,839</u>	<u>\$ 63,313</u>	<u>\$ 2,575,830</u>	<u>\$ 10,575,111</u>	<u>\$ 420,286</u>	<u>\$ 947,837</u>	<u>\$ 344,223</u>	<u>\$ -</u>	<u>\$ 17,064,439</u>
Net carrying amount, end of year	<u>\$ 6,396,600</u>	<u>\$ 204,113</u>	<u>\$ 525,365</u>	<u>\$ 13,331,216</u>	<u>\$ 6,667,106</u>	<u>\$ 229,931</u>	<u>\$ 66,138</u>	<u>\$ 8,833</u>	<u>\$ 27,429,302</u>

Little Shuswap Lake Indian Band
Notes to Consolidated Financial Statements

March 31, 2016

9. Tangible Capital Assets (continued)

	2015								
	Water Systems	Water Wells	Furniture and Equipment	Buildings	Land Improvements	Automotive	Computer Software	Art and Artifacts	Total
Cost, beginning of year	\$ 5,797,963	\$ 267,426	\$ 2,836,579	\$ 23,802,152	\$ 7,087,392	\$ 1,064,959	\$ 315,807	\$ 8,833	\$ 41,181,111
Additions	2,039,407	-	90,237	76,425	-	42,767	84,554	-	2,333,390
Cost, end of year	\$ 7,837,370	\$ 267,426	\$ 2,926,816	\$ 23,878,577	\$ 7,087,392	\$ 1,107,726	\$ 400,361	\$ 8,833	\$ 43,514,501
Accumulated amortization, beginning of year	\$ 1,527,721	\$ 36,571	\$ 2,267,877	\$ 9,503,751	\$ 418,798	\$ 711,517	\$ 268,591	\$ -	\$ 14,734,826
Amortization	264,271	13,371	136,545	537,696	1,488	115,191	23,217	-	1,091,779
Accumulated amortization, end of year	\$ 1,791,992	\$ 49,942	\$ 2,404,422	\$ 10,041,447	\$ 420,286	\$ 826,708	\$ 291,808	\$ -	\$ 15,826,605
Net carrying amount, end of year	\$ 6,045,378	\$ 217,484	\$ 522,394	\$ 13,837,130	\$ 6,667,106	\$ 281,018	\$ 108,553	\$ 8,833	\$ 27,687,896

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2016

10. Accumulated Surplus

	2016	2015
Operating surplus	\$ 3,906,703	\$ 2,082,623
Equity in capital assets	23,877,460	23,783,532
Equity in replacement reserve	647,870	546,572
Equity in Ottawa trust	1,242,408	1,173,012
Equity in replacement reserve health	10,274	14,992
Restricted surplus	50,002	50,002
	<hr/>	<hr/>
	\$ 29,734,717	\$ 27,650,733

11. Federal Assistance Payments

The Little Shuswap Lake Indian Band Housing Project has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56-1 of the *National Housing Act* to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of the assistance received through March 31, 2016 was \$178,729 (2015 - \$179,925). This assistance will continue, providing the Band is not in default of the agreement.

12. Replacement Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited annually in the amount of \$44,267. These funds along with accumulating interest are to be held in a separate bank account. The funds in this account may only be used as approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal. As at March 31, 2016 the Little Shuswap Lake Indian Band has underfunded these reserves by \$47,287.

13. Commitments and Contingent Liabilities

The council has no guaranteed loans for Band members for the year ended March 31, 2016.

14. Employee Benefits

The Group has a defined contribution plan providing pension benefits to certain of its employees. The pension cost charge represents contributions payable by the Group to the plans and amount to for the year ended March 31, 2016 \$46,219 (2015 - \$58,129)

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2016

15. Expenses by Type

	2016	2015
Advertising	\$ 30,666	\$ 15,661
Amortization	1,237,873	1,091,779
Automotive	28,779	41,489
Bad debts (recovery)	249,452	(92,600)
Bank charges	47,675	22,416
Capital Fund repairs and maintenance	341,157	485,156
Contract services	515,314	641,763
Donations	23,404	1,855
Equipment rental	13,681	14,753
Honoraria	12,135	12,915
Insurance	157,220	140,485
Interest	145,724	187,398
Licenses and dues	31,978	22,515
Local education agreement	398,410	238,360
Materials and supplies	4,620,275	4,390,809
Meetings	13,162	24,513
Office and miscellaneous	226,450	327,305
Patient transportation	30,900	35,594
Professional fees	289,965	250,617
Program expenses	509,885	487,533
Repairs and maintenance	300,431	136,390
Replacement reserve	54,203	50,269
Salaries and benefits	4,568,745	4,577,319
Social assistance	48,702	53,943
Student allowance and transportation	112,330	63,138
Telephone	1,214	1,000
Training	125,705	92,647
Travel and accommodation	60,055	25,421
Utilities	236,024	279,091
	<hr/> \$ 14,431,514	<hr/> \$ 13,619,534

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2016

16. Segment Disclosure

The Little Shuswap Lake Indian Band is a diversified First Nations organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Administration

This item relates to the revenues and expenses that relate to the operations of the Little Shuswap Lake Indian Band itself and cannot be directly attributed to specific segment.

Community Welfare

This service area provides services to help the Members by providing a variety of programs, community services and social assistance.

Operations and Maintenance

This service area provides services relating to the development, maintenance and service of the Little Shuswap Lake Indian Band's assets, infrastructure and common property.

Education

This service area provides educational services through the operations of elementary, secondary and post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Little Shuswap Lake Indian Band's Members.

Economic Development

This service area provides for the development of economic opportunities to the Members.

Health Services

This service area provides for health-related services and programs to the Members.

Social Housing

This service area provides for social housing to the Members.

Natural Resource Management

This service area includes exploration of natural resources and development of natural resource revenues.

Capital

This service area provides for the development of new capital projects and infrastructure programs on the reserve.

Little Shuswap Lake Indian I

Notes to Consolidated Financial Statements

31, 2016

Segment Disclosure (continued)

		2016						2015					
		Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwlax Investments Inc.	Capital	Skwlax	
Revenue													
AANDC		\$ 339,681	\$ 540,238	\$ 245,125	\$ 533,229	\$ 24,516	\$ -	\$ 143,565	\$ 927,689	\$ 2,754,13,509,			
Other		70,208	1,890	2,237,326	71,229	62,733	1,049,951	576,114	4,359,238	5,080,572			
		409,889	542,128	2,482,451	604,458	87,249	1,049,951	576,114	4,502,803	5,080,572	927,689	16,263,1	
Expenses													
Payroll		222,792	321,136	475,425	54,321	44,617	465,351	20,078	226,149	2,431,984	70,376	4,332,1	
Other		960,939	664,108	2,165,007	651,293	34,998	428,504	380,058	533,806	2,771,918	270,781	8,861,1	
		821,402	-	-	-	-	127,728	-	288,743	-	1,237,1		
		2,005,133	985,244	2,640,432	705,614	79,615	893,855	527,864	759,955	5,492,645	341,157	14,431,1	
Surplus (deficit)		\$ (1,595,244)	\$ (443,116)	\$ (157,981)	\$ (101,156)	\$ 7,634	\$ 156,096	\$ 48,250	\$ 3,742,848	\$ (412,073)	\$ 586,532	\$ 1,831,1	
2015													
		Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwlax Investments Inc.	Capital	Skwlax	
Revenue													
AANDC		\$ 324,892	\$ 552,232	\$ 245,734	\$ 397,773	\$ 16,709	\$ -	\$ 95,205	\$ -	\$ 2,509,331	\$ 4,141,8		
Other		72,541	40,249	2,064,837	144,708	30,660	952,515	637,664	3,130,262	4,838,471	(166,855)	11,745,0	
		397,433	592,481	2,310,571	542,481	47,369	952,515	637,664	3,225,467	4,838,471	2,342,476	15,886,9	
Expenses													
Payroll		390,532	248,468	503,737	98,690	60,814	526,523	25,058	238,216	2,285,798	21,729	4,399,5	
Other		622,267	664,935	1,954,787	467,938	37,544	368,046	386,779	478,343	2,684,125	463,427	8,128,1	
		646,933	-	-	-	-	133,050	-	311,795	-	1,091,7		
Surplus (deficit)		\$ 1,659,732	\$ 913,403	\$ 2,458,524	\$ 566,628	\$ 98,358	\$ 894,569	\$ 544,887	\$ 716,559	\$ 5,281,718	\$ 485,156	\$ 13,619,5	
		\$ (1,262,299)	\$ (320,922)	\$ (147,953)	\$ (24,147)	\$ (50,989)	\$ 57,946	\$ 92,777	\$ 2,508,908	\$ (443,247)	\$ 1,857,320	\$ 2,267,3	