

Little Shuswap Lake Indian Band
Consolidated Financial Statements
For the year ended March 31, 2017

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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



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BDO Canada LLP
300 - 275 Lansdowne Street
Kamloops BC V2C 6J3

Independent Auditor's Report

To the Chief and Council 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, 2017 and the consolidated statements of change in net 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, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



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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, 2017 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 September 22, 2017.

BDO Canada LLP

Chartered Professional Accountants

Kamloops, British Columbia
September 22, 2017

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

As at March 31	2017	2016
Financial Assets		
Cash (Note 2)	\$ 7,491,634	\$ 5,811,674
Restricted cash (Note 3)	1,886,260	1,776,997
Accounts receivable (Note 4)	1,779,535	2,639,906
Inventory held for resale	401,772	227,153
Long-term investments (Note 5)	150,002	150,002
	11,709,203	10,605,732
Liabilities		
Accounts payable (Note 6)	918,596	992,734
Deferred revenue (Note 7)	1,402,681	2,071,105
Long term debt (Note 8)	5,020,015	5,274,344
	7,341,292	8,338,183
Net Debt (Asset)	4,367,911	2,267,549
Non-financial Assets		
Prepaid expense	53,738	37,866
Capital assets (Note 9)	26,567,432	27,429,302
	26,621,170	27,467,168
Accumulated Surplus (Note 10)	\$ 30,989,081	\$ 29,734,717

Approved on behalf of the Band Council:



Chief Councilor



Band Administrator

Little Shuswap Lake Indian Band

Exhibit B - Consolidated Statement of Change in Net Assets

For the year ended March 31	Budget	2017	2016
Surplus - Exhibit C	\$ 341,210	\$ 1,100,885	\$ 1,831,790
Purchases of tangible capital assets	-	(348,270)	(979,240)
Amortization of tangible capital assets	-	1,210,142	1,237,873
	-	861,872	258,633
Change in prepaid expense	-	(15,872)	25,946
Equity change in Ottawa Trust	-	24,518	69,396
Change in reserves	-	(31,375)	101,299
Equity change in funded reserves	-	9,403	(4,718)
Change on consolidation of investment	-	83,330	86,178
Transfer to operating reserve	-	67,601	-
	-	153,477	252,155
Increase in net assets (debt)	341,210	2,100,362	2,368,524
Net assets (debt), beginning of year	2,267,549	2,267,549	(100,975)
Net assets (debt), end of year	\$ 2,608,759	\$ 4,367,911	\$ 2,267,549

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

For the year ended March 31	Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	\$ 1,209,578	\$ 2,551,872	\$ 2,752,736
Taxation	542,437	857,286	628,044
Fisheries and Oceans Canada	44,700	54,900	104,447
Province of British Columbia	497,210	1,473,534	623,655
Human Resources and Skills Development Canada	1,884	3,302	4,083
Canada Mortgage and Housing Corporation	125,193	168,984	171,955
Rental income	229,216	369,317	384,954
Interest and investment income	20,417	53,660	78,169
Other income	1,664,932	3,221,399	6,434,640
Skwlax Holdings Inc.	-	7,784,703	5,080,572
Administration	(39,670)	-	49
	4,295,897	16,538,957	16,263,304
Expenses (Note 15)			
Administration	934,317	2,050,685	2,032,229
Membership	1,545	2,392	2,635
Education - Local Education Agreement	173,199	147,145	398,410
Education - Service Delivery	37,514	67,934	66,521
Education - University Program	59,280	126,302	179,671
Daycare	184,390	260,403	225,221
Health Transfer	376,772	606,238	531,792
Sewer System - IR #4	-	14,368	13,213
MOTI - Capacity	210,292	513,068	35,127
Dental Services	26,250	32,350	38,563
Social Assistance	332,780	501,215	510,462
Youth Program	39,349	69,658	72,617
Shuswap Training & Employment Program	31,505	36,868	37,200
FNESC	4,320	4,483	4,822
Community Works and Services	666,807	808,475	953,382
Community Health Programs	14,590	26,785	23,025
Band Fisheries	41,182	98,259	135,620
Taxation - Commodity	59,704	97,298	115,335
Property Taxation	144,083	174,864	196,484
Lands & Resources	41,708	(14,369)	28,382
Lands - RLEMP	63,217	143,565	143,565
BC Rural Dividend Program	-	1,500	-
EM Proposal Writing	-	17,169	9,249
Housing Department	71,187	(839)	188,923
Strip Mall - Management	22,137	54,007	43,062
Drinking Water Safety Program	21,543	-	2,637
Forestry & Aboriginal Interests	-	5,134	37,227
ACRS - Group 2	-	-	4,314
BC Hydro Tender Project	-	-	24,243
Gardening	49,817	89,080	18,989
Gas Bar	-	-	2,114,456
Minister of Aboriginal Relations and Reconciliation	-	40,000	55,000
Economic Development	56,328	115,126	16,395
SAID Training	-	2,928	-
Columbia River Treaty	-	7,060	-
Social Housing Fund	290,871	408,685	338,941
Skwlax Investments Inc.	-	7,905,300	5,492,645
Subtotal Expenses	3,954,687	\$ 14,413,136	\$ 14,090,357

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

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

For the year ended March 31	Budget	2017	2016
Revenue carried forward	\$ 4,295,897	\$ 16,538,957	\$ 16,263,304
Expenses carried forward	3,954,687	\$ 14,413,136	\$ 14,090,357
Chase West	-	134,447	-
Corridor Wide Agreement	-	25,084	-
Trans Mountain Pipeline	-	1,709	-
Salmon Arm West	-	2,088	-
Capital Fund repairs and maintenance	242,944	853,779	341,157
	-	7,829	-
	3,954,687	15,438,072	14,431,514
Surplus for the year	\$ 341,210	\$ 1,100,885	\$ 1,831,790

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

For the year ended March 31	2017	2016
Operating activities		
Cash receipts from various sources	\$ 16,677,244	\$ 14,536,761
Cash paid to employees and suppliers	(14,363,446)	(13,343,208)
Interest paid	(139,236)	(145,724)
Interest earned	54,664	78,169
Cash flows from operating activities	2,229,226	1,125,998
Investing activities		
Purchase of capital assets	(348,270)	(979,240)
Increase in investments	153,193	256,872
Change in restricted surplus	9,403	(4,718)
Cash flows from investing activities	(185,674)	(727,086)
Financing activity		
Repayment of long term debt, net of debt issuance	(254,329)	(352,551)
Net increase in cash and cash equivalents	1,789,223	46,361
Cash and cash equivalents, beginning of year	7,588,671	7,542,310
Cash and cash equivalents, end of year	\$ 9,377,894	\$ 7,588,671
Represented by:		
Cash	\$ 7,491,634	\$ 5,811,674
Restricted cash	1,886,260	1,776,997
	\$ 9,377,894	\$ 7,588,671

Little Shuswap Lake Indian Band

Summary of Significant Accounting Policies

March 31, 2017

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

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.

The financial statements consolidate the assets, liabilities and results of operations for the following non-incorporated entities:

The Little Shuswap Lake Indian Band, which include the Operating, Capital, Trust and Social Housing Funds, and the following incorporated entity:

Skwlax Holdings Inc., which has a year end of December 31, 2016. All amounts that have been consolidated are as of the December 31, 2016 year end date.

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.

Little Shuswap Lake Indian Band Summary of Significant Accounting Policies

March 31, 2017

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

Revenue Recognition 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.

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.

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.

Ottawa Trust Funds 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.

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

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

	2017	2016
Operating	\$ 2,324,185	\$ 1,457,804
Short-term deposits	4,007,600	3,507,625
Skwlax Holdings Inc.	1,159,849	846,245
	<u>\$ 7,491,634</u>	<u>\$ 5,811,674</u>

The bank indebtedness is owed by Skwlax Holdings 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, 2017, \$ Nil (2016 - \$ Nil) of this credit facility was outstanding directly related to Skwlax Holdings 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, 2017

3. Restricted Cash

	2017	2016
Ottawa Trust Funds	\$ 1,266,926	\$ 1,242,408
Social Housing reserves	619,334	534,589
	\$ 1,886,260	\$ 1,776,997

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, 2017, the replacement reserve was underfunded by \$29,040 and the operating surplus reserve was underfunded by \$40,994.

4. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	2017	2016
Operating Fund	\$ 2,208,140	\$ 3,700,578
Allowance for doubtful accounts	(649,914)	\$(1,140,239)
	1,558,226	2,560,339
Social Housing Fund	14,102	14,102
Skwlax Holdings Inc.	207,207	65,465
	\$ 1,779,535	\$ 2,639,906

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

5. Investments

	2017	2016
Other Investments at cost		
All Nations Trust Company	\$ 150,000	\$ 150,000
Horseshoe Bay Developments Inc.	2	2
	<u>\$ 150,002</u>	<u>\$ 150,002</u>

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

6. Accounts Payable

	2017	2016
Operating Fund	\$ 564,002	\$ 767,365
Skwlax Holdings Inc.	348,037	217,184
Social Housing Fund	6,557	8,185
	<u>\$ 918,596</u>	<u>\$ 992,734</u>

7. Deferred Revenue

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

	2017	2016
Operating Fund		
Deferred lease revenue	\$ 1,255,871	\$ 1,299,517
Damage Deposits	7,967	7,179
Capital Fund		
Tappen Water	-	638,193
	<u>1,263,838</u>	<u>1,944,889</u>
Skwlax Holdings Inc.	<u>138,843</u>	<u>126,216</u>
	<u>\$ 1,402,681</u>	<u>\$ 2,071,105</u>

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

8. Long Term Debt

	2017	2016
<u>Capital Fund</u>		
All Nations Trust, demand loan, repayable in monthly instalments of \$2,589 including interest at 4.99% per annum, maturing August 2017	\$ 75,169	\$ 101,758
Bank of Montreal, demand loan, repayable in monthly instalments of \$10,551 including interest at 3.45% per annum, maturing November 2022	2,054,710	2,109,563
<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	115,736	125,094
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,680 including interest at 1.80% per annum, maturing October 2016	174,324	191,461
All Nations Trust Company, mortgage, repayable in monthly instalments of \$2,486 including interest at 1.67% per annum, maturing June 2018	424,438	447,015
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,822 including interest at 2.08% per annum, maturing February 2019	311,749	326,999
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,402 including interest at 1.83% per annum, maturing December 2019	89,232	104,282
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,844 including interest at 1.65% per annum, maturing June 2017	298,275	315,357
All Nations Trust Company, mortgage, repayable in monthly instalments of \$3,015 including interest at 1.71% per annum, maturing September 2017	492,431	519,979
All Nations Trust Company, mortgage, repayable in monthly instalments of \$3,377 including interest at 0.98% per annum, maturing March 2020	668,500	702,316
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,804 including interest at 2.75% per annum, maturing February 2021	315,451	330,520
Total Loans Payable	\$ 5,020,015	\$ 5,274,344

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

The estimated principal repayments required over the next five years are as follows:

2018	\$ 1,055,672
2019	944,542
2020	745,893
2021	350,668
2022	1,923,240
	<u>\$ 5,020,015</u>

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

9. Tangible Capital Assets

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Automotive	\$ 1,054,692	\$ (866,982)	\$ 943,156	\$ (754,568)
Computer software	301,643	(262,177)	282,927	(227,652)
Water systems	7,837,370	(2,483,685)	7,837,370	(2,137,839)
Land improvements	6,667,106	-	6,667,106	-
Equipment				
Furniture and equipment	1,319,156	(1,208,047)	1,285,814	(1,158,255)
Golf course equipment	158,287	(158,287)	158,287	(158,287)
Buildings				
General Buildings	7,794,793	(5,026,349)	7,794,793	(4,881,598)
Commercial strip mall	643,776	(231,759)	643,776	(218,884)
Golf course maintenance	433,353	(91,004)	433,353	(82,337)
Health centre	2,195,222	(307,331)	2,195,222	(263,427)
Water towers	545,266	(299,896)	545,266	(272,633)
Water wells	267,426	(76,685)	267,426	(63,314)
Work in Progress	697,069	-	697,069	-
	29,915,159	(11,012,202)	29,751,565	(10,218,794)
Social Housing				
Buildings and equipment	5,539,561	(2,596,698)	5,539,561	(2,474,079)
Skwlax Holdings Inc.				
Automotive	234,612	(205,646)	234,612	(193,232)
Arts and Artifacts	8,833	-	8,833	-
Buildings	6,769,517	(2,551,239)	6,754,356	(2,382,191)
Computers	165,051	(126,629)	125,815	(116,570)
Equipment	1,756,873	(1,353,484)	1,658,714	(1,259,288)
Land Improvements	452,405	(428,681)	420,285	(420,285)
	9,387,291	(4,665,679)	9,202,615	(4,371,566)
	\$ 44,842,011	\$ (18,274,579)	\$ 44,493,741	\$ (17,064,439)
Net book value		\$ 26,567,432		\$ 27,429,302

Little Shuswap Lake Indian Band **Notes to Consolidated Financial Statements**

March 31, 2017

9. Tangible Capital Assets (continued)

	Water Systems	Water Wells	Furniture and Equipment	Buildings	Improvements	Land	Computer Software	Art and Artifacts	Total
Cost, beginning of year	\$8,534,439	\$ 267,426	\$ 3,101,195	\$ 23,906,327	\$ 7,087,392	\$1,177,768	\$ 410,361	\$ 8,833	\$ 44,493,741
Additions		-	131,500	15,161	32,120	111,536	57,952	-	348,269
Disposals									
Cost, end of year	\$8,534,439	\$ 267,426	\$ 3,232,695	\$ 23,921,488	\$ 7,119,512	\$1,289,304	\$ 468,313	\$ 8,833	\$ 44,842,010
Accumulated amortization, beginning of year	\$2,137,839	\$ 63,313	\$ 2,575,830	\$ 10,575,111	\$ 420,286	\$ 947,837	\$ 344,223	\$ -	\$ 17,064,439
Amortization	345,847	13,371	143,987	529,129	8,396	124,827	44,584	-	1,210,141
Accumulated amortization, end of year	\$2,483,686	\$ 76,684	\$ 2,719,817	\$ 11,104,240	\$ 428,682	\$1,072,664	\$ 388,807	\$ -	\$ 18,274,580
Net carrying amount, end of year	\$6,050,753	\$ 190,742	\$ 512,878	\$ 12,817,248	\$ 6,690,830	\$ 216,640	\$ 79,506	\$ 8,833	\$ 26,567,430

Little Shuswap Lake Indian Band **Notes to Consolidated Financial Statements**

March 31, 2017

9. Tangible Capital Assets (continued)

	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
Cost, end of year	\$8,534,439	\$267,426	\$3,101,195	\$23,906,327	\$7,087,392	\$1,177,768	\$410,361	\$8,833	\$44,493,741
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	\$2,137,839	\$63,313	\$2,575,830	\$10,575,111	\$420,286	\$947,837	\$344,223	\$-	\$17,064,439
Net carrying amount, end of year	\$6,396,600	\$204,113	\$525,365	\$13,331,216	\$6,667,106	\$229,931	\$66,138	\$8,833	\$27,429,302

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

10. Accumulated Surplus

	2017	2016
Operating surplus	\$ 5,766,062	\$ 3,906,703
Equity in replacement reserve - fire	12,548	-
Equity in capital assets	23,269,917	23,877,460
Equity in replacement reserve -CMHC	616,497	647,870
Equity in Ottawa trust	1,266,926	1,242,408
Equity in replacement reserve - health	7,129	10,274
Restricted surplus	50,002	50,002
	\$ 30,989,081	\$ 29,734,717

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, 2017 was \$178,729 (2016 - \$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, 2017 the Little Shuswap Lake Indian Band has underfunded these reserves by \$29,040.

13. Commitments and Contingent Liabilities

The council has no guaranteed loans for Band members for the year ended March 31, 2017.

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 \$- (2015 - \$58,129)

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

15. Expenses by Type

	2017	2016
Advertising	\$ 27,008	\$ 30,666
Amortization	1,210,142	1,237,873
Automotive	20,651	28,779
Bad debts (recovery)	(148,488)	249,452
Bank charges	40,677	47,675
Capital Fund repairs and maintenance	853,779	341,157
Contract services	527,336	515,314
Donations	49,665	23,404
Equipment rental	33,826	13,681
Honoraria	11,865	12,135
Insurance	151,698	157,220
Interest	139,236	145,724
Licenses and dues	11,991	31,978
Local education agreement	147,145	398,410
Materials and supplies	4,723,235	4,620,275
Meetings	28,935	13,162
Office and miscellaneous	260,503	226,450
Patient transportation	36,279	30,900
Professional fees	763,205	289,965
Program expenses	504,691	509,885
Repairs and maintenance	384,830	300,431
Replacement reserve	74,888	54,203
Salaries and benefits	5,067,927	4,568,745
Social assistance	40,571	48,702
Student allowance and transportation	78,067	112,330
Telephone	3,884	1,214
Training	71,854	125,705
Travel and accommodation	100,423	60,055
Utilities	222,249	236,024
	\$ 15,438,072	\$ 14,431,514

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

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 a 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 Band Notes to Consolidated Financial Statements

March 31, 2017

18. Segment Disclosure (continued)

2017

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwllax Investments Inc.	Capital	Total
Revenue											
INAC	\$ 340,545	\$ 579,073	\$ 206,401	\$ 420,437	\$ 115,563	\$ -	\$ -	\$ 143,565	\$ -	\$ 746,288	\$ 2,551,872
Other	92,324	9,571	82,614	130,160	-	1,111,189	565,096	4,042,312	7,784,703	169,116	13,987,085
	432,869	588,644	289,015	550,597	115,563	1,111,189	565,096	4,185,877	7,784,703	915,404	16,538,957
Expenses											
Payroll	224,383	216,052	239,800	53,031	65	568,961	85,472	437,307	2,917,305	35,685	4,778,061
Other	1,039,729	652,815	255,030	416,059	127,787	429,194	199,754	817,526	4,693,882	818,094	9,449,870
Amortization	793,409	-	-	-	-	-	122,619	-	294,113	-	1,210,141
	2,057,521	868,867	494,830	469,090	127,852	998,155	407,845	1,254,833	7,905,300	853,779	15,438,072
Surplus (deficit)	\$ (1,624,652)	\$ (280,223)	\$ (205,815)	\$ 81,507	\$ (12,289)	\$ 113,034	\$ 157,251	\$ 2,931,044	\$ (120,597)	\$ 61,625	\$ 1,100,885

2016

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwllax Investments Inc.	Capital	Total
Revenue											
INAC	\$ 339,681	\$ 540,238	\$ 245,125	\$ 533,229	\$ 24,516	\$ -	\$ -	\$ 143,565	\$ -	\$ 927,689	\$ 2,754,043
Other	70,208	40,814	2,237,326	71,229	62,733	1,011,027	576,114	4,359,238	5,080,572	-	13,509,261
	409,889	581,052	2,482,451	604,458	87,249	1,011,027	576,114	4,502,803	5,080,572	927,689	16,263,304
Expenses											
Payroll	222,792	321,136	475,425	54,321	44,617	465,351	20,078	226,149	2,431,984	70,376	4,332,229
Other	960,939	664,108	2,165,007	651,293	34,998	428,504	380,058	533,806	2,771,918	270,781	8,861,412
Amortization	821,402	-	-	-	-	-	127,728	-	288,743	-	1,237,873
	2,005,133	985,244	2,640,432	705,614	79,615	893,855	527,864	759,955	5,492,645	341,157	14,431,514
Surplus (deficit)	\$ (1,595,244)	\$ (404,192)	\$ (157,981)	\$ (101,156)	\$ 7,634	\$ 117,172	\$ 48,250	\$ 3,742,848	\$ (412,073)	\$ 586,532	\$ 1,831,790