

**Little Shuswap Lake Indian Band
Consolidated Financial Statements
For the year ended March 31, 2018**

Little Shuswap Lake Indian Band
Consolidated Financial Statements
For the year ended March 31, 2018

Contents

Management's Responsibility for Financial Reporting	3
Independent Auditor's Report	4 - 5
Financial Statements	
Exhibit A - Consolidated Statement of Financial Position	6
Exhibit B - Consolidated Statement of Changes in Net Assets	7
Exhibit C - Consolidated Statement of Operations	8 - 9
Exhibit D - Consolidated Statement of Cash Flows	10
Summary of Significant Accounting Policies	11 - 12
Notes to Consolidated Financial Statements	13 - 23

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Little Shuswap Lake Indian Band (the "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 take 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.

Devin Amos
Chief Councilor

WES FRANCOS
Band Administrator
COUNCIL

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, 2018 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, 2018 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, 2018 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 July 5, 2018.

A handwritten signature in black ink that reads "BDO Canada LLP". The signature is fluid and cursive, with "BDO" at the top, "Canada" in the middle, and "LLP" at the bottom right.**Chartered Professional Accountants**

Kamloops, British Columbia
July 5, 2018

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

As at March 31	2018	2017
Financial Assets		
Cash (Note 2)	\$ 10,457,986	\$ 7,491,634
Restricted cash (Note 3)	1,957,335	1,886,260
Accounts receivable (Note 4)	1,755,921	1,779,535
Inventory held for resale	332,451	401,773
Long-term investments (Note 5)	150,002	150,002
	<u>14,653,695</u>	<u>11,709,204</u>
Liabilities		
Accounts payable (Note 6)	1,139,794	918,596
Deferred revenue (Note 7)	1,939,610	1,402,681
Long term debt (Note 8)	4,767,043	5,020,015
	<u>7,846,447</u>	<u>7,341,292</u>
Net Debt (Asset)	<u>6,807,248</u>	<u>4,367,912</u>
Non-financial Assets		
Prepaid expense	57,544	53,738
Capital assets (Note 9)	<u>25,510,577</u>	26,567,432
	<u>25,568,121</u>	<u>26,621,170</u>
Accumulated Surplus (Note 10)	<u>\$ 32,375,369</u>	<u>\$ 30,989,082</u>

Approved on behalf of the Band Council:

Denis Meneke

Chief Councilor

NP

Band Administrator

WPS FRANCOIS
COUNCIL

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

For the year ended March 31	Budget	2018	2017
Surplus - Exhibit C	\$ -	\$ 1,357,599	\$ 1,100,885
Purchases of tangible capital assets	- -	(299,879)	(348,270)
Amortization of tangible capital assets	- -	1,356,733	1,210,142
	<hr/>	<hr/>	<hr/>
	- -	1,056,854	861,872
	<hr/>	<hr/>	<hr/>
Change in prepaid expense	- -	(3,807)	(15,872)
	<hr/>	<hr/>	<hr/>
Equity change in Ottawa Trust	- -	36,916	24,518
Change in reserves	- -	1,896	(31,372)
Equity change in funded reserves	- -	3,741	9,401
Change on consolidation of investment	- -	(35,936)	83,330
Transfer to operating reserve	- -	22,073	67,601
	<hr/>	<hr/>	<hr/>
	- -	28,690	153,478
	<hr/>	<hr/>	<hr/>
Increase in net assets (debt)	- -	2,439,336	2,100,363
Net assets (debt), beginning of year	4,367,912	4,367,912	2,267,549
	<hr/>	<hr/>	<hr/>
Net assets (debt), end of year	\$ 4,367,912	\$ 6,807,248	\$ 4,367,912

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

For the year ended March 31	Budget	2018	2017
Revenue			
Indigenous Services Canada	\$ -	\$ 2,370,526	\$ 2,551,872
Taxation	- 893,059	857,286	
Fisheries and Oceans Canada	- 54,900	54,900	
Province of British Columbia	- 3,592,490	1,473,534	
Human Resources and Skills Development Canada	- 3,193	3,302	
Canada Mortgage and Housing Corporation	- 168,232	168,984	
Rental income	- 435,277	369,317	
Interest and investment income	- 96,575	53,659	
Other income	- 3,887,845	3,221,399	
Skwlax Holdings Inc.	- 9,082,726	7,784,703	
	<hr/>	<hr/>	<hr/>
	- 20,584,823	16,538,956	
Expenses (Note 15)			
Administration	- 2,137,795	2,050,685	
Membership	- 4,957	2,392	
Education - Local Education Agreement	- 333,296	147,145	
Education - Service Delivery	- 113,281	108,174	
Education - University Program	- 131,290	126,152	
Daycare	- 354,308	260,403	
Health Transfer	- 610,971	606,238	
Sewer System - IR #4	- 24,971	14,368	
MOTI - Capacity	- 567,379	513,068	
Dental Services	- 31,857	32,350	
Social Assistance	- 563,834	460,974	
Youth Program	- 66,895	69,658	
Shuswap Training & Employment Program	- 33,590	36,868	
FNESC	- 40,122	4,633	
Community Works and Services	- 971,055	808,475	
Community Health Programs	- 25,006	26,785	
Band Fisheries	- 104,332	98,259	
Taxation - Commodity	- 149,189	97,298	
Property Taxation	- 221,727	174,864	
Lands & Resources	- -	(14,369)	
Lands - RLEMP	- 144,628	143,565	
BC Rural Dividend Program	- 19,180	1,500	
EM Proposal Writing	- 11,345	17,169	
Housing Department	- 287,356	(839)	
Strip Mall - Management	- 47,452	54,007	
Forestry & Aboriginal Interests	- 701,266	5,134	
ACRS - Group 2	- 7,547	-	
Gardening	- 8,823	89,080	
MARR - Secwepemc Development	- 3,948	40,000	
Economic Development	- 185,694	115,126	
SAID Training	- 327,804	2,928	
Columbia River Treaty	- 701	7,060	
Social Housing Fund	- 436,066	408,685	
Skwlax Investments Inc.	- 9,478,007	7,905,300	
	<hr/>	<hr/>	<hr/>
Subtotal Expenses	- \$ 18,145,672	\$ 14,413,135	

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	2018	2017
Revenue carried forward	\$ -	\$ 20,584,823	\$ 16,538,956
Expenses carried forward	-	\$ 18,145,672	\$ 14,413,135
Chase West	-	7,893	134,447
Corridor Wide Agreement	-	61,971	25,084
Trans Mountain Pipeline	-	6,144	1,709
Salmon Arm West	-	-	2,088
Capital Fund repairs and maintenance	-	941,466	853,779
Arms	-	21,467	7,829
Clean Energy and Feasibility	-	307	-
North Fork Bridge	-	12,304	-
Health	-	30,000	-
		19,227,224	15,438,071
Surplus for the year	\$ -	\$ 1,357,599	\$ 1,100,885

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

For the year ended March 31	2018	2017
Operating activities		
Cash receipts from various sources	\$ 20,918,222	\$ 16,677,245
Cash paid to employees and suppliers	(17,346,688)	(14,285,724)
Interest paid	(40,261)	(139,236)
Interest earned	96,575	53,659
Cash flows from operating activities	3,627,848	2,305,944
Investing activities		
Purchase of capital assets	(299,881)	(348,270)
Increase (decrease) in investments	(41,309)	76,476
Change in restricted surplus	3,741	9,403
Cash flows from investing activities	(337,449)	(262,391)
Financing activity		
Repayment of long term debt	(252,972)	(254,329)
Net increase in cash and cash equivalents	3,037,427	1,789,224
Cash and cash equivalents, beginning of year	9,377,894	7,588,670
Cash and cash equivalents, end of year	\$ 12,415,321	\$ 9,377,894
Represented by:		
Cash	\$ 10,457,986	\$ 7,491,634
Restricted cash	1,957,335	1,886,260
	\$ 12,415,321	\$ 9,377,894

Little Shuswap Lake Indian Band Summary of Significant Accounting Policies

March 31, 2018

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 Holdings Inc., which has a year end of December 31, 2017. All amounts that have been consolidated are as of the December 31, 2017 year end date.</p> <p>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.</p>
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, 2018

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, 2018

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

	2018	2017
Operating	\$ 9,130,876	\$ 2,324,185
Short-term deposits	7,647	4,007,600
Skwlax Holdings Inc.	<u>1,319,463</u>	<u>1,159,849</u>
	<hr/> <u>\$ 10,457,986</u>	<hr/> <u>\$ 7,491,634</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, 2018

3. Restricted Cash

	2018	2017
Ottawa Trust Funds	\$ 1,303,841	\$ 1,266,926
Social Housing reserves	653,494	619,334
	<hr/> \$ 1,957,335	<hr/> \$ 1,886,260

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, 2018, 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:

	2018	2017
Operating Fund	\$ 2,260,525	\$ 2,208,140
Allowance for doubtful accounts	(626,178)	\$ (649,914)
	<hr/> 1,634,347	<hr/> 1,558,226
Social Housing Fund	14,023	14,102
Skwlax Holdings Inc.	107,551	207,207
	<hr/> \$ 1,755,921	<hr/> \$ 1,779,535

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2018

5. Investments

	2018	2017
Other Investments at cost		
All Nations Trust Company	\$ 150,000	\$ 150,000
Horseshoe Bay Developments Inc.	2	2
	<hr/>	<hr/>
	\$ 150,002	\$ 150,002
	<hr/>	<hr/>

6. Accounts Payable

	2018	2017
Operating Fund	\$ 773,587	\$ 564,002
Skwlax Holdings Inc.	358,471	348,037
Social Housing Fund	7,857	6,557
	<hr/>	<hr/>
	\$ 1,139,915	\$ 918,596
	<hr/>	<hr/>

7. Deferred Revenue

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

	2018	2017
Operating Fund		
Deferred lease revenue	\$ 1,273,897	\$ 1,255,871
Damage Deposits	9,011	7,967
Capital Fund		
Tappen Water	50,000	-
Indigenous Services Canada	391,780	-
	<hr/>	<hr/>
	1,724,688	1,263,838
Skwlax Holdings Inc.	<hr/>	<hr/>
	214,922	138,843
	<hr/>	<hr/>
	\$ 1,939,610	\$ 1,402,681
	<hr/>	<hr/>

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2018

8. Long Term Debt

	2018	2017
<u>Capital Fund</u>		
All Nations Trust Company, demand loan, repayable in monthly instalments of \$2,589 including interest at 4.99% per annum, maturing August 2022	\$ 47,222	\$ 75,169
Bank of Montreal, demand loan, repayable in monthly instalments of \$10,551 including interest at 3.45% per annum, maturing November 2022	2,005,635	2,054,710
<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	106,225	115,736
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,619 including interest at 1.03% per annum, maturing October 2021	156,602	174,324
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,798 including interest at 1.30% per annum, maturing June 2022	280,585	424,438
All Nations Trust Company, mortgage, repayable in monthly instalments of \$3,043 including interest at 1.84% per annum, maturing September 2022	464,565	311,749
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,402 including interest at 1.83% per annum, maturing December 2019	73,910	89,232
All Nations Trust Company, mortgage, repayable in monthly instalments of \$2,486 including interest at 1.67% per annum, maturing June 2018	401,500	298,275
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,822 including interest at 2.08% per annum, maturing February 2019	296,195	492,431
All Nations Trust Company, mortgage, repayable in monthly instalments of \$3,377 including interest at 0.98% per annum, maturing March 2020	634,368	668,500
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,527 including interest at 1.01% per annum, maturing February 2021	<u>300,236</u>	<u>315,451</u>
Total Loans Payable	<u>\$ 4,767,043</u>	<u>\$ 5,020,015</u>

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

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

2019	\$ 1,020,466
2020	250,918
2021	961,966
2022	214,431
2023	621,424
Thereafter	<u>1,697,838</u>
	<u>\$ 4,767,043</u>

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2018

9. Tangible Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Automotive	\$ 1,104,230	\$ (1,054,692)	\$ 1,054,692	\$ (866,982)
Computer software	301,643	(301,643)	301,643	(262,177)
Water systems	7,837,370	(2,829,532)	7,837,370	(2,483,685)
Land improvements	6,667,106	-	6,667,106	-
Equipment				
Furniture and equipment	1,321,199	(1,319,156)	1,319,156	(1,208,047)
Golf course equipment	158,287	(158,287)	158,287	(158,287)
Buildings				
Commercial strip mall	8,491,862	(5,171,101)	7,794,793	(5,026,349)
Golf course maintenance	779,029	(244,635)	643,776	(231,759)
Health centre	433,353	(99,671)	433,353	(91,004)
Water towers	2,195,222	(351,235)	2,195,222	(307,331)
Water wells	545,266	(327,160)	545,266	(299,896)
Water wells	267,426	(90,057)	267,426	(76,685)
Work in Progress	-	-	697,069	-
	30,101,993	(11,947,169)	29,915,159	(11,012,202)
Social Housing				
Buildings and equipment	5,539,561	(2,714,413)	5,539,561	(2,596,698)
Skwlax Holdings Inc.				
Automotive	238,977	(214,336)	234,612	(205,646)
Arts and Artifacts	10,545	-	8,833	-
Buildings	6,781,569	(2,720,477)	6,769,517	(2,551,239)
Computers	186,745	(151,436)	165,051	(126,629)
Equipment	1,822,513	(1,446,407)	1,756,873	(1,353,484)
Land Improvements	459,989	(437,077)	452,405	(428,681)
	9,500,338	(4,969,733)	9,387,291	(4,665,679)
	\$ 45,141,892	\$ (19,631,315)	\$ 44,842,011	\$ (18,274,579)
Net book value		\$ 25,510,577		\$ 26,567,432

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2018

9. Tangible Capital Assets (continued)

	2018								
	Water Systems	Water Wells	Furniture and Equipment		Land Improvements	Automotive	Computer Software	Art and Artifacts	Total
Cost, beginning of year	\$8,534,439	\$267,426	\$3,232,695	\$23,921,488	\$7,119,512	\$1,289,304	\$468,313	\$8,835	\$44,842,012
Additions	-	-	67,683	147,304	7,583	53,903	21,694	1,711	299,878
Cost, end of year	<u>\$8,534,439</u>	<u>\$267,426</u>	<u>\$3,300,378</u>	<u>\$24,068,792</u>	<u>\$7,127,095</u>	<u>\$1,343,207</u>	<u>\$490,007</u>	<u>\$10,546</u>	<u>\$45,141,890</u>
Accumulated amortization, beginning of year	\$2,483,686	\$76,684	\$2,719,817	\$11,104,240	\$428,682	\$1,072,664	\$388,807	\$ -	\$18,274,580
Amortization	345,847	13,371	203,227	524,565	8,396	197,054	64,273	-	1,356,733
Accumulated amortization, end of year	<u>\$2,829,533</u>	<u>\$90,055</u>	<u>\$2,923,044</u>	<u>\$11,628,805</u>	<u>\$437,078</u>	<u>\$1,269,718</u>	<u>\$453,080</u>	<u>\$ -</u>	<u>\$19,631,313</u>
Net carrying amount, end of year	<u>\$5,704,906</u>	<u>\$177,371</u>	<u>\$377,334</u>	<u>\$12,439,987</u>	<u>\$6,690,017</u>	<u>\$73,489</u>	<u>\$36,927</u>	<u>\$10,546</u>	<u>\$25,510,577</u>

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2018

9. Tangible Capital Assets (continued)

	2017								
	Water Systems	Water Wells	Furniture and Equipment	Buildings	Land Improvements	Automotive	Computer Software	Art and Artifacts	Total
Cost, beginning of year	\$8,534,439	\$267,426	\$3,101,195	\$23,906,327	\$ 7,087,392	\$177,768	\$ 410,361	\$ 8,835	\$ 44,493,743
Additions	-		131,500	15,161	32,120	111,536	57,952	-	348,269
Cost, end of year	<u>\$8,534,439</u>	<u>\$267,426</u>	<u>\$3,232,695</u>	<u>\$23,921,488</u>	<u>\$ 7,119,512</u>	<u>\$1,289,304</u>	<u>\$ 468,313</u>	<u>\$ 8,835</u>	<u>\$ 44,842,012</u>
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	<u>\$2,483,686</u>	<u>\$ 76,684</u>	<u>\$2,719,817</u>	<u>\$11,104,240</u>	<u>\$ 428,682</u>	<u>\$1,072,664</u>	<u>\$ 388,807</u>	<u>\$ -</u>	<u>\$ 18,274,580</u>
Net carrying amount, end of year	<u>\$ 6,050,753</u>	<u>\$190,742</u>	<u>\$ 512,878</u>	<u>\$12,817,248</u>	<u>\$ 6,690,830</u>	<u>\$ 216,640</u>	<u>\$ 79,506</u>	<u>\$ 8,835</u>	<u>\$ 26,567,432</u>

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2018

10. Accumulated Surplus

	2018	2017
Operating surplus	\$ 7,913,679	\$ 5,766,062
Equity in replacement reserve - fire	14,378	12,548
Equity in capital assets	22,466,035	23,269,917
Equity in replacement reserve -CMHC	618,394	616,498
Equity in Ottawa trust	1,303,841	1,266,926
Equity in replacement reserve - health	9,040	7,129
Restricted surplus	50,002	50,002
	<hr/>	<hr/>
	\$ 32,375,369	\$ 30,989,082

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, 2018 was \$178,729 (2017 - \$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, 2018 the Little Shuswap Lake Indian Band has underfunded these reserves by \$16,118.

13. Commitments and Contingent Liabilities

The council has no guaranteed loans for Band members for the year ended March 31, 2018.

14. Employee Benefits

The Group has a pension and RRSP matching plan providing benefits to certain of its employees. The cost charge represents contributions paid to the plans and amount to for the year ended March 31, 20XX \$- (2015 - \$58,129)

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2018

15. Expenses by Type

	2018	2017
Advertising	\$ 26,712	\$ 27,008
Amortization	1,356,733	1,210,142
Automotive	33,009	20,651
Bad debts (recovery)	34,346	(148,488)
Bank charges	26,583	40,677
Capital Fund repairs and maintenance	941,466	853,779
Contract services	1,079,415	527,336
Donations	5,652	49,665
Equipment rental	113,680	33,826
Honoraria	34,437	11,865
Insurance	169,176	151,698
Interest	114,748	139,236
Licenses and dues	46,428	11,991
Local education agreement	333,296	147,145
Materials and supplies	5,941,963	4,723,235
Meetings	31,748	28,935
Office and miscellaneous	183,846	260,503
Patient transportation	39,572	36,279
Professional fees	829,864	763,205
Program expenses	625,551	504,691
Repairs and maintenance	571,851	384,830
Replacement reserve	70,167	74,888
Salaries and benefits	5,973,466	5,067,927
Social assistance	58,587	40,571
Student allowance and transportation	84,714	78,067
Telephone	4,402	3,884
Training	154,237	71,853
Travel and accommodation	106,354	100,423
Utilities	235,221	222,249
	<hr/> \$ 19,227,224	<hr/> \$ 15,438,071

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2018

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, 2018

18. Segment Disclosure (continued)

<u>2018</u>		Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwlax Investments Inc.	Capital	Total
Revenue												
INAC		\$ 318,760	\$ 570,918	\$ 205,047	\$ 393,187	\$ 29,969	\$ -	\$ 143,565	\$ -	\$ 709,080	\$ 2,370,526	
Other		350,092	9,805	74,820	107,661	-	1,250,564	627,925	6,524,423	9,082,726	186,281	18,214,297
		668,852	580,723	279,867	500,848	29,969	1,250,564	627,925	6,667,988	9,082,726	895,361	20,584,823
Expenses												
Payroll		241,419	237,145	257,264	113,869	2,070	663,522	83,834	739,455	3,266,669	-	5,605,247
Other		966,372	776,662	318,816	541,706	194,969	460,341	521,873	1,635,755	5,907,284	941,466	12,265,244
Amortization		934,965	-	-	-	-	-	117,714	-	304,054	-	1,356,733
		2,142,756	1,013,807	576,080	655,575	197,039	1,123,863	723,421	2,375,210	9,478,007	941,466	19,227,224
Surplus (deficit)		\$ (1,473,904)	\$ (433,084)	\$ (296,213)	\$ (154,727)	\$ (167,070)	\$ 126,701	\$ (95,496)	\$ 4,292,778	\$ (395,281)	\$ (46,105)	\$ 1,357,599
<u>2017</u>		Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwlax Investments Inc.	Capital	Total
Revenue												
INAC		\$ 340,545	\$ 538,207	\$ 206,401	\$ 461,303	\$ 115,563	\$ -	\$ 143,565	\$ -	\$ 746,288	\$ 2,551,872	
Other		92,323	9,571	82,614	130,160	-	1,111,189	565,096	4,042,312	7,784,703	169,116	13,987,084
		432,868	547,778	289,015	591,463	115,563	1,111,189	565,096	4,185,877	7,784,703	915,404	16,538,956
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		1,039,728	612,575	255,030	456,299	127,787	429,194	199,754	817,526	4,693,882	818,094	9,449,869
Amortization		793,409	-	-	-	-	-	122,619	-	294,113	-	1,210,141
		2,057,520	828,627	494,830	509,330	127,852	998,155	407,845	1,254,833	7,905,300	853,779	15,438,071
Surplus (deficit)		\$ (1,624,652)	\$ (280,849)	\$ (205,815)	\$ 82,133	\$ (12,289)	\$ 113,034	\$ 157,251	\$ 2,931,044	\$ (120,597)	\$ 61,625	\$ 1,100,885