

Little Shuswap Lake Indian Band
Consolidated Financial Statements
For the year ended March 31, 2020

Little Shuswap Lake Indian Band
Consolidated Financial Statements
For the year ended March 31, 2020

	Contents
Management's Responsibilities 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 - 25

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.



Chief Councilor



Band Administrator



Tel: 250-372-9505
Fax: 250-374-6323
Toll-free: 1-800-482-4531
www.bdo.ca

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

Opinion

We have audited the consolidated financial statements of Little Shuswap Lake Indian Band ("the Band"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of change in net financial assets, operations and cashflows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Little Shuswap Lake Indian Band as at March 31, 2020 and the results of its operations, change in net assets and its cash flows for the year then ended are in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Band in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector 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.

In preparing the consolidated financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Band's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Band's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Band to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Band audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Kamloops, British Columbia
September 14, 2020

Little Shuswap Lake Indian Band

Exhibit A - Consolidated Statement of Financial Position

As at March 31	2020	2019
Financial Assets		
Cash (Note 2)	\$ 2,162,338	\$ 3,688,963
Temporary investments (Note 3)	11,029,233	8,853,726
Restricted cash (Note 4)	1,547,615	1,523,757
Accounts receivable (Note 5)	2,981,791	1,869,557
Inventory held for resale (Note 6)	363,899	323,233
Portfolio investments (Note 7)	150,032	150,032
	18,234,908	16,409,268
Liabilities		
Accounts payable (Note 8)	1,174,041	1,270,459
Deferred revenue (Note 9)	2,141,213	1,489,269
Long term debt (Note 10)	4,247,662	4,523,065
	7,562,916	7,282,793
Net Asset	10,671,992	9,126,475
Non-financial Assets		
Prepaid expense	47,384	44,329
Tangible capital assets (Note 12)	25,335,624	25,204,576
	25,383,008	25,248,905
Accumulated Surplus (Note 13)	\$ 36,055,000	\$ 34,375,380

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	2020	2019
Annual surplus - Exhibit C	\$ 1,679,618	\$ 1,747,560
Purchases of tangible capital assets	(1,297,617)	(643,860)
Amortization of tangible capital assets	<u>1,166,570</u>	<u>1,137,785</u>
	<u>(131,047)</u>	<u>493,925</u>
Change in prepaid expense	<u>(3,054)</u>	<u>13,215</u>
Increase in net assets	1,545,517	2,254,700
Net assets, beginning of year	<u>9,126,475</u>	<u>6,871,775</u>
Net assets, end of year	<u>\$ 10,671,992</u>	<u>\$ 9,126,475</u>

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

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

For the year ended March 31	Budget	2020	2019
Revenue			
Indigenous Services Canada	\$ 2,252,893	\$ 2,345,079	\$ 2,910,312
Taxation	1,005,800	1,067,232	1,071,287
Fisheries and Oceans Canada	85,876	50,221	83,876
Province of British Columbia	1,569,167	4,278,849	2,742,950
Human Resources and Skills Development Canada	-	-	13,804
Canada Mortgage and Housing Corporation	170,748	167,897	170,202
Rental income	477,000	481,963	477,807
BC Gaming Revenue	-	318,788	-
Interest and investment income	421,881	260,153	194,109
Other income	4,085,622	4,601,689	4,925,790
Skwlax Holdings Inc.	-	11,881,622	10,421,369
	10,068,987	25,453,493	23,011,506
Expenses (Note 20)			
ACRS	-	12,882	-
Administration	1,825,481	2,438,914	2,077,006
Arch/Cultural Referrals	52,660	36,708	60,115
ARMS	116,480	23,657	15,329
Band Housing	199,059	119,544	179,694
BC Hydro	-	50,638	-
BC Language Initiative	98,000	72,978	-
BCRDP - Golf Course & RV Park	-	-	40,972
Canada Job Grant	-	-	14,019
Chase East	-	62,497	268,768
Chief & Council	360,300	429,738	369,435
Clean Energy Feasibility	-	6,443	-
CMHC	546,042	489,454	475,895
Corridor Wide Agreement	149,960	119,592	71,900
CPMS	-	-	33,811
Day Care	168,900	143,388	153,158
Dental Services	15,450	5,901	18,603
ECD - ET09393003	81,174	79,246	57,125
Economic Development	190,000	253,390	293,042
Education - LEA	398,413	468,351	314,297
Education - Post Secondary	215,532	217,355	203,914
Education - Service Delivery	207,151	177,571	131,411
Elder's/Youth	30,000	1,290	-
Emergency Measures	12,140	28,717	52,141
Family Violence Prevention	3,592	7,720	3,600
FCRSA - Forest Sharing	-	187,626	3,156
FCSAP	-	-	84,128
First Nation Health Authority	943,950	794,418	697,901
Fisheries Communication	-	-	1,891
Fisheries Coordinator	42,405	52,231	33,821
FNESC	-	9,479	10,309
FNICC - ELCC Daycare	71,500	72,684	71,352
Forest Service Agreements	150,000	23,099	131,516
Garden Project	-	13,593	5,323
Gravel Pit	-	54,294	2,859
Harm Reduction	-	6,264	-
Holdings AIA	-	-	4,430
Subtotal Expenses	5,878,189	\$ 6,459,662	\$ 5,880,921

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

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

For the year ended March 31	Budget	2020	2019
Revenue carried forward	\$ 10,068,987	\$ 25,453,493	\$ 23,011,506
Expenses carried forward	5,878,189	\$ 6,459,662	\$ 5,880,921
Housing Master Plan	-	61,929	2,020
IA Family Support	33,366	48,126	19,439
ICMS	-	192,200	239,509
ISC - Social Development	83,887	70,039	83,590
Infrastructure Planning	-	114,681	-
Kicking Horse Canyon	-	33,609	-
Land RLEMP	176,040	216,770	167,144
Land Use Planning	-	9,489	-
Language Nest	49,900	47,658	40,603
Leases - Residential & Commercial	212,112	47,748	-
Little Shuswap Catch Surveying	5,700	158	5,268
LSLIB Fire Dept.	109,660	170,600	131,813
MARR - Secwepemc Development	-	-	815
MCFD	-	5,369	-
Members Benefits	164,660	108,401	140,746
Membership	5,000	5,000	14,856
NIB Continuing Our Journey	80,000	27,965	46,987
Non Band Housing	29,205	37,978	39,480
NRT - Salmon Resiliency Project	-	-	53,326
Patient Transportation	23,490	28,734	26,790
Pow Wow	90,000	94,645	95,015
Quaaout IR#1 Wastewater (recovery)	-	(904)	-
Quaaout Sewer	-	289,332	143,020
Quartz Creek	-	36,556	-
RFLA89988 - Interfor	-	-	4,322
Schouten Rd Lease Renewal	-	25,040	14,196
Scotch Creek Adult Sockeye	27,000	24,400	48,207
Scotch Creek Maintenance - IR#4	66,000	32,537	82,011
Shuswap Lake Coho Enumerate	15,200	16,062	15,628
Skwlax Investments Inc.	9,483,567	12,220,211	10,782,134
Social Assistance	565,103	524,675	584,230
Specific Claims Research	-	16,267	595
Squilax AIA	266,750	137,113	319,702
Strip Mall	47,200	65,293	86,563
Shuswap Training & Employment Pr	-	-	27,738
Tappen	-	561,059	216,310
Taxation Property	222,800	318,174	254,698
Trans Mountain Pipeline Extend	-	6,878	98,593
Tri-Plex Renos	-	38,310	44,458
TRS	321,705	587,810	526,845
Tsutswewc Park	-	1,489	-
Village O & M	931,080	1,020,523	958,426
Woodlot	-	559	-
Youth - ET09393001	73,520	68,722	60,917
Youth Program FNEsc	6,000	3,008	7,031
	18,967,134	23,773,875	21,263,946
Surplus for the year	\$ (8,898,147)	\$ 1,679,618	\$ 1,747,560

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

Little Shuswap Lake Indian Band

Exhibit D - Consolidated Statement of Cash Flows

For the year ended March 31	2020	2019
Operating activities		
Cash receipts from various sources	\$ 23,842,408	\$ 21,269,333
Cash from taxation	1,067,232	1,071,287
Cash paid to employees and suppliers	(22,616,306)	(19,777,651)
Interest paid	(131,137)	(130,916)
Interest earned	83,563	106,909
Cash flows from operating activities	2,245,760	2,538,962
Capital activity		
Purchase of capital assets	(1,297,617)	(643,860)
Investing activities		
Purchase of GIC's	(1,976,263)	(2,500,000)
Purchase of temporary investments	(199,244)	(6,353,726)
Cash flows used in investing activities	(3,473,124)	(9,497,586)
Financing activity		
Repayment of long term debt	(275,403)	(243,977)
Net decrease in cash and cash equivalents	(1,502,767)	(7,202,601)
Cash and cash equivalents, beginning of year	5,212,720	12,415,321
Cash and cash equivalents, end of year	\$ 3,709,953	\$ 5,212,720
Represented by:		
Cash	\$ 2,162,338	\$ 3,688,963
Restricted cash	1,547,615	1,523,757
	\$ 3,709,953	\$ 5,212,720

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

Little Shuswap Lake Indian Band Summary of Significant Accounting Policies

March 31, 2020

Basis of Presentation	These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.
Reporting Entity and Principles	<p>The reporting entity includes the Little Shuswap Lake Indian Band (the "Band") 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 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, 2019. All amounts that have been consolidated are as of the December 31, 2019 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	Cash 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.
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

Summary of Significant Accounting Policies

March 31, 2020

Inventory All inventories are valued at the lower of cost and net realizable value, as determined on a first in first out basis.

Tangible Capital Assets Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Tangible capital assets acquired as part of the Social Housing Fund are recorded in that fund. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded at revenue.

Amortization is provided over the estimated useful lives of the tangible capital asset as follows:

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.

Taxation revenue is recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.

All other revenue is recognized in the period in which the events that give rise to the revenue occurs

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

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

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 Services Canada ("ISC") and other federal departments.

2. Cash

	2020	2019
Operating	\$ 1,690,441	\$ 2,705,976
Short-term deposits	7,691	7,691
Skwlax Holdings Inc.	464,206	975,296
	<u>\$ 2,162,338</u>	<u>\$ 3,688,963</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, 2020, \$ Nil (2019 - \$ 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.

3. Temporary Investments

Temporary investments are recorded at cost, unless the market value of temporary investments has declined below cost, in which case they are written down to market value

	2020	2019
RBC Wealth Management - CMHC	\$ 419,112	\$ 403,518
RBC Wealth Management - Band	6,133,858	5,950,208
BMO GIC's - Band	4,476,263	2,500,000
	<u>\$ 11,029,233</u>	<u>\$ 8,853,726</u>

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

4. Restricted Cash

	2020	2019
Ottawa Trust Funds	\$ 1,372,989	\$ 1,335,647
Social Housing reserves	174,626	188,110
	\$ 1,547,615	\$ 1,523,757

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 Services Canada and generally must be for projects of a capital nature.

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, 2020, the replacement reserve was overfunded by \$63,457 and the operating surplus reserve was overfunded by \$9,188.

5. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	2020	2019
Operating Fund	\$ 3,118,218	\$ 2,417,367
Allowance for doubtful accounts	(825,082)	\$ (667,317)
	2,293,136	1,750,050
Social Housing Fund	12,803	14,229
Skwlax Holdings Inc.	675,852	105,278
	\$ 2,981,791	\$ 1,869,557

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

6. Inventory

	2020	2019
Golf	\$ 93,603	\$ 86,001
Spa	3,378	3,008
Bar and restaurant	102,654	74,626
Gas station fuel	56,106	72,000
Gas station tobacco	55,884	46,979
Gas station store	52,274	40,619
Total inventory	<u>\$ 363,899</u>	<u>\$ 323,233</u>

7. Portfolio Investments

	2020	2019
Other Investments at cost		
All Nations Trust Company	\$ 150,000	\$ 150,000
Horseshoe Bay Developments Inc.	2	2
Squilax Investment	30	30
	<u>\$ 150,032</u>	<u>\$ 150,032</u>

8. Accounts Payable

	2020	2019
Trade Payables	\$ 763,342	\$ 885,756
Skwlax Holdings Inc.	402,833	384,703
Social Housing Fund	7,866	-
	<u>\$ 1,174,041</u>	<u>\$ 1,270,459</u>

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

March 31, 2020

9. Deferred Revenue

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

	<u>2020</u>	<u>2019</u>
Deferred lease revenue	\$ 1,271,203	\$ 1,246,230
Damage deposits	11,151	10,371
COVID-19 funds	39,011	-
Province of BC	200,000	-
Indigenous Services Canada - MJR Renos, Extensions & Repairs	320,000	-
Indigenous Services Canada - Asset Management Plan	40,000	-
	<u>1,881,365</u>	<u>1,256,601</u>
Skwlax Holdings Inc.	<u>259,848</u>	<u>232,668</u>
	<u>\$ 2,141,213</u>	<u>\$ 1,489,269</u>

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

10. Long Term Debt

	2020	2019
All Nations Trust Company, demand loan, repaid during the year	\$ -	\$ 17,849
Bank of Montreal, demand loan, repayable in monthly instalments of \$10,551 including interest at 3.45% per annum, maturing November 2022	1,932,352	1,968,194
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,619 including interest at 1.03% per annum, maturing October 2021	120,609	138,696
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,798 including interest at 1.30% per annum, maturing June 2022	244,267	262,540
All Nations Trust Company, mortgage, repayable in monthly instalments of \$3,043 including interest at 1.84% per annum, maturing September 2022	407,598	436,333
All Nations Trust Company, mortgage, repaid during the year	-	58,306
All Nations Trust Company, mortgage, repayable in monthly instalments of \$2,486 including interest at 1.67% per annum, maturing June 2018	356,784	379,219
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,822 including interest at 2.08% per annum, maturing February 2019	264,283	280,328
All Nations Trust Company, mortgage, repayable in monthly instalments of \$3,377 including interest at 0.98% per annum, maturing March 2020	565,106	599,900
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,527 including interest at 1.01% per annum, maturing February 2021	269,350	284,868
All Nations Trust Company, mortgage, repayable in monthly instalments of \$985 including interest at 2.50% per annum, maturing June 2023	87,313	96,832
Total Loans Payable	\$ 4,247,662	\$ 4,523,065

All Social Housing mortgages are secured by a Ministerial Guarantee from Indigenous Services Canada

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

2021	\$ 1,011,082
2022	264,740
2023	672,956
2024	2,298,884
	\$ 4,247,662

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

11. Tangible Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Automotive	\$ 1,370,460	\$ (1,133,285)	\$ 1,245,171	\$ (1,037,792)
Computer software	336,306	(311,001)	309,373	(304,006)
Water systems	8,691,089	(3,552,242)	8,534,439	(3,175,379)
Land	6,667,106	-	6,667,106	-
Equipment				
Furniture and equipment	1,397,989	(1,304,552)	1,321,199	(1,269,856)
Golf course equipment	158,287	(158,287)	158,287	(158,287)
Buildings				
Buildings	7,794,793	(5,460,603)	7,794,793	(5,315,852)
Commercial strip mall	846,058	(277,137)	846,058	(260,216)
Golf course maintenance	433,353	(117,005)	433,353	(108,338)
Health centre	2,195,222	(439,044)	2,195,222	(395,140)
Water towers	545,266	(381,686)	545,266	(354,423)
Water wells	267,426	(116,799)	267,426	(103,428)
	-	-	-	-
	30,703,355	(13,251,641)	30,317,693	(12,482,717)
Social Housing				
Buildings and equipment	5,539,561	(2,935,905)	5,539,561	(2,827,419)
Skwlax Holdings Inc.				
Automotive	245,161	(227,830)	238,977	(221,728)
Arts and Artifacts	11,464	-	10,545	-
Buildings	6,795,599	(3,060,053)	6,794,248	(2,890,175)
Computers	325,150	(310,869)	320,024	(301,282)
Equipment	1,869,845	(1,486,978)	1,730,216	(1,404,654)
Land Improvements	501,926	(474,322)	465,337	(453,055)
Work in Progress	1,091,161	-	369,005	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	10,840,306	(5,560,052)	9,928,352	(5,270,894)
	\$ 47,083,222	\$ (21,747,598)	\$ 45,785,606	\$ (20,581,030)
Net book value		\$ 25,335,624		\$ 25,204,576

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

March 31, 2020

12. Tangible Capital Assets (continued)

	Water Systems	Water Wells	Furniture and Equipment	Buildings	Land Improvements	Land	Automotive	Computer Software	Art and Artifacts	Work in Progress	2020 Total
Cost, beginning of year	\$ 8,534,440	\$ 267,426	\$ 3,209,703	\$ 24,148,644	\$ 465,337	\$ 6,667,106	\$ 1,484,148	\$ 629,397	\$ 10,545	\$ 369,005	\$ 45,785,751
Additions	156,650	-	216,419	1,346	36,589	-	131,473	32,059	919	722,162	1,297,617
Cost, end of year	\$ 8,691,090	\$ 267,426	\$ 3,426,122	\$ 24,149,990	\$ 501,926	\$ 6,667,106	\$ 1,615,621	\$ 661,456	\$ 11,464	\$ 1,091,167	\$ 47,083,368
Accumulated amortization, beginning of year	\$ 3,175,380	\$ 103,426	\$ 2,832,797	\$ 12,151,562	\$ 453,055	\$ -	\$ 1,259,520	\$ 605,434	\$ -	\$ -	\$ 20,581,174
Amortization	376,862	13,371	117,020	519,871	21,267	-	101,595	16,584	-	-	1,166,570
Accumulated amortization, end of year	\$ 3,552,242	\$ 116,797	\$ 2,949,817	\$ 12,671,433	\$ 474,322	\$ -	\$ 1,361,115	\$ 622,018	\$ -	\$ -	\$ 21,747,744
Net carrying amount, end of year	\$ 5,138,848	\$ 150,629	\$ 476,305	\$ 11,478,557	\$ 27,604	\$ 6,667,106	\$ 254,506	\$ 39,438	\$ 11,464	\$ 1,091,167	\$ 25,335,624

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

12. Tangible Capital Assets (continued)

	Water Systems	Water Wells	Furniture and Equipment	Buildings	Land Improvements	Land	Automotive	Computer Software	Art and Artifacts	Work in Progress	2019 Total
Cost, beginning of year	\$ 7,837,370	\$ 267,426	\$ 3,175,154	\$ 24,765,862	\$ 459,988	\$ 6,667,106	\$ 1,343,206	\$ 615,233	\$ 10,545	\$ -	\$ 45,141,890
Additions	697,069	-	34,549	79,709	5,349	-	140,942	14,164	-	369,005	1,340,787
Disposals				(696,927)							(696,927)
Cost, end of year	\$ 8,534,439	\$ 267,426	\$ 3,209,703	\$ 24,148,644	\$ 465,337	\$ 6,667,106	\$ 1,484,148	\$ 629,397	\$ 10,545	\$ 369,005	\$ 45,785,750
Accumulated amortization, beginning of year	\$ 2,829,533	\$ 90,055	\$ 2,720,636	\$ 11,628,692	\$ 437,076	\$ -	\$ 1,169,163	\$ 568,234	\$ -	\$ -	\$ 19,443,389
Amortization	345,847	13,371	112,161	522,870	15,979	-	90,357	37,200	-	-	1,137,785
Accumulated amortization, end of year	\$ 3,175,380	\$ 103,426	\$ 2,832,797	\$ 12,151,562	\$ 453,055	\$ -	\$ 1,259,520	\$ 605,434	\$ -	\$ -	\$ 20,581,174
Net carrying amount, end of year	\$ 5,359,059	\$ 164,000	\$ 376,906	\$ 11,997,082	\$ 12,282	\$ 6,667,106	\$ 224,628	\$ 23,963	\$ 10,545	\$ 369,005	\$ 25,204,576

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

12. Accumulated Surplus

	2020	2019
Unrestricted Surplus	\$ 15,400,115	\$ 13,075,599
Equity in Fire department reserve	12,718	14,378
Equity in Capital assets	22,259,655	22,404,012
Equity in Replacement reserve	521,093	618,330
Equity in Ottawa trust	1,372,989	1,335,647
Equity in Health reserve	3,679	4,531
Equity in Horseshoe Bay Development	50,002	50,002
Equity in Skw'lax	(3,565,251)	(3,127,119)
	<u>\$ 36,055,000</u>	<u>\$ 34,375,380</u>

13. 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, 2020 was \$178,729 (2019 - \$178,729). This assistance will continue, providing the Band is not in default of the agreement.

14. 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, 2020 the Little Shuswap Lake Indian Band has underfunded these reserves by \$49,337.

15. Commitments and Contingent Liabilities

The council has no guaranteed loans for Band members for the year ended March 31, 2020.

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

16. 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, 2020 \$207,527 (2019 - \$157,490)

17. Comparative Figures

Certain comparative amounts presented in the financial statements have been restated to conform to current year's presentation.

18. COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

As the impacts of COVID-19 continue, there could be further impact on the Band, its funders and its business entities. The Band has continued to deliver services during this pandemic through a variety of means, whether face-to-face or utilizing technology as the Band was deemed an essential service. Management is actively monitoring the effect on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Band is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

19. Expenses by object

	2020	2019
Advertising	\$ 30,212	\$ 39,303
Amortization	1,388,282	1,314,947
Automotive	45,387	35,180
Bad debts	186,112	58,960
Bank charges	36,297	35,897
Capital Fund repairs and maintenance	230,509	317,777
Contract services	1,372,854	1,079,540
Donations	20,608	8,394
Equipment rental	122,304	48,934
Honoraria	105,390	16,726
Insurance	206,217	158,802
Interest	131,137	130,916
Licenses and dues	40,100	27,700
Local education agreement	537,985	410,404
Materials and supplies	8,358,350	6,987,465
Meetings	25,831	45,293
Office and miscellaneous	365,160	424,582
Patient transportation	33,603	34,164
Professional fees	975,038	1,533,579
Program expenses	723,493	729,219
Repairs and maintenance	369,379	430,095
Replacement reserve	(8,537)	38,089
Salaries and benefits	7,773,362	6,694,548
Social assistance	45,212	59,899
Student allowance and transportation	134,558	95,473
Training	97,180	108,810
Travel and accommodation	205,911	169,422
Utilities	221,941	229,828
	\$ 23,773,875	\$ 21,263,946

Little Shuswap Lake Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

20. 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, 2020

21. Segment Disclosure (continued)

2020

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwllax Holdings Inc.	Capital	Total
Revenue											
ISC	\$ 537,775	\$ 895,739	\$ 137,436	\$ 655,056	\$ 16,371	\$ -	\$ 102,702	\$ -	\$ -	\$ -	\$ 2,345,079
Other	1,914,929	25,600	63,471	1,808,760	145,043	1,366,679	628,759	5,273,551	11,881,622	-	23,108,414
	2,452,704	921,339	200,907	2,463,816	161,414	1,366,679	731,461	5,273,551	11,881,622	-	25,453,493
Expenses											
Payroll	1,052,348	140,783	599,600	402,730	257,831	784,846	179,939	700,484	3,617,641	-	7,736,202
Other	1,538,504	637,619	499,098	1,164,418	485,931	518,651	528,966	1,062,481	8,204,925	230,509	14,871,102
Amortization	768,926	-	-	-	-	-	108,486	-	289,159	-	1,166,571
	3,359,778	778,402	1,098,698	1,567,148	743,762	1,303,497	817,391	1,762,965	12,111,725	230,509	23,773,875
Surplus (deficit)	\$ (907,074)	\$ 142,937	\$ (897,791)	\$ 896,668	\$ (582,348)	\$ 63,182	\$ (85,930)	\$ 3,510,586	\$ (230,103)	\$ (230,509)	\$ 1,679,618

2019

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwllax Holdings Inc.	Capital	Total
Revenue											
ISC	\$ 516,487	\$ 692,204	\$ 323,514	\$ 655,993	\$ 171,468	\$ -	\$ -	\$ -	\$ -	\$ 550,646	\$ 2,910,312
Other	1,112,606	1,106	102,451	642,315	88,982	1,328,663	653,566	5,745,163	10,421,369	4,973	20,101,194
	1,629,093	693,310	425,965	1,298,308	260,450	1,328,663	653,566	5,745,163	10,421,369	555,619	23,011,506
Expenses											
Payroll	855,064	98,570	574,426	138,118	97,713	655,201	88,281	638,137	3,530,859	-	6,676,369
Other	1,256,615	704,664	470,563	904,926	540,427	457,953	608,809	1,266,967	6,836,963	401,905	13,449,792
Amortization	723,473	-	-	-	-	-	113,006	-	301,306	-	1,137,785
	2,835,152	803,234	1,044,989	1,043,044	638,140	1,113,154	810,096	1,905,104	10,669,128	401,905	21,263,946
Surplus (deficit)	\$ (1,206,059)	\$ (109,924)	\$ (619,024)	\$ 255,264	\$ (377,690)	\$ 215,509	\$ (166,530)	\$ 3,840,059	\$ (247,759)	\$ 153,714	\$ 1,747,560