

**Upper Nicola Band
Financial Statements
For the year ended March 31, 2018**

Upper Nicola Band
Financial Statements
For the year ended March 31, 2018

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Management's Responsibility for Financial Reporting

The accompanying financial statements of the Upper Nicola Band are the responsibility of management and have been approved by the Band Council.

The financial statements have been prepared by management in accordance with Canadian public 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 Upper Nicola 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.

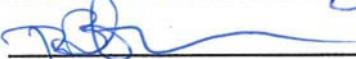
The Upper Nicola Band Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through its Finance committee.

The Finance and Audit Committee review the Band's financial statements and recommend approval by Chief and Council. The Finance and Audit Committee 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 Finance and Audit Committee also consider 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.

 _____, Harvey McLeod - Chief

 _____, Brian Holmes - Chair, Finance & Audit Committee

 _____, Dianne Bastedo - Chief Financial Officer

Independent Auditor's Report

To the Chief and Council of Upper Nicola Band

We have audited the accompanying financial statements of Upper Nicola Band, which comprise the statement of financial position as at March 31, 2018 and the statements of change in net financial assets, financial activity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Basis for Qualified Opinion

As noted in the Summary of Significant Accounting Policies regarding tangible capital assets, the Social Housing tangible capital assets are required by Canada Mortgage and Housing Corporation to be amortized at a rate equivalent to the annual principal reduction of the related long term debt. This amortization policy is not in accordance with Canadian public sector accounting standards, which require that tangible capital assets be amortized over their estimated useful lives. The effect of this departure has not been determined on the net book value of tangible capital assets, the related amortization expense, annual surplus and equity in tangible capital assets.



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Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Upper Nicola 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 accounting standards.

Unaudited information

These financial statements include unaudited supplementary exhibits and schedules which present detailed program revenues and expenditures and have been prepared to assist management of Upper Nicola Band to meet the reporting requirements of various funding agencies. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Exhibits or Schedules on pages 32-91 of Upper Nicola Band financial statements.

Chartered Professional Accountants

Kamloops, British Columbia
September 7, 2018

Upper Nicola Band
Exhibit A - Statement of Financial Position

As at March 31	2018	2017
Financial Assets		
Cash (Note 1)	\$ 2,049,585	\$ 1,474,423
Restricted cash (Note 2)	928,236	1,036,640
Temporary investments (Note 3)	5,753,050	8,345,904
Accounts receivable (Note 4)	1,341,475	1,515,145
Related party balances	28,690	10,012
Investments (Note 5)	1,112,934	1,046,229
Investments in business entities (Note 6)	<u>368,219</u>	<u>391,729</u>
	<u>11,582,189</u>	<u>13,820,082</u>
Liabilities		
Accounts payable (Note 7)	1,607,302	1,179,247
Deferred revenue (Note 8)	597,449	934,826
Long-term debt (Note 9)	2,129,851	1,967,915
Upper Nicola Trust	122,154	122,154
Funded reserves	487,971	511,160
	<u>4,944,727</u>	<u>4,715,302</u>
Net Financial Assets	<u>6,637,462</u>	<u>9,104,780</u>
Non-financial Assets		
Prepaid expenses	8,309	59,692
Tangible capital assets (Note 10)	<u>10,709,057</u>	<u>9,748,102</u>
	<u>10,717,366</u>	<u>9,807,794</u>
Accumulated Surplus (Note 14)	\$ 17,354,828	\$ 18,912,574
Commitments (Note 17)		
Contingencies (Note 18)		

Approved on behalf of the Band Council:

, Harvey McLeod - Chief
, Brian Holmes - Chair, Finance & Audit Committee
, Dianne Bastedo - Chief Financial Officer

Upper Nicola Band
Exhibit B - Statement of Change in Net Financial Assets

For the year ended March 31	2018	2017
Annual surplus	\$ (1,533,993)	\$ 2,548,125
Acquisition of tangible capital assets (Note 10)	(2,250,406)	(2,831,308)
Amortization of tangible capital assets (Note 10)	736,725	772,974
Disposal of tangible capital assets	<u>552,726</u>	-
	(2,494,948)	489,791
Change in prepaid expenses	51,383	(46,728)
Transfers	<u>23,510</u>	(390,792)
	74,893	(437,520)
Equity change in Ottawa Trust Funds	(78,411)	(596,042)
Equity change in investments	(23,510)	475,573
Equity transfer to operating reserves	<u>125,181</u>	(58,770)
	23,260	(179,239)
Change in net financial assets	(2,396,795)	(126,968)
Net financial assets, beginning of year	9,104,780	9,231,748
Net financial assets, end of year	\$ 6,707,985	\$ 9,104,780

Upper Nicola Band
Exhibit C - Statement of Financial Activity

For the year ended March 31	Budget	2018	2017
Revenue			
Indigenous and Northern Affairs Canada	\$ 3,631,634	4,142,389	\$ 4,624,947
Canada Mortgage and Housing Corporation	63,503	78,026	249,641
Proceeds on sale of assets	-	-	38,051
First Nations Health Authority	1,236,095	1,315,421	1,303,681
Housing	208,000	206,450	166,235
Other	3,936,050	5,101,141	3,739,065
Province of BC	-	157,706	-
	<hr/>	<hr/>	<hr/>
	9,075,282	11,001,133	10,121,620
Expenses (Note 15)			
Administration	1,052,580	691,120	679,852
INAC Membership Registry	7,584	647,631	689,890
INAC Lands	50,951	46,961	63,104
INAC Capacity Development	29,000	29,232	28,836
INAC Land Designation	-	64,770	-
INAC - Operations and Maintenance	535,700	560,557	545,608
Emergency Response	414,570	459,968	-
INAC Environment Canada	66,924	38,916	11,586
INAC - Economic Development	115,238	55,363	71,655
INAC C.O.R.P Economic Development	-	99,973	-
INAC - Elementary & Secondary Education	-	22,993	31,863
INAC - Post Secondary Education	386,033	362,072	369,082
INAC - Local Education Tuition	501,810	547,342	430,751
INAC - N'kwala School	730,484	741,661	682,834
INAC - Income Assistance	298,290	406,316	322,555
INAC - Children out of Parental Home	27,199	21,320	21,091
INAC - Special Needs	21,836	22,060	22,000
INAC - Service Delivery	68,280	81,163	77,652
INAC - National Child Benefit	58,616	51,452	50,616
INAC Family Violence	6,055	6,055	26,172
INAC - In-home Care	70,152	76,666	58,560
INAC - Active Measures	-	6,680	36,128
ASETS Employment Program	-	92,131	92,855
Kwu Xast	-	132,267	-
UNB Miscellaneous Projects	29,001	30,480	300
UNB Language	40,000	38,865	-
Fundraising	10,400	37,963	16,328
Capital Assets	-	-	41,671
Legal Fund	-	249,717	78,802
Douglas Lake Road	-	-	7,143
Chapperon Hayfield	69,232	49,054	37,020
Housing Renovations - 1998-2024	-	5,163	21,787
N'kwala Rentals	-	-	(1,642)
N'kwala Provincial Fund	-	-	-
Social Programs	12,100	4,826	15,900
Local Revenue - Property Tax	2,000	2,000	-
Band Surplus	-	3,276,695	-
First Nations Health Authority	1,097,400	1,037,047	966,183
Health - Medical Transportation	65,224	69,962	80,856
TMX Monitoring Committee	87,000	8,916	-
Natural Resources - Referrals	68,582	61,427	55,723
Woodlot	-	-	543
Forestry Projects	192,380	311,251	298,726
Logging Truck	200,000	255,331	266,859

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

Forest Licences	140,565	-	28,386
Housing Administration	-	97,788	165,986
CMHC Retrofit	113,550	113,124	-
Education Programs	-	91,786	82,855
Education Scholarships	-	2,500	-
Child Protection	135,111	44,345	-
Health - Headstart Program	116,480	106,417	109,704
Daycare	71,500	77,247	69,266
Nicola Chiefs' Watershed Committee	25,000	11,572	-
Cultural & Heritage Projects	702,699	628,420	286,220
Kinder Morgan Comprehensive Fund	72,000	20,657	89,697
N'kwala Programs	-	104,796	108,181
Social Housing Fund	-	263,193	380,694
Capital fund repairs and maintenance	-	269,915	53,891
	7,691,526	12,535,126	7,573,495
Annual surplus (deficit)	\$ 1,383,756	\$ (1,533,993)	\$ 2,548,125

Upper Nicola Band
Exhibit D - Statement of Cash Flows

For the year ended March 31	2018	2017
Cash provided by (used for)		
Operating activities		
Cash receipts from funders	\$ 10,766,903	\$ 9,992,170
Cash paid to employees and suppliers	(11,180,854)	(7,379,110)
Interest paid	<u>(8,101)</u>	<u>(7,176)</u>
Cash flows from operating activities	(422,052)	2,605,884
Capital activity		
Change in tangible capital assets	<u>(1,697,674)</u>	<u>(2,831,325)</u>
Investing activities		
Change in portfolio investments	2,592,854	(442,166)
Change in restricted cash balances	108,404	628,795
Change in equity in Ottawa Trust Funds	(78,411)	(596,042)
Change in equity in funded reserves	(23,189)	(60,752)
Change in long term investments	(43,195)	(491,991)
Change in equity in long term investments	<u>(23,510)</u>	<u>475,573</u>
Cash flows from investing activities	2,532,953	(486,583)
Financing activity		
Proceeds from issuance of long-term debt	<u>161,935</u>	<u>666,093</u>
Net increase (decrease) in cash	575,162	(45,931)
Cash, beginning of year	1,474,423	1,520,354
Cash, end of year	\$ 2,049,585	\$ 1,474,423

Upper Nicola Band Summary of Significant Accounting Policies

March 31, 2018

Basis of Presentation	These financial statements have been prepared, in all material respects, in accordance with Canadian public sector accounting standards for government entities as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants (CICPA) which encompass the following policies.
Revenue Recognition	<p>Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the statement of financial position.</p> <p>Rental revenue is recognized as it becomes receivable under the terms of the rental agreement.</p> <p>All other revenue is recognized in the period in which the events that give rise to the revenue occurs.</p>
Ottawa Trust Funds	Upper Nicola 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.
Rents Receivable	Canada Mortgage and Housing Corporation (CMHC) does not allow or recognize bad debts recorded in the financial statements of Social Housing and will not subsidize rental arrears.
Government Transfers	Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of financial activity in the year in which it is used for the specified purpose.
Loans	Loans issued and loans repaid under the fund accounting method are recorded as expenditures and revenue respectively. Loans which become uncollectible are removed from equity in the year they are first considered doubtful.

Upper Nicola 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. These expenditures 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 on a straight-line basis at the following rates:

Automotive	25%
Bridges	4%
Buildings	5%
Furniture and equipment	20%
Infrastructure	4%
Television site	5%

Social housing assets acquired under CMHC sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in related long-term debt, as required for CMHC reporting purposes. Tangible capital assets acquired as part of the Social Housing Fund are recorded as assets of those funds.

**Impairment of
Long-lived Assets**

In the event that facts and circumstances indicate that the Band's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. The Band considers that no circumstances exist that would require such an evaluation.

Leased Assets

Leases entered into that transfer substantially all of the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with the tangible capital assets owned by the Band, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make assumptions and estimates that have an effect on the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could be different from those estimates, as additional information becomes available in the future.

Upper Nicola Band Summary of Significant Accounting Policies

March 31, 2018

Financial Instruments

The Band recognizes and measures financial assets and financial liabilities on the statement of financial position when it becomes a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a trade date or settlement date basis. All financial instruments are measured at fair value on initial recognition. Financial instruments are subsequently measured at amortized cost as the Band has not entered into any derivative contracts and it does not hold any investments in equity instruments quoted on an active market. Since no financial instruments are measured at fair value after initial recognition, a Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

Investments

The Band accounts for its investments in Stuwix Resources Joint Venture and Stuwix Resources Ltd. using the modified equity method. Under this method, the cost of the investments are adjusted by earnings or losses of the entities from the date of acquisition. Any losses in excess of equity invested are not recorded as this would create a negative investment balance. In such circumstances, no income inclusion would be recorded until these unrecognized losses have been eliminated.

Inter-entity balances and transactions are not eliminated under the modified equity method.

Other investments are recorded on the cost basis.

Upper Nicola Band Notes to Financial Statements

March 31, 2018

1. Cash

	2018	2017
Band Operations		
Band operations	\$ 330,014	\$ 796,209
Other	<u>1,305,662</u>	<u>379,125</u>
	1,635,676	1,175,334
Social Housing	413,909	299,089
	\$ 2,049,585	\$ 1,474,423

2. Restricted Cash

	2018	2017
Ottawa Trust Funds	\$ 358,490	\$ 436,901
Social Housing Fund		
Replacement reserve (Note 12)	240,723	273,341
Operating reserve	<u>329,023</u>	<u>326,398</u>
	\$ 928,236	\$ 1,036,640

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. During the current year, an amount of \$90,000 was withdrawn from the account and recorded as revenue.

Upper Nicola Band
Notes to Financial Statements

March 31, 2018

3. Temporary Investments

	2018		2017	
	Market Value	Book Value	Market Value	Book Value
Cash	\$ 108,056	\$ 108,056	\$ 91,387	\$ 91,387
Fixed Income	1,195,470	1,199,826	3,739,736	3,733,269
Foreign Securities	106,885	102,838	936,887	829,911
Other	4,639,899	4,342,330	4,148,739	3,691,337
	6,050,310	5,753,050	8,916,749	8,345,904

The fixed income investments include government and bank bonds with maturity dates that range from June 2018 to September 2023. The interest rates earned on the fixed income investments range from 0.5% to 2.873% per annum.

Upper Nicola Band
Notes to Financial Statements

March 31, 2018

4. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	2018	2017
Operating Fund		
Band operations	\$ 1,784,787	\$ 1,858,164
Less: Allowance for doubtful accounts	<u>(402,272)</u>	<u>(473,195)</u>
	1,382,515	1,384,969
Social Housing Fund	29,483	130,176
	\$ 1,411,998	\$ 1,515,145

Upper Nicola Band Notes to Financial Statements

March 31, 2018

5. Investments

	2018	2017
All Nations Trust Company	\$ 36,000	\$ 36,000
Nicola Valley Indian Services Association	418,175	401,757
Stuwix Resources Joint Venture	<u>658,759</u>	608,472
	<u>\$ 1,112,934</u>	<u>\$ 1,046,229</u>

Upper Nicola Indian Band has a non-controlling interest in the Nicola Valley Indian Services Association and Nicola Tribal Association.

Upper Nicola Indian Band has a non-controlling interest in Stuwix Resources Joint Venture. During the year, the Joint Venture paid, under normal terms of trade, \$1,302,809 (2017 - \$232,392) for contract services provided. Summary of the financial statements of Stuwix Resources Joint Venture for the year ended March 31, 2018 is as follows:

Balance Sheet

Current assets	\$ 11,089,191
Tangible capital assets	<u>53,861</u>
	<u>\$ 11,143,052</u>
Current liabilities	\$ 4,511,992
Reforestation obligation	1,558,745
Venturers' equity	<u>5,072,305</u>
	<u>\$ 11,143,042</u>

Statement of Operations

Revenue	\$ 21,420,273
Expenses	<u>19,470,866</u>
Net income	1,949,407
Surplus, beginning of year	4,670,009
Withdrawals	<u>(1,547,111)</u>
Surplus, end of year	<u>\$ 5,072,305</u>

Upper Nicola Band Notes to Financial Statements

March 31, 2018

5. Investments (continued)

Upper Nicola Indian Band has a non-controlling interest in Stuwix Resources Ltd. Summary of the financial statements of Stuwix Resources Ltd. for the year ended March 31, 2018 is as follows:

Balance Sheet

Current assets	\$ <u>95,333</u>
Current liabilities	\$ <u>100,100</u>
Share capital	8
Deficit	(4,775)
	<u><u>\$ 95,333</u></u>

Statement of Operations

Revenue	\$ <u>675</u>
Expenses	5,272
	<u><u>(4,597)</u></u>
Net loss	(178)
Deficit, beginning of year	<u><u>(178)</u></u>
Deficit, end of year	<u><u>\$ (4,775)</u></u>

6. Investments in Business Entities

The Upper Nicola Indian Band has investments in the following entities:

	2018	2017
Upper Nicola Holdings Limited Partnership	<u><u>368,219</u></u>	391,729
	<u><u>\$ 368,219</u></u>	<u><u>\$ 391,729</u></u>

	2018	2017				
	Total Earnings (Loss)	Total Earnings (Loss)				
	Assets	Liabilities	Net Assets	Revenue	Expenses	Total Earnings (Loss)
Upper Nicola Holdings Limited Partnership	<u><u>\$ 439,213</u></u>	<u><u>\$ 70,992</u></u>	<u><u>\$ 368,221</u></u>	<u><u>\$ 87,208</u></u>	<u><u>\$ 110,718</u></u>	<u><u>\$ (23,510)</u></u>

Upper Nicola Band
Notes to Financial Statements

March 31, 2018

7. Accounts Payable

	2018	2017
Operating Fund		
Band operations	\$ 1,559,049	\$ 1,027,912
Damage deposit withheld	825	500
Payroll payable	16,848	13,822
Other	6,738	4,625
Silviculture liability	<u>20,000</u>	<u>125,000</u>
	1,603,460	1,171,859
Social Housing Fund		
Accounts payable and accrued liabilities	<u>3,842</u>	<u>7,388</u>
	\$ 1,607,302	\$ 1,179,247

8. Deferred Revenue

	2018	2017
Indigenous and Northern Affairs Canada		
ACRS 2018	\$ 179,474	\$ -
NWWs Watermain Upgrade	<u>368,697</u>	<u>895,873</u>
Other		
Various	<u>49,278</u>	<u>38,953</u>
	\$ 597,449	\$ 934,826

Upper Nicola Band
Notes to Financial Statements

March 31, 2018

9. Long-term Debt

	2018	2017
<u>Operating Fund</u>		
Royal Bank of Canada, demand loan payable in monthly instalments of \$1,786, including interest at 3.25% per annum, maturing September 2018	\$ 107,754	\$ 125,368
Royal Bank of Canada, demand loan payable in monthly instalments of \$1,520 per month, including interest at 4.00% per annum, maturing April 2018	1,488	19,277
Inland Kenworth Loan, payable in monthly installments of \$3,167 per month, maturing April 5, 2019	41,183	79,197
ANTCO promissory note, payable in monthly payments of \$2,122, including 8.25% interest compounded monthly, due October 1, 2020	41,709	67,173
	192,134	291,015
<u>Capital Fund</u>		
Royal Bank of Canada, demand loan payable in monthly instalments of \$1,358, including interest at 3.95% per annum, maturing July 2019	21,142	36,274
Royal Bank of Canada, demand loan payable in monthly instalments of \$1,045, including interest at 3.3% per annum maturing November 2019	43,266	54,187
CMHC Direct Lending Program, repaid during the year	-	698,889
	64,408	789,350
	256,542	1,080,365

Upper Nicola Band
Notes to Financial Statements

March 31, 2018

9. Long-term Debt (continued)

	2018	2017
Balance forward	\$ 256,542	\$ 1,080,365
 <u>Social Housing Fund - Pre 1997</u>		
All Nations Trust Company (Phase 3 - #14539209003), mortgage repayable in monthly instalments of \$2,579, including interest at 2.39% per annum, renewal date of November 2022, maturing November 2022. The loan is secured by a ministerial guarantee	136,549	164,493
	136,549	164,493
 <u>Social Housing Fund - Post 1996</u>		
All Nations Trust Company (Phase 5 - #19362060001), mortgage repayable in monthly instalments of \$2,181, including interest at 1.30% per annum, renewal date of June 2022, maturing February 2027. The loan is secured by a ministerial guarantee	220,261	243,311
	273,694	294,832
All Nations Trust Company (Phase 6 - #19362060003), mortgage repayable in monthly instalments of \$2,091, including interest at 1.39% per annum, renewal date of June 2020, maturing January 2030. The loan is secured by a ministerial guarantee	1,078,009	-
	164,796	184,914
All Nations Trust Company (Phase 4 - #19362060002), mortgage repayable in monthly instalments of \$1,824, including interest at 1.01% per annum, renewal date of February 2021, maturing January 2026. The loan is secured by a ministerial guarantee	1,736,760	723,057
 Sub-total - Post 1996	\$ 2,129,851	\$ 1,967,915

Upper Nicola Band
Notes to Financial Statements

March 31, 2018

9. Long-term Debt (continued)

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

2019	\$ 437,842
2020	129,213
2021	439,275
2022	61,571
Thereafter	<u>1,061,950</u>
	 <u>\$ 2,129,851</u>

Upper Nicola Band
Notes to Financial Statements

March 31, 2018

10. Tangible Capital Assets

	2018	2017		
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Capital Fund				
Automotive equipment	\$ 1,411,384	\$ 1,184,927	\$ 1,353,583	1,018,524
Buildings	8,436,079	7,011,540	8,436,079	6,759,696
Education paintings	15,000	-	15,000	-
Furniture and equipment	1,396,683	1,213,029	1,368,147	1,155,815
Infrastructure	8,667,262	4,682,166	7,597,995	4,519,216
Infrastructure under construction	1,971,642	-	2,512,116	-
Land	32,594	-	32,594	-
Quilchena TV site	90,266	90,266	90,266	90,266
Spahomin bridge	38,100	31,295	38,100	29,771
	22,059,010	14,213,223	21,443,880	13,573,288
Social Housing Fund				
Buildings and equipment	4,121,864	1,439,774	3,024,560	1,328,230
Land	181,180	-	181,180	-
	4,303,044	1,439,774	3,205,740	1,328,230
	26,362,054	15,652,997	24,649,620	14,901,518
	\$ 10,709,057		\$ 9,748,102	

Upper Nicola Band
Notes to Financial Statements

March 31, 2018

10. Tangible Capital Assets (continued)

	2018									
	Automotive equipment	Building	Education paintings	Furniture and equipment	Infrastructure	under construction	Land	Quilchena TV site	Spahomin Bridge	Total
Cost, beginning of year	\$1,353,583	\$11,460,639	\$ 15,000	\$ 1,370,649	\$ 7,610,247	\$ 2,512,116	\$ 213,774	\$ 90,266	\$ 38,100	\$24,664,374
Additions	57,801	1,097,304	-	26,034	1,069,267	-	-	-	-	2,250,406
Disposals	-	-	-	-	(12,252)	(540,474)	-	-	-	(552,726)
Transfers	-	-	-	-	-	-	-	-	-	-
Cost, end of year	<u>\$1,411,384</u>	<u>\$12,557,943</u>	<u>\$ 15,000</u>	<u>\$ 1,396,683</u>	<u>\$ 8,667,262</u>	<u>\$ 1,971,642</u>	<u>\$ 213,774</u>	<u>\$ 90,266</u>	<u>\$ 38,100</u>	<u>\$26,362,054</u>
Accumulated amortization, beginning of year	\$1,018,524	\$ 8,087,928	\$ -	\$ 1,170,567	\$ 4,519,216	\$ -	\$ -	\$ 90,266	\$ 29,771	\$14,916,272
Amortization	166,403	363,386	-	42,462	162,950	-	-	-	1,524	736,725
Disposals	-	-	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	<u>\$1,184,927</u>	<u>\$ 8,451,314</u>	<u>\$ -</u>	<u>\$ 1,213,029</u>	<u>\$ 4,682,166</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,266</u>	<u>\$ 31,295</u>	<u>\$15,652,997</u>
Net carrying amount, end of year	<u>\$ 226,457</u>	<u>\$ 4,106,629</u>	<u>\$ 15,000</u>	<u>\$ 183,654</u>	<u>\$ 3,985,096</u>	<u>\$ 1,971,642</u>	<u>\$ 213,774</u>	<u>\$ -</u>	<u>\$ 6,805</u>	<u>\$10,709,057</u>

Upper Nicola Band
Notes to Financial Statements

March 31, 2018

10. Tangible Capital Assets (continued)

	2017									
	Automotive equipment	Buildings	Education paintings	Furniture and equipment	Infrastructure	under construction	Land	Quilchena TV site	Spahomin Bridge	Total
Cost, beginning of year	\$1,222,857	\$11,460,639	\$ 15,000	\$ 1,182,183	\$ 7,610,247	\$ -	\$213,774	\$ 90,266	\$ 38,100	\$21,833,066
Additions	130,726	-	-	188,466	-	2,512,116	-	-	-	2,831,308
Cost, end of year	\$1,353,583	\$11,460,639	\$ 15,000	\$ 1,370,649	\$ 7,610,247	\$ 2,512,116	\$213,774	\$ 90,266	\$ 38,100	\$24,664,374
Accumulated amortization, beginning of year	\$ 871,938	\$ 7,745,386	\$ -	\$ 1,134,358	\$ 4,273,103	\$ -	\$ -	\$ 90,266	\$ 28,247	\$14,143,298
Amortization	146,586	342,542	-	36,209	246,113	-	-	-	1,524	772,974
Accumulated amortization, end of year	\$1,018,524	\$ 8,087,928	\$ -	\$ 1,170,567	\$ 4,519,216	\$ -	\$ -	\$ 90,266	\$ 29,771	\$14,916,272
Net carrying amount, end of year	\$ 335,059	\$ 3,372,711	\$ 15,000	\$ 200,082	\$ 3,091,031	\$ 2,512,116	\$213,774	\$ -	\$ 8,329	\$ 9,748,102

Upper Nicola Band Notes to Financial Statements

March 31, 2018

11. Federal Assistance Payments

The Upper Nicola Band Housing Management has received federal assistance through CMHC pursuant to Section 56-1 of the *National Housing Act* to enable the project to provide housing to low income individuals. The amount of the assistance received through Upper Nicola Band for the year ended March 31, 2018 was \$78,026 (2017 - \$53,498).

12. Replacement Reserve

Under the terms of the agreement with CMHC, the Replacement Reserve account is to be credited in the amount of \$34,008 annually. 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 CMHC. Withdrawals are credited to interest first and then principal. The replacement reserve has been fully funded.

13. Economic Dependence

The Upper Nicola Band receives a major portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

Upper Nicola Band
Notes to Financial Statements

March 31, 2018

14. Accumulated Surplus

	2018	2017
Equity in financial assets		
Equity in investments	\$ 1,395,582	\$ 1,419,092
Equity in Ottawa Trust Funds	358,490	436,901
Surplus	2,474,659	1,231,605
Restricted surplus	4,348,205	7,624,900
	<hr/> 8,576,936	<hr/> 10,712,498
Equity in non-financial assets		
Equity in tangible capital assets	<hr/> 8,848,415	<hr/> 8,200,076
	<hr/> \$ 17,425,351	<hr/> \$ 18,912,574

Equity in tangible capital assets is comprised of the following:

	2018	2017
Capital Fund	\$ 8,175,516	\$ 7,546,227
Social Housing Fund	672,899	653,849
	<hr/> \$ 8,848,415	<hr/> \$ 8,200,076

Upper Nicola Band
Notes to Financial Statements

March 31, 2018

15. Expenditures by Object

	2018	2017
Advertising	\$ 40,992	\$ 35,442
Amortization	751,479	772,975
Bank charges	12,089	8,513
Capital fund repairs and maintenance	269,915	53,891
Contracted services	1,139,261	178,281
Bad debts (recovery)	3,791	(101,918)
Honoraria	122,407	101,370
Insurance	101,797	97,116
Interest	8,101	20,356
Lease/rent expense	114,726	87,363
Fuel	35,811	33,592
Distribution to ONA	3,154,538	247,579
Medical transportation	60,852	71,850
Post secondary education	851,508	744,480
Professional fees	498,015	315,820
Property management	25,600	23,850
Repairs and maintenance	403,551	467,746
Replacement reserves	34,008	28,008
Social assistance	473,045	431,627
Student allowances	7,110	5,146
Supplies - office	19,530	30,342
Supplies and materials	365,661	258,349
Telephone	104,483	89,300
Training	91,598	72,598
Travel	215,216	195,793
Utilities	147,949	155,195
Wages and benefits	3,427,418	2,992,672
Workshops	54,675	56,004
	<hr/> \$ 12,535,126	<hr/> \$ 7,473,340

Upper Nicola Band Notes to Financial Statements

March 31, 2018

16. Segment Disclosure

The 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:

Community Welfare

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

Band Support

This item relates to the revenues and expenses that relate to the operations of the Band itself and cannot be directly attributed to specific segments.

Operations & Maintenance

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

Education

This service area provides educational services through the operations of an on-reserve school, post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities for the Band members.

Natural Resources & Economic Development

This service area provides for the development of economic opportunities to the members, along with the exploration of the development of natural resource revenues.

Capital

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

Social Housing

This service area provides for social housing to the members.

**Upper Nicola Band
Notes to Financial Statements**

March 31, 2018

16. Segment Disclosure (continued)

<u>2018</u>									
	Community Welfare	Band Support	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing		Total
Revenue									
INAC	\$ 674,457	\$ 1,158,100	\$ 406,791	\$ 1,524,766	\$ 158,042	\$ 220,914	\$ -	\$ 4,143,070	
Other	2,106,408	1,286,368	593,702	404,959	1,777,972	404,165	284,489		6,858,063
	2,780,865	2,444,468	1,000,493	1,929,725	1,936,014	625,079	284,489		11,001,133
Expenditures									
Wages & benefits	691,886	1,239,416	356,934	744,616	385,091	-	-		3,417,943
Purchases	1,089,211	4,502,502	763,804	1,208,248	1,012,900	269,915	270,603		9,117,183
	1,781,097	5,741,918	1,120,738	1,952,864	1,397,991	269,915	270,603		12,535,126
Surplus (deficit)	\$ 999,768	\$ (3,297,450)	\$ (120,245)	\$ (23,139)	\$ 538,023	\$ 355,164	\$ 13,886	\$ (1,533,993)	

<u>2017</u>									
	Community Welfare	Band Support	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing		Total
Revenue									
INAC	\$ 462,070	\$ 1,966,277	\$ 414,659	\$ 1,467,163	\$ 68,871	\$ 515,680	\$ -	\$ 4,894,720	
Other	846,116	1,393,979	189,062	386,501	1,289,092	706,273	415,877		5,226,900
	1,308,186	3,360,256	603,721	1,853,664	1,357,963	1,221,953	415,877		10,121,620
Expenditures									
Wages & benefits	664,679	1,003,144	229,774	672,377	405,500	-	-		2,975,474
Purchases	996,702	757,124	396,763	1,053,492	954,620	53,891	385,429		4,598,021
	1,661,381	1,760,268	626,537	1,725,869	1,360,120	53,891	385,429		7,573,495
Surplus (deficit)	\$ (353,195)	\$ 1,599,988	\$ (22,816)	\$ 127,795	\$ (2,157)	\$ 1,168,062	\$ 30,448	\$ 2,548,125	

Upper Nicola Band Notes to Financial Statements

March 31, 2018

17. Commitments

The Upper Nicola Band is required to make the following future minimum lease payments on operating lease obligations over the next three years:

2019	\$ 42,827
2020	10,171
2021	<u>2,715</u>
	<u><u>\$ 55,713</u></u>

18. Contingencies

Upper Nicola Band has guaranteed certain band member loans with Indigenous and Northern Affairs Canada.

19. Comparative Figures

Certain of the comparative figures have been reclassified to conform with the presentation adopted in the current year.

Upper Nicola Band
Exhibit E - Statement of Financial Position
Operating Fund

As at March 31	2018	2017
Financial Assets		
Cash	\$ 1,635,676	\$ 1,175,334
Temporary investments	5,753,050	8,345,904
Accounts receivable	1,382,515	1,384,969
Related parties	28,690	10,032
Due from Social Housing Fund	835,690	842,594
Investments	1,112,934	1,046,229
Investments in business entities	368,219	391,729
	<hr/>	<hr/>
	11,116,774	13,196,791
Liabilities		
Accounts payable	1,603,460	1,171,878
Due to Capital Fund	394,137	464,985
Deferred revenue	594,752	930,854
Long-term debt	192,134	291,015
Upper Nicola Trust	122,154	122,154
	<hr/>	<hr/>
	2,906,637	2,980,886
Net Financial Assets	<hr/>	<hr/>
	8,210,137	10,215,905
Non-financial Assets		
Prepaid expenses	<hr/>	<hr/>
	8,309	59,692
Accumulated Surplus	<hr/>	<hr/>
	\$ 8,218,446	\$ 10,275,597

Upper Nicola Band
Exhibit F - Statement of Operations and Surplus
Operating Fund

For the year ended March 31, 2018

	Surplus (deficit) 2017	INAC revenue	Other revenue	Total revenue	Expenses	Interfund transfers	Surplus (deficit) for the year	Equity transfers	Surplus (deficit) 2018
1. Administration	\$ 44,867	\$ (429,634)	\$ 1,385,469	\$ 955,835	\$ 691,120	\$ (58,323)	\$ 206,392	\$ 67,515	\$ 318,774
2. INAC Membership Registry	-	7,696	-	7,696	7,696	-	-	-	-
3. INAC Lands	-	-	28,323	28,323	46,961	-	(18,638)	8,238	(10,400)
4. INAC Capacity Development	-	29,178	-	29,178	29,232	-	(54)	54	-
5. INAC Land Designation	-	-	-	-	64,770	-	(64,770)	-	(64,770)
6. INAC - Operations and Maintenance	108,809	385,813	174,677	560,490	598,571	(9,244)	(47,325)	8,055	69,539
7. Emergency Response	-	20,978	315,397	336,375	459,968	-	(123,593)	-	(123,593)
9. INAC Environment Canada	(22,090)	59,881	-	59,881	38,916	-	20,965	-	(1,125)
10. INAC - Economic Development	-	54,522	-	54,522	55,363	-	(841)	-	(841)
11. INAC C.O.R.P Economic Development	-	-	103,520	103,520	99,973	-	3,547	-	3,547
12. INAC - Elementary & Secondary Education	-	-	-	-	22,993	-	(22,993)	-	(22,993)
13. INAC - Post Secondary Education	-	366,777	915	367,692	362,072	-	5,620	-	5,620
14. INAC - Local Education Tuition	18,168	477,814	-	477,814	547,342	-	(69,528)	-	(51,360)
15. INAC - N'kwala School	13,385	588,035	145,696	733,731	789,384	64,300	8,647	-	22,032
16. INAC - Income Assistance	(128,959)	414,396	-	414,396	406,316	-	8,080	-	(120,879)
17. INAC - Children out of Parental Home	2,749	27,199	-	27,199	21,320	-	5,879	-	8,628
18. INAC Family Violence	-	6,055	-	6,055	6,055	-	-	-	-
19. INAC - Special Needs	27	21,836	-	21,836	22,060	-	(224)	-	(197)
20. INAC - Service Delivery	(45,548)	75,884	681	76,565	81,163	-	(4,598)	-	(50,146)
21. INAC - National Child Benefit	-	-	59,452	59,452	59,452	-	-	-	-
22. INAC - In-home Care	2,150	69,790	-	69,790	76,666	-	(6,876)	-	(4,726)
23. INAC - Active Measures	7,609	-	-	-	6,680	-	(6,680)	-	929
24. ASETS Employment Program	259	-	92,260	92,260	92,131	-	129	(259)	129
25. Kwu Xast	-	-	132,267	132,267	132,267	-	-	-	-
26. UNB Miscellaneous Projects	-	-	30,480	30,480	30,480	-	-	-	-
27. UNB Language	-	-	-	-	38,865	(1,135)	(40,000)	40,000	-
28. Fundraising	996	-	45,022	45,022	37,963	-	7,059	(8,055)	-
Sub-total	\$ 2,422	\$ 2,176,220	\$ 2,514,159	\$ 4,690,379	\$ 4,825,779	\$ (4,402)	\$ (139,802)	\$ 115,548	\$ (21,832)

Upper Nicola Band
Exhibit F - Statement of Operations and Surplus
Operating Fund

For the year ended March 31, 2018

	Surplus (deficit) 2017	INAC revenue	Other revenue	Total revenue	Expenses	Interfund transfers	Surplus (deficit) for the year	Equity transfers	Surplus (deficit) 2018
Balance forward	\$ 2,422	\$ 2,176,220	\$ 2,514,159	\$ 4,690,379	\$ 4,825,779	\$ (4,402)	\$ (139,802)	\$ 115,548	\$ (21,832)
29. Capital Assets	\$ (188,118)	-	-	-	249,717	-	(249,717)	-	\$ (188,118)
30. Legal Fund	-	-	-	-	-	-	(249,717)	-	\$ (249,717)
31. Douglas Lake Road	355,245	-	(1,740)	(1,740)	-	-	(1,740)	-	353,505
32. Chapperon Hayfield	32,215	-	28,514	28,514	49,054	-	(20,540)	-	11,675
33. Housing Renovations - 1998-2024	16,439	-	-	-	20,850	-	(20,850)	-	(4,411)
34. Housing Administration	(1,429,156)	-	65,333	65,333	97,788	-	(32,455)	-	\$ (1,461,611)
35. CMHC Retrofit	-	-	113,550	113,550	113,124	-	426	-	426
36. Education Programs	14,051	-	113,960	113,960	100,625	-	13,335	(9,255)	18,131
37. Education Scholarships	-	-	2,615	2,615	2,500	-	115	-	115
38. N'kwala Rentals	33,170	-	18,842	18,842	-	-	18,842	-	52,012
39. N'kwala Programs	-	-	105,040	105,040	105,045	-	(5)	-	(5)
40. N'kwala Provincial Fund	91,924	-	-	-	-	-	-	(64,300)	27,624
41. Child Protection	70,825	-	78,000	78,000	74,344	-	3,656	-	74,481
42. Social Programs	-	-	54,959	54,959	4,826	-	50,133	-	50,133
43. Local Revenue - Property Tax	-	-	2,006	2,006	2,000	-	6	-	6
44. Band Surplus	2,747,178	-	683,841	683,841	3,276,695	-	(2,592,854)	3,647,225	3,801,549
45. First Nations Health Authority	152,671	-	1,288,310	1,288,310	1,097,047	(5,265)	185,998	-	338,669
46. Health - Medical Transportation	(15,362)	-	65,224	65,224	69,962	-	(4,738)	-	(20,100)
47. Health - Headstart Program	8,251	-	6,420	6,420	107,917	-	(101,497)	-	(93,246)
48. Daycare	16,888	-	84,391	84,391	77,247	-	7,144	-	24,032
49. Nicola Chiefs' Watershed Committee	-	-	25,000	25,000	11,572	-	13,428	-	13,428
50. Cultural & Heritage Projects	27,822	-	682,050	682,050	628,420	(4,016)	49,614	-	77,436
51. Kinder Morgan Comprehensive Funding	36,846	-	926	926	20,657	84,115	64,384	-	101,230
52. TMX Monitoring Committee	-	-	36,773	36,773	8,916	-	27,857	-	27,857
53. Natural Resources - Referrals	-	-	29,299	29,299	61,427	-	(32,128)	27,430	(4,698)
54. Woodlot	(543)	-	-	-	-	-	-	-	(543)
55. Forestry Projects	58,936	-	381,941	381,941	256,286	-	125,655	8,275	192,866
56. Logging Truck	-	-	282,812	282,812	322,223	-	(39,411)	(11,498)	(50,909)
57. Forest Licences	-	-	1,063,097	1,063,097	31,065	-	1,032,032	(1,035,964)	(3,932)
Total	\$ 1,973,311	\$ 2,176,220	\$ 5,968,173	\$ 8,144,393	\$ 10,944,085	\$ 70,432	\$ (2,729,260)	\$ 3,689,218	\$ 3,066,053

Upper Nicola Band
Exhibit G - Statement of Financial Position
Capital Fund

As at March 31	2018	2017
Financial Assets		
Due from Operating Fund	\$ 394,137	\$ 464,985
Liabilities		
Long-term debt	<u>64,408</u>	789,350
Net Financial Assets	329,729	(324,365)
Non-financial Assets		
Tangible capital assets	<u>7,845,787</u>	7,870,592
Accumulated Surplus	\$ 8,175,516	\$ 7,546,227

Upper Nicola Band
Exhibit H - Schedule of Changes in Equity
Capital Fund

For the year ended March 31	2018	2017
Balance , beginning of year	\$ 7,376,984	\$ 5,984,744
Add		
Assets purchased	86,336	319,192
Construction in progress	1,626,098	2,512,116
Repayments of long-term debt	122,385	104,395
	1,834,819	2,935,703
Deduct		
Amortization of tangible capital assets	639,935	682,277
Long term debt additions	396,352	861,186
	1,036,287	1,543,463
Balance , end of year	\$ 8,175,516	\$ 7,376,984

Upper Nicola Band
Exhibit I - Statement of Operations and Deficit
Capital Fund

For the year ended March 31, 2018

		Surplus (deficit) 2017	INAC revenue	Other revenue	Total revenue	Expenses	Interfund Transfers	Surplus (deficit) for the year	Equity transfers	Surplus (Deficit) 2018
58. CPMS 7015 NWWS Watermain Upgrade	\$ -	\$ 527,176	\$ -	\$ 527,176	\$ 527,176	\$ 527,176	\$ -	\$ -	\$ -	\$ -
59. CPMS 11542 Mold Reno	-	-	-	-	-	-	-	-	-	-
60. CPMS 11634 NAHS Stream 3	196,569	-	-	-	-	196,569	-	(196,569)	-	-
61. NAHS Steam 2 - Mold	19,954	-	-	-	-	23,667	-	(23,667)	-	(3,713)
62. ICMS 9 126982 Triplex Repairs	-	75,000	-	75,000	-	45,750	-	29,250	-	29,250
63. Quilchena Firehall	-	-	90,000	90,000	-	51,563	-	38,437	-	38,437
64. ACRS 2017-2018	-	66,270	-	66,270	-	66,270	-	-	-	-
65. CMHC Construction Phase 7	-	145,914	404,165	550,079	-	582,928	-	(32,849)	95,000	62,151
66. Capital Infrastructure Projects	20,526	-	-	-	-	-	-	-	-	20,526
2014 ACRS CPMS 9-00113985 (#120)	-	-	-	-	-	-	-	-	-	-
Penask Lake Study - CPMS 8234	-	-	-	-	-	-	-	-	-	-
Total	\$ 237,049	\$ 814,360	\$ 494,165	\$ 1,308,525	\$ 1,493,923	\$ -	\$ (185,398)	\$ 95,000	\$ 146,651	
Less: capital construction costs						1,225,625				
Less: administration						(1,617)				
Capital Fund repairs and maintenance						\$ 269,915				

Upper Nicola Band
Exhibit J - Statement of Financial Position
Trust Fund

As at March 31	2018	2017
Financial Assets		
Ottawa Trust Funds	\$ 358,490	\$ 436,901
Accumulated Surplus	\$ 358,490	\$ 436,901

Upper Nicola Band
Exhibit K - Schedule of Changes in Equity
Trust Fund

For the year ended March 31	Capital	Revenue	2018	2017
Balance, beginning of year	\$ 416,524	\$ 20,377	\$ 436,901	\$ 1,032,943
Add				
BC Special Grant	-	2,214	2,214	2,232
Interest	-	9,375	9,375	15,910
	-	11,589	11,589	18,142
Deduct				
Transfer to operating	90,000	-	90,000	269,184
Transfer to investments	-	-	-	345,000
	90,000	-	90,000	614,184
Balance, end of year	\$ 326,524	\$ 31,966	\$ 358,490	\$ 436,901

Upper Nicola Band
Exhibit L - Statement of Financial Position
Social Housing Fund

As at March 31	2018	2017
Financial Assets		
Cash	\$ 413,909	\$ 299,089
Accounts receivable	29,483	130,176
Restricted cash and deposits		
Replacement Reserve	240,723	273,341
Operating reserve	329,023	326,398
	<hr/> 1,013,138	<hr/> 1,029,004
Liabilities		
Accounts payable	3,842	7,388
Deferred revenue	2,697	3,972
Due to Operating Fund	835,690	842,594
Long-term debt	1,873,309	887,550
Funded reserves	487,971	511,160
	<hr/> 3,203,509	<hr/> 2,252,664
Net Debt	<hr/> (2,190,371)	<hr/> (1,223,660)
Non-financial Assets		
Tangible capital assets	<hr/> 2,863,270	<hr/> 1,877,510
Accumulated Surplus	<hr/> \$ 672,899	<hr/> \$ 653,850

Upper Nicola Band
Exhibit M - Statement of Operations and Deficit
Social Housing Fund

For the year ended March 31	2018	2017
Revenue		
Rental income	\$ 206,450	\$ 166,235
CMHC subsidy	78,026	249,641
Other income	13	1
	284,489	415,877
Expenditures		
Administrative expense	2,047	(1,875)
Allocation to the Replacement Reserve	34,008	28,008
Insurance	19,487	11,917
Interest on long-term debt	25,759	13,180
Professional fees	8,400	(300)
Repairs and maintenance	33,945	211,466
Service contract	4,650	3,750
Property management	25,600	23,850
	153,896	289,996
Surplus before interfund transfer	130,593	125,881
Interfund transfer		
Principal repayment of debt	(111,544)	(90,698)
Surplus for the year	19,049	35,183
Deficit, beginning of year	(335,510)	(370,693)
Deficit, end of year	\$ (316,461)	\$ (335,510)