

**SISKA INDIAN BAND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2017**

**EXHIBIT**

***CONSOLIDATED FINANCIAL STATEMENTS:***

|    |  |            |
|----|--|------------|
| A  | MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING          |            |
| A1 | INDEPENDENT AUDITORS' REPORT                                 |            |
| A2 | CONSOLIDATED STATEMENT OF FINANCIAL POSITION                 |            |
| A3 | CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS                |            |
| A4 | CONSOLIDATED STATEMENT OF OPERATIONS                         |            |
| A5 | CONSOLIDATED OF STATEMENT OF CHANGES IN NET FINANCIAL ASSETS | APPENDIX 1 |
| A6 | CONSOLIDATED STATEMENT OF CASH FLOWS                         | APPENDIX 2 |
|    | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS                   |            |
|    | CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS             |            |
|    | CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED   |            |

### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

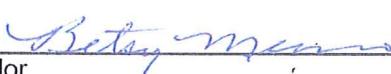
The financial statements of SISKA INDIAN BAND have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

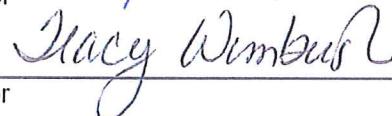
The integrity and reliability of SISKA INDIAN BAND's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

Chief and Council are responsible for ensuring that management fulfills its responsibility for financial reporting and are ultimately responsible for reviewing and approving the financial statements. Chief and Council carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by Chief and Council and meets periodically with management to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to Chief and Council prior to its approval of the financial statements. The Committee also considers, for review by Chief and Council, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Daley & Company CPA LLP, in accordance with Canadian generally accepted auditing standards.

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Councillor Betty Morris

  
\_\_\_\_\_  
Councillor Tracy Wimber



#### INDEPENDENT AUDITORS' REPORT

To the Members,  
SISKA INDIAN BAND

EXHIBIT A1

##### *Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of SISKA INDIAN BAND, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statement of accumulated surplus, consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of 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 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 financial statements that are free from material misstatements, whether due to fraud or error.

##### *Auditors' 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 consolidated 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 and fair presentation 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 consolidated financial statements.

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

##### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of SISKA INDIAN BAND as at March 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

##### *Other Matters*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in Exhibits B1 to B3, C1 to C2, D1 to D2 and schedules 1 to 31 are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*Daley & Company LLP*  
Chartered Professional Accountants

Kamloops, BC  
June 27, 2017

##### *Disclaimer of Liability*

These consolidated financial statements were examined and this Audit Opinion issued solely for the use of SISKA INDIAN BAND. Daley & Company CPA LLP makes no representations of any kind to any other person in respect of these consolidated financial statements and accepts no responsibility for their use by any other person in the absence of the written consent of Daley & Company CPA LLP.

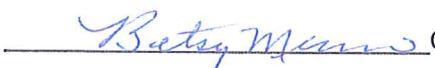
**SISKA INDIAN BAND**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**March 31, 2017**

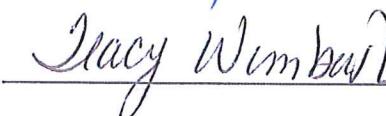
| <b>FINANCIAL ASSETS</b>                      | <b>2017</b>         | <b>2016</b>         |
|--|---------------------|---------------------|
| Cash   | \$ 2,020,909        | \$ 2,152,278        |
| Restricted cash (Note A3)                    | 260,193             | 254,592             |
| Grants and accounts receivable (Note A4)     | 110,140             | 412,713             |
| Note receivable (Note A5)                    | 14,314              | 14,314              |
| Inventory                                    | 9,511               | 8,328               |
| Long-term investments and advances (Note A6) | 69,184              | 69,142              |
| Investments in controlled entities (Note A7) | <u>603,255</u>      | <u>516,834</u>      |
|  | 3,087,506           | 3,428,201           |
| <b>LIABILITIES</b>                           |                     |                     |
| Accounts payable and accruals (Note A8)      | <u>371,837</u>      | <u>522,546</u>      |
| <b>NET FINANCIAL ASSETS</b>                  | <b>2,715,669</b>    | 2,905,655           |
| <b>NON-FINANCIAL ASSETS</b>                  |                     |                     |
| Tangible capital assets (Note A9)            | 3,001,995           | 2,965,013           |
| Prepaid expenses                             | <u>33,149</u>       | <u>19,947</u>       |
| <b>ACCUMULATED SURPLUS (Note A10)</b>        | <u>\$ 5,750,813</u> | <u>\$ 5,890,615</u> |

## CONTINGENCIES (Note A11)

APPROVED BY THE BAND:


 Chief


 Councillor Betsy Mewes


 Councillor Tracy Wimbawil

**SISKA INDIAN BAND**  
**CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS**  
**Year ended March 31, 2017**

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|   | <b>2017</b>         | 2016                |
|---|---------------------|---------------------|
| ACCUMULATED SURPLUS, beginning of year      | \$ 5,890,615        | \$ 5,091,439        |
| EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES | <u>(139,802)</u>    | <u>799,176</u>      |
| ACCUMULATED SURPLUS, end of year            | <b>\$ 5,750,813</b> | <b>\$ 5,890,615</b> |

**SISKA INDIAN BAND**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**Year ended March 31, 2017**

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|  | Budget                   | 2017                       | 2016                     |
|--|--------------------------|----------------------------|--------------------------|
| <b>REVENUE:</b>  |                          |                            |                          |
| Indigenous and Northern Affairs Canada                   | \$ 851,940               | <b>\$ 851,940</b>          | \$ 1,369,742             |
| Leases and rentals                                       | -                        | <b>62,088</b>              | 57,871                   |
| Province of BC   | -                        | <b>99,544</b>              | 131,753                  |
| Consulting and contract                                  | 19,665                   | <b>298,513</b>             | 612,785                  |
| Interest   | -                        | <b>7,224</b>               | 6,853                    |
| Income from investment in government business enterprise | -                        | <b>198,774</b>             | 112,360                  |
| Miscellaneous  | -                        | <b>52,806</b>              | 145,058                  |
|  | <b><u>\$ 871,605</u></b> | <b><u>1,570,889</u></b>    | <b><u>2,436,422</u></b>  |
| <b>EXPENSES:</b>   |                          |                            |                          |
| Administration   | \$ 17,879                | <b>277,888</b>             | 278,428                  |
| Band General   | -                        | <b>108,104</b>             | 95,739                   |
| Community Services                                       | 181,492                  | <b>271,450</b>             | 228,197                  |
| Education  | 141,924                  | <b>165,351</b>             | 175,024                  |
| Maintenance  | 65,502                   | <b>341,147</b>             | 185,593                  |
| Natural Resources / Economic Development                 | 37,665                   | <b>306,793</b>             | 383,048                  |
| Other  | -                        | <b>239,958</b>             | 291,217                  |
|  | <b><u>\$ 444,462</u></b> | <b><u>1,710,691</u></b>    | <b><u>1,637,246</u></b>  |
| <b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>       |                          | <b><u>\$ (139,802)</u></b> | <b><u>\$ 799,176</u></b> |

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**SISKA INDIAN BAND**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**Year ended March 31, 2017**

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|   | 2017                | 2016                |
|---|---------------------|---------------------|
| EXCESS OF REVENUE OVER EXPENSES             | \$ (139,802)        | \$ 799,176          |
| Acquisition of tangible capital assets      | (130,614)           | (138,840)           |
| Amortization of tangible capital assets     | 93,632              | 88,445              |
| Change in prepaid expenses                  | <u>(13,202)</u>     | <u>186</u>          |
| INCREASE (DECREASE) IN NET FINANCIAL ASSETS | (189,986)           | 748,967             |
| NET FINANCIAL ASSETS, beginning of year     | <u>2,905,655</u>    | <u>2,156,688</u>    |
| NET FINANCIAL ASSETS, end of year           | <b>\$ 2,715,669</b> | <b>\$ 2,905,655</b> |

**SISKA INDIAN BAND**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
Year ended March 31, 2017

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|  | 2017                       | 2016                       |
|--|----------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b> |                            |                            |
| Excess (shortfall) of revenue over expenses  | \$ (139,802)               | \$ 799,176                 |
| Non-cash charges to operations:              |                            |                            |
| Amortization                                 | 93,632                     | 88,445                     |
| (Increase) decrease in:                      |                            |                            |
| Grants and accounts receivable               | 302,573                    | 156,733                    |
| Inventory                                    | (1,183)                    | (422)                      |
| Prepaid expenses                             | (13,202)                   | 186                        |
| Increase (decrease) in:                      |                            |                            |
| Accounts payable and accruals                | (150,709)                  | (177,651)                  |
| Cash flows from operations                   | <u>91,309</u>              | <u>866,467</u>             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b> |                            |                            |
| Funded reserve transfers                     | (5,601)                    | (10,937)                   |
| Long-term investments and advances           | (42)                       | (20)                       |
| Investments in controlled entities           | (86,421)                   | (114,471)                  |
| Cash flows used in investing                 | <u>(92,064)</u>            | <u>(125,428)</u>           |
| <b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>   |                            |                            |
| Acquisition of tangible capital assets       | (130,614)                  | (138,840)                  |
| Cash flows used in capital                   | <u>(130,614)</u>           | <u>(138,840)</u>           |
| <b>INCREASE (DECREASE) IN CASH</b>           | <b>(131,369)</b>           | <b>602,199</b>             |
| <b>CASH, beginning of year</b>               | <b><u>2,152,278</u></b>    | <b><u>1,550,079</u></b>    |
| <b>CASH, end of year</b>                     | <b><u>\$ 2,020,909</u></b> | <b><u>\$ 2,152,278</u></b> |

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:**

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The significant accounting policies are summarized as follows:

**a) Fund Accounting:**

The Siska Indian Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Siska Indian Band maintains the following funds:

- The Band Operating Fund which reports the general activities of the First Nation Administration.
- The Trust Fund which reports on trust funds owned by the First Nation and held by Indigenous and Northern Affairs Canada.
- The Capital Fund which reports the property and equipment of the First Nation, together with their related financing.

**b) Reporting Entity and Principles of Financial Reporting:**

The Siska Indian Band reporting entity includes the Siska Indian Band government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Siska Indian Band Operating Fund
- Siska Indian Band Trust Fund
- Siska Indian Band Capital Fund

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 necessarily been eliminated on the individual schedules.

Incorporated business entities, which are owned or controlled by Siska Indian Band and which are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. These include:

- Michuk Forestry Limited Partnership

Incorporated business entities, which are owned or controlled by Siska Indian Band and which are dependent on the First Nation for their continuing operations, are consolidated in the consolidated financial statements. These include:

- Skw'akw'iyp Economic Development Corp.
- Siska Traditions Society

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):**

c) Accrual Method:

The accrual method is used in accounting.

d) Non-financial Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Changes in Net Financial Assets for the year.

1) Tangible Capital Assets:

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Major Asset Category

|               |                |
|---------------|----------------|
| Roads         | 5 to 75 years  |
| Water Systems | 20 to 80 years |
| Buildings     | 20 to 40 years |
| Automotive    | 10 years       |
| Equipment     | 5 to 15 years  |

Assets under construction are not amortized until the asset is available for productive use.

The Band's interest in reserve lands is not reflected in these financial statements, as no consideration was paid by the Band to acquire these lands.

The Band reviews the useful lives and the carrying values of its tangible capital assets at least annually or more frequently if events or changes in circumstances indicate that the assets might be impaired, by reference to the assets' contribution to the Band's ability to provide services. When assets no longer have any long-term service potential to the Band, the assets are considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceeds their fair value, which is estimated as the expected service potential of the assets.

2) Leases:

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):**

**e) Revenue Recognition:**

Amounts received from Indigenous and Northern Affairs Canada (INAC) are reported in accordance with the terms of the funding arrangement. Amounts specified as set contributions are reported as revenue as program terms and conditions are met and delivered. Any resulting surpluses are repayable to INAC and any deficits incurred are refundable by INAC. Amounts specified as fixed contributions are recognized as revenue as program terms and conditions are met and delivered. Any resulting surpluses may be retained by the Band provided delivery of the program is complete at March 31. Any resulting deficits are the responsibility of the Band. Grants received from INAC are unconditional and are reported as revenue when received or receivable and collection is reasonably assured.

Amounts received from other government departments, both federal and provincial, are reported as revenue in accordance with the terms of the contract or agreement.

Own source revenues derived from such sources as housing rents, resource based revenues, interest income, etc. are reported when received or receivable and collection is reasonably assured.

**f) Long-term Investments:**

Long-term investments are recorded at cost.

**g) Inventories:**

Inventories or materials and supplies which will be consumed in the maintenance of the Band are expensed when acquired; inventories of goods for resale (in commercial operations) are valued at the lower of cost (determined on a weighted average basis) and net realizable value.

**h) Deferred Revenue:**

Revenue is recorded in the period to which it relates.

**i) Use of Estimates:**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A2. FINANCIAL INSTRUMENTS:**

**Fair Value of Financial Assets and Financial Liabilities:**

The carrying values of cash, grants and accounts receivable, note receivable, accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

The carrying value of long-term debt approximates its fair value as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

It is not practicable to determine the fair value of advances to related parties due to the limited amount of comparable market information available.

**Credit Risk:**

The Band is exposed to credit risk by its funding agencies and suppliers. However, because the majority of funding is from government agencies and there is a large number of suppliers, credit risk concentration is reduced to the minimum.

**NOTE A3. RESTRICTED CASH:**

|                    | <b>2017</b>              | <b>2016</b>              |
|--------------------|--------------------------|--------------------------|
| Ottawa Trust Funds | <u><b>\$ 260,193</b></u> | <u><b>\$ 254,592</b></u> |

Ottawa Trust Funds:

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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

**NOTE A4. GRANTS AND ACCOUNTS RECEIVABLE:**

|  | <b>2017</b>              | <b>2016</b>              |
|--|--------------------------|--------------------------|
| Grants and Accounts Receivable         | \$ 109,024               | \$ 251,214               |
| Indigenous and Northern Affairs Canada | 36,291                   | 195,316                  |
| Less: Allowance for doubtful accounts  | <u>(35,175)</u>          | <u>(33,817)</u>          |
|  | <b><u>\$ 110,140</u></b> | <b><u>\$ 412,713</u></b> |

**NOTE A5. NOTE RECEIVABLE:**

Nlaka'pamux Legacy Trust (2013):

Note receivable, unsecured, non-interest bearing, no stated terms of repayment

|                         |                         |
|-------------------------|-------------------------|
| <u><b>\$ 14,314</b></u> | <u><b>\$ 14,314</b></u> |
|-------------------------|-------------------------|

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2017**

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| <b>NOTE A6. LONG-TERM INVESTMENTS AND ADVANCES:</b>                    | <b>2017</b>              | <b>2016</b>              |
|--|--------------------------|--------------------------|
| All Nations Trust Company, at cost:                                    |                          |                          |
| 7,500 Class A common shares, par value \$1.00                          | \$ 5,000                 | \$ 5,000                 |
| Qwa'eet Forest Products Limited Partnership:                           |                          |                          |
| Partnership interest - 12.49%  | 63,059                   | 63,017                   |
| Qwa'eet Forest Products Ltd.:  |                          |                          |
| Advances, non-interest bearing, unsecured no stated terms of repayment | <u>1,125</u>             | <u>1,125</u>             |
|  | <u><u>\$ 69,184</u></u>  | <u><u>\$ 69,142</u></u>  |
| <b>NOTE A7. INVESTMENTS IN CONTROLLED ENTITIES:</b>                    | <b>2017</b>              | <b>2016</b>              |
| Michuk Forestry Limited Partnership:                                   |                          |                          |
| Partnership interest - 99.99% Limited Partner                          | \$ 516,834               | \$ 402,363               |
| Balance, beginning of year   | <u>198,774</u>           | <u>112,360</u>           |
| Equity earnings  | -                        | -                        |
| Drawings   | (112,353)                | 2,111                    |
| Add: Change in amount due from Michuk Forestry Company Ltd.            | <u><u>\$ 603,255</u></u> | <u><u>\$ 516,834</u></u> |
| Balance, end of year   | <u><u>\$ 603,255</u></u> | <u><u>\$ 516,834</u></u> |
| Financial information for Michuk Forestry Limited Partnership:         |                          |                          |
| Assets   | \$ 1,488,902             | \$ 1,055,303             |
| Liabilities  | <u>885,647</u>           | <u>538,469</u>           |
| Partners' capital  | <u><u>\$ 603,255</u></u> | <u><u>\$ 516,834</u></u> |
| Revenues   | \$ 2,582,663             | \$ 1,395,503             |
| Expenses   | <u>2,383,869</u>         | <u>1,283,132</u>         |
| Net income   | <u><u>\$ 198,794</u></u> | <u><u>\$ 112,371</u></u> |
| <b>NOTE A8. ACCOUNTS PAYABLE AND ACCRUALS:</b>                         | <b>2017</b>              | <b>2016</b>              |
| Indigenous and Northern Affairs Canada                                 | \$ 4,207                 | \$ 154,443               |
| Canada Revenue Agency  | <u>14,276</u>            | <u>14,317</u>            |
| Other accounts payable and accruals                                    | <u>353,354</u>           | <u>353,786</u>           |
|  | <u><u>\$ 371,837</u></u> | <u><u>\$ 522,546</u></u> |

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A9. TANGIBLE CAPITAL ASSETS:** 2017 2016

Tangible capital assets consist of the following:

|  |                            |                            |
|--|----------------------------|----------------------------|
| Band Operations:                         |                            |                            |
| Roads                                    | \$ 569,575                 | \$ 582,661                 |
| Water Systems                            | 1,494,885                  | 1,390,049                  |
| Buildings                                | 558,595                    | 584,264                    |
| Automotive                               | 63,710                     | 75,641                     |
| Equipment                                | 50,835                     | 58,263                     |
|  | <u>2,737,600</u>           | <u>2,690,878</u>           |
| Siska Traditions Society:                |                            |                            |
| Building                                 | 17,149                     | 18,244                     |
| Equipment                                | <u>11,520</u>              | <u>14,400</u>              |
|  | <u>28,669</u>              | <u>32,644</u>              |
| Skw'akw'iyap Economic Development Corp.: |                            |                            |
| Land                                     | 200,000                    | 200,000                    |
| Buildings                                | 27,331                     | 28,470                     |
| Automotive                               | 653                        | 932                        |
| Equipment                                | <u>7,742</u>               | <u>12,089</u>              |
|  | <u>235,726</u>             | <u>241,491</u>             |
|  | <u><b>\$ 3,001,995</b></u> | <u><b>\$ 2,965,013</b></u> |

For additional information, see the Consolidated Schedule of Tangible Capital assets (Appendix 1).

**NOTE A10. ACCUMULATED SURPLUS:** 2017 2016

Accumulated surplus consists of individual fund surpluses and reserves as follows:

|                                     |                            |                            |
|-------------------------------------|----------------------------|----------------------------|
| Surplus from operations             | \$ 2,483,505               | \$ 2,665,890               |
| Invested in tangible capital assets | 3,001,995                  | 2,965,013                  |
| Long-term investments               | 5,120                      | 5,120                      |
| Funded reserves:                    |                            |                            |
| Ottawa trust funds (Note A3)        | <u>260,193</u>             | <u>254,592</u>             |
|                                     | <u><b>\$ 5,750,813</b></u> | <u><b>\$ 5,890,615</b></u> |

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A11. CONTINGENCIES:**

Contingencies:

- a) The Band receives a portion of its funding under a contribution authority with Indigenous and Northern Affairs Canada which, if unexpended, may be refundable to Indigenous and Northern Affairs Canada. Further, amounts which are overexpended may be reimbursed by Indigenous and Northern Affairs Canada to the Band. No amounts have been recorded in the financial statements as refundable or reimbursable for 2016/2017 funding.
  
- b) Pension Plan:  
The Band and its employees contribute to a defined contribution pension plan. There is no obligation for past service or periods in which an employee was not employed. Total contributions to the plan during the year were \$5,440 (2016 - \$4,993).

**NOTE A12. SEGMENTED INFORMATION:**

The Siska Indian Band is a First Nations government institution that provides a range of programs and services to its members, including band revenue, administration, community services, natural resources/economic development, education, maintenance and other. For management reporting purposes the First Nations operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

**Band Revenue**

The Band Revenue department is responsible for administering projects the Band is involved in annually and on an on-going basis relating to the overall objectives of the First Nation.

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A12. SEGMENTED INFORMATION (continued):**

**Administration**

Administration supports the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, band government, economic development, community services and technical services.

**Community Services**

Community Services provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

**Natural Resources / Economic Development**

Economic Development department is responsible for the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, as well as research and advocacy. It also manages economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects.

**Education**

Education supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs. It also provides services for students at the elementary/secondary and post secondary level, including instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

**Maintenance**

Maintenance supports the construction, operation and basic maintenance of community facilities and services such as water and sewage, roads and electrification. It is also responsible for ensuring that the facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

**Other**

Other amounts include revenue from the Ottawa Trust Funds and revenue and expenses of Siska Traditions Society and Skw'akw'iyp Economic Development Corp.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note A1. For additional information see the Statement of Financial Activities - Segmented (Appendix 2).

**NOTE A13. ECONOMIC DEPENDENCE:**

Siska Indian Band receives a major portion of its revenues pursuant to a funding arrangement with Indigenous and Northern Affairs Canada.

**NOTE A14. CASH FLOW INFORMATION:**

During the year, interest expense of \$1,043 was paid and interest income of \$2,561 was received.

**SISKA INDIAN BAND**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year ended March 31, 2017**

|  | Land              | Roads             | Water Systems       | Buildings         | Automotive       | Equipment        | 2017                | 2016                |
|--|-------------------|-------------------|---------------------|-------------------|------------------|------------------|---------------------|---------------------|
| <b>Cost:</b>                                     |                   |                   |                     |                   |                  |                  |                     |                     |
| Balance, beginning of year                       | \$ 200,000        | \$ 936,364        | \$ 1,813,751        | \$ 2,269,464      | \$ 131,725       | \$ 155,532       | <b>\$ 5,506,836</b> | \$ 5,367,996        |
| Add: Additions during the year                   | -                 | -                 | 130,614             | -                 | -                | -                | <b>130,614</b>      | 138,840             |
| Balance, end of year                             | <b>200,000</b>    | <b>936,364</b>    | <b>1,944,365</b>    | <b>2,269,464</b>  | <b>131,725</b>   | <b>155,532</b>   | <b>5,637,450</b>    | <b>5,506,836</b>    |
| <b>Accumulated amortization:</b>                 |                   |                   |                     |                   |                  |                  |                     |                     |
| Balance, beginning of year                       | -                 | 353,703           | 423,702             | 1,638,486         | 55,152           | 70,780           | <b>2,541,823</b>    | 2,453,378           |
| Add: Amortization                                | -                 | 13,086            | 25,778              | 27,903            | 12,210           | 14,655           | <b>93,632</b>       | 88,445              |
| Balance, end of year                             | -                 | <b>366,789</b>    | <b>449,480</b>      | <b>1,666,389</b>  | <b>67,362</b>    | <b>85,435</b>    | <b>2,635,455</b>    | <b>2,541,823</b>    |
| <b>Net Book Value of Tangible Capital Assets</b> |                   |                   |                     |                   |                  |                  |                     |                     |
|  | <b>\$ 200,000</b> | <b>\$ 569,575</b> | <b>\$ 1,494,885</b> | <b>\$ 603,075</b> | <b>\$ 64,363</b> | <b>\$ 70,097</b> | <b>\$ 3,001,995</b> | <b>\$ 2,965,013</b> |

See accompanying notes to financial statements.

**SISKA INDIAN BAND**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2017**

|  | Natural Resources |                |                |                |                |                  |                    |                  | <b>Total</b><br><b>2017</b> | <b>Total</b><br><b>2016</b> |  |  |
|--|-------------------|----------------|----------------|----------------|----------------|------------------|--------------------|------------------|-----------------------------|-----------------------------|--|--|
|  | Band              | Community      | / Economic     |                |                | <b>Education</b> | <b>Maintenance</b> | <b>Other</b>     |                             |                             |  |  |
|  | Revenue           | Administration | Services       | Development    |                |                  |                    |                  |                             |                             |  |  |
| <b>REVENUE:</b>                                |                   |                |                |                |                |                  |                    |                  |                             |                             |  |  |
| Indigenous and Northern                        |                   |                |                |                |                |                  |                    |                  |                             |                             |  |  |
| Affairs Canada                                 | \$ -              | \$ 220,600     | \$ 247,743     | \$ 72,951      | \$ 142,594     | \$ 168,052       | \$ -               | \$ -             | \$ 851,940                  | \$ 1,369,742                |  |  |
| Leases and rentals                             | 62,088            | -              | -              | -              | -              | -                | -                  | -                | 62,088                      | 57,871                      |  |  |
| Province of BC                                 | -                 | -              | -              | 99,544         | -              | -                | -                  | -                | 99,544                      | 131,753                     |  |  |
| Consulting and contract                        | -                 | -              | 2,000          | 94,094         | 34,820         | -                | 167,599            | 298,513          | 612,785                     |                             |  |  |
| Interest                                       | -                 | -              | -              | -              | -              | -                | 7,224              | 7,224            | 6,853                       |                             |  |  |
| Income from investment in                      |                   |                |                |                |                |                  |                    |                  |                             |                             |  |  |
| government business enterprise                 | -                 | -              | -              | 198,774        | -              | -                | -                  | -                | 198,774                     | 112,360                     |  |  |
| Miscellaneous                                  | 44,580            | -              | 6,500          | 933            | -              | -                | 793                | 52,806           | 145,058                     |                             |  |  |
|  | <b>106,668</b>    | <b>220,600</b> | <b>256,243</b> | <b>466,296</b> | <b>177,414</b> | <b>168,052</b>   | <b>175,616</b>     | <b>1,570,889</b> | <b>2,436,422</b>            |                             |  |  |
| <b>EXPENSES:</b>                               |                   |                |                |                |                |                  |                    |                  |                             |                             |  |  |
| Administration fees (recovery)                 | -                 | (12,427)       | -              | 18,674         | 12,358         | -                | 244                | <b>18,849</b>    | 1,962                       |                             |  |  |
| Assistance                                     | -                 | -              | 215,827        | -              | 105,112        | -                | -                  | <b>320,939</b>   | 322,094                     |                             |  |  |
| Bad debts and writedowns                       | -                 | -              | -              | -              | -              | -                | -                  | -                | 146                         |                             |  |  |
| Amortization                                   | -                 | -              | -              | -              | -              | 83,892           | 9,740              | <b>93,632</b>    | 88,444                      |                             |  |  |
| Contract services                              | -                 | 6,312          | 25,505         | 37,304         | -              | -                | 57,102             | <b>126,223</b>   | 77,566                      |                             |  |  |
| Honorarium                                     | 28,202            | -              | -              | -              | -              | -                | 530                | <b>28,732</b>    | 38,011                      |                             |  |  |
| Insurance                                      | 16,816            | 13,809         | -              | -              | -              | -                | 3,745              | <b>34,370</b>    | 31,991                      |                             |  |  |
| Interest and bank charges                      | -                 | 1,043          | -              | -              | -              | -                | 823                | <b>1,866</b>     | 2,562                       |                             |  |  |
| Materials and supplies                         | -                 | -              | -              | 338            | 9,607          | -                | 8,045              | <b>17,990</b>    | 14,740                      |                             |  |  |
| Office and other                               | 7,677             | 4,825          | 27,108         | 14,429         | 1,820          | -                | 13,104             | <b>68,963</b>    | 95,305                      |                             |  |  |
| Professional fees                              | -                 | 55,446         | -              | 150,256        | -              | -                | 14,640             | <b>220,342</b>   | 210,338                     |                             |  |  |
| Repairs and maintenance                        | 28,350            | -              | -              | -              | -              | 187,496          | 1,507              | <b>217,353</b>   | 62,795                      |                             |  |  |
| Training                                       | -                 | 1,141          | -              | -              | -              | -                | -                  | <b>1,141</b>     | -                           |                             |  |  |
| Travel   | 12,702            | 1,069          | -              | -              | -              | -                | 7,911              | <b>21,682</b>    | 29,367                      |                             |  |  |
| Utilities                                      | -                 | 13,456         | -              | -              | -              | -                | 2,949              | <b>16,405</b>    | 16,984                      |                             |  |  |
| Wages and benefits                             | 14,357            | 193,214        | 3,010          | 85,792         | 36,454         | 69,759           | 119,618            | <b>522,204</b>   | 644,941                     |                             |  |  |
|  | <b>108,104</b>    | <b>277,888</b> | <b>271,450</b> | <b>306,793</b> | <b>165,351</b> | <b>341,147</b>   | <b>239,958</b>     | <b>1,710,691</b> | <b>1,637,246</b>            |                             |  |  |
| EXCESS (SHORTFALL) OF REVENUE<br>OVER EXPENSES | \$ (1,436)        | \$ (57,288)    | \$ (15,207)    | \$ 159,503     | \$ 12,063      | \$ (173,095)     | \$ (64,342)        | \$ (139,802)     | \$ 799,176                  |                             |  |  |

See accompanying notes to financial statements.

**SISKA INDIAN BAND**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2016**

|  | Band<br>Revenue | Administration     | Community<br>Services | Natural Resources         |                  |                     |                    | Total<br>2016     |
|--|-----------------|--------------------|-----------------------|---------------------------|------------------|---------------------|--------------------|-------------------|
|  |                 |                    |                       | / Economic<br>Development | Education        | Maintenance         | Other              |                   |
| <b>REVENUE:</b>  |                 |                    |                       |                           |                  |                     |                    |                   |
| Indigenous and Northern                                |                 |                    |                       |                           |                  |                     |                    |                   |
| Affairs Canada   | \$ -            | \$ 193,451         | \$ 90,313             | \$ 862,529                | \$ 141,144       | \$ 82,305           | \$ -               | \$ 1,369,742      |
| Leases and rentals                                     | 57,871          | -                  | -                     | -                         | -                | -                   | -                  | 57,871            |
| Province of BC   | -               | -                  | -                     | 131,753                   | -                | -                   | -                  | 131,753           |
| Consulting and contract                                | -               | -                  | 4,595                 | 266,704                   | 81,029           | -                   | 260,457            | 612,785           |
| Interest   | -               | -                  | -                     | -                         | -                | -                   | 6,853              | 6,853             |
| Income from investment in                              |                 |                    |                       |                           |                  |                     |                    |                   |
| government business enterprise                         | -               | -                  | -                     | 112,360                   | -                | -                   | -                  | 112,360           |
| Miscellaneous  | 41,449          | -                  | 4,000                 | 93,676                    | -                | -                   | 5,933              | 145,058           |
|  | <b>99,320</b>   | <b>193,451</b>     | <b>98,908</b>         | <b>1,467,022</b>          | <b>222,173</b>   | <b>82,305</b>       | <b>273,243</b>     | <b>2,436,422</b>  |
| <b>EXPENSES:</b>                                       |                 |                    |                       |                           |                  |                     |                    |                   |
| Administration fees (recovery)                         | -               | (15,988)           | -                     | 3,836                     | 14,114           | -                   | -                  | 1,962             |
| Assistance   | -               | -                  | 205,925               | -                         | 116,169          | -                   | -                  | 322,094           |
| Bad debts and writedowns                               | -               | -                  | -                     | -                         | -                | -                   | 146                | 146               |
| Amortization   | -               | -                  | -                     | -                         | -                | 79,487              | 8,957              | 88,444            |
| Contract services                                      | -               | 6,165              | -                     | 22,889                    | -                | -                   | 48,512             | 77,566            |
| Honorarium   | 34,477          | -                  | -                     | -                         | -                | -                   | 3,534              | 38,011            |
| Insurance  | 14,639          | 13,724             | -                     | -                         | -                | -                   | 3,628              | 31,991            |
| Interest and bank charges                              | -               | 1,044              | -                     | 181                       | -                | -                   | 1,337              | 2,562             |
| Materials and supplies                                 | -               | -                  | -                     | 392                       | 8,998            | -                   | 5,350              | 14,740            |
| Office and other                                       | 2,916           | 5,419              | 19,677                | 49,004                    | 1,210            | -                   | 17,079             | 95,305            |
| Professional fees                                      | -               | 36,066             | -                     | 160,542                   | -                | -                   | 13,730             | 210,338           |
| Repairs and maintenance                                | 27,225          | -                  | -                     | -                         | -                | 34,562              | 1,008              | 62,795            |
| Travel   | 16,482          | 4,479              | -                     | -                         | -                | -                   | 8,406              | 29,367            |
| Utilities  | -               | 15,063             | -                     | -                         | -                | -                   | 1,921              | 16,984            |
| Wages and benefits                                     | -               | 212,456            | 2,595                 | 146,204                   | 34,533           | 71,544              | 177,609            | 644,941           |
|  | <b>95,739</b>   | <b>278,428</b>     | <b>228,197</b>        | <b>383,048</b>            | <b>175,024</b>   | <b>185,593</b>      | <b>291,217</b>     | <b>1,637,246</b>  |
| <b>EXCESS (SHORTFALL) OF REVENUE<br/>OVER EXPENSES</b> |                 |                    |                       |                           |                  |                     |                    |                   |
|  | <b>\$ 3,581</b> | <b>\$ (84,977)</b> | <b>\$ (129,289)</b>   | <b>\$ 1,083,974</b>       | <b>\$ 47,149</b> | <b>\$ (103,288)</b> | <b>\$ (17,974)</b> | <b>\$ 799,176</b> |

See accompanying notes to financial statements.



**EXHIBIT H**

**INDEPENDENT AUDITORS' REPORT**

To the Members,  
SISKA INDIAN BAND

***Report on Supplementary Schedules***

We have audited the consolidated financial statements of SISKA INDIAN BAND, for the year ended March 31, 2017.

A schedule of remuneration and expenses - Chief and Councillors and schedule of remuneration and expenses - unelected senior officials are required to be presented to the membership of SISKA INDIAN BAND pursuant to the funding agreement between Indigenous and Northern Affairs Canada and SISKA INDIAN BAND. For the purposes of understanding our involvement with these schedules, please note that:

- We have audited and separately reported on the consolidated financial statements;
- Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole;
- The attached schedules are presented for the purpose of forming an opinion for the membership and the Department of Indian Affairs and do not form part of the consolidated financial statements;
- and
- These schedules have been subjected to the auditing procedures applied to the audit of the consolidated financial statements taken as a whole.

***Management's Responsibility for Supplementary Schedules***

Management is responsible for the preparation of these schedules in accordance with the criteria established by the funding agreement with Indigenous and Northern Affairs Canada.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the consolidated financial statements. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the consolidated financial statements. However, no procedures have been carried out on these schedules in addition to those necessary to form an opinion on the consolidated financial statements.

***Opinion***

In our opinion, the supplementary schedules derived from the consolidated financial statements of SISKA INDIAN BAND are presented fairly, in all material respects, in accordance with the criteria established by the funding agreement with Indigenous and Northern Affairs Canada.

*Daley & Company LLP*

Chartered Professional Accountants