

Nicomen Indian Band
Consolidated Financial Statements
For the year ended March 31, 2018

Nicomen Indian Band Contents

For the year ended March 31, 2018

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Management's Responsibility

To the Members of Nicomen Indian Band:

The accompanying consolidated financial statements of Nicomen Indian Band are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Nicomen Indian Band Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Band's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Council on behalf of the members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

March 26, 2020

Original signed by Donna Aljam

Chief

Independent Auditor's Report

To the Members of Nicomen Indian Band:

Opinion

We have audited the accompanying financial statements of Nicomen Indian Band (the "Band"), which comprise the statement of financial position as at March 31, 2018 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows and related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Nicomen Indian Band as at March 31, 2018 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The consolidated financial statements do not include budgeted information. The exclusion of such information is a departure from Canadian public sector accounting standards as the comparison of budgeted to actual results is a significant measurement of performance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chilliwack, British Columbia

March 26, 2020

MNP LLP

Chartered Professional Accountants

Nicomen Indian Band
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	<i>2017</i> <i>(Restated)</i>
Financial assets		
Cash	737,216	279,006
Accounts receivable	138,545	41,117
Funds held in trust <i>(Note 4)</i>	247,515	236,952
Long-term investments <i>(Note 5)</i>	11,190	11,190
Investments in Nation partnerships and business entities <i>(Note 6)</i>	102,269	81,563
	1,236,735	649,828
Liabilities		
Bank indebtedness <i>(Note 7)</i>	94,716	81,914
Accounts payable and accruals	189,764	217,521
Deferred revenue <i>(Note 8)</i>	62,572	25,996
Long-term debt <i>(Note 9)</i>	195,112	117,480
	542,164	442,911
Net financial assets	694,571	206,917
Non-financial assets		
Tangible capital assets <i>(Note 11) (Schedule 1)</i>	2,715,220	2,602,336
Prepaid expenses	8,675	-
	2,723,895	2,602,336
Accumulated surplus <i>(Note 10)</i>	3,418,466	2,809,253

Approved on behalf of the Council

Original signed by Donna Aljam

Chief

Original signed by Arlene Edwards

Councilor

Original signed by Aaron Justice

Councilor

Nicomen Indian Band
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	<i>Schedules</i>	2018	<i>2017</i> <i>(Restated)</i>
Revenue			
Economic activity		1,077,452	134,139
Indigenous Services Canada		466,629	605,997
Nlaka'pamux Legacy Trust		377,485	688,000
Canada Mortgage and Housing Corporation		179,077	35,249
Department of Fisheries and Oceans		26,500	26,500
Other revenue		105,524	207,013
New Relationship Trust		96,000	-
Union of BC Municipalities		66,915	33,457
First Nations Emergency Services Society		50,069	50,042
Interior Salish Employment and Training Society		42,214	56,561
Kwoiek Creek Resources Limited Partnership		29,018	81,169
Province of British Columbia		28,546	-
Earnings (loss) from investment in Nation partnerships and business entities		(63,490)	71,562
Rental income		19,583	20,368
Ottawa Trust Fund income		10,563	5,013
First Nation Education Steering Committee		4,440	4,683
Funding reimbursement (recovery)		(7,284)	(26,297)
		2,509,241	1,993,456
Expenses			
Administration	3	774,258	731,500
Education and Economic Development	4	489,820	587,666
Social Development and Health	5	103,052	143,748
Capital Projects	6	57,668	118,967
Maintenance	7	84,456	106,458
Employment	8	82,844	84,917
Housing	9	187,676	104,231
Other	10	120,254	117,975
		1,900,028	1,995,462
Annual surplus (deficit)		609,213	(2,006)
Accumulated surplus, beginning of year, as previously stated		832,604	800,614
Retrospective application of change in accounting policy <i>(Note 11)</i>		1,976,649	2,010,645
Accumulated surplus, end of year		3,418,466	2,809,253

The accompanying notes are an integral part of these financial statements

Nicomen Indian Band
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2018

	2018	<i>2017 (Restated)</i>
Annual surplus (deficit)	609,213	(2,006)
Purchases of tangible capital assets	(277,099)	(113,099)
Amortization of tangible capital assets	119,864	86,585
Proceeds of disposal of tangible capital assets	44,351	-
	(112,884)	(26,514)
Acquisition of prepaid expenses	(8,675)	(2,127)
Use of prepaid expenses	-	4,254
	(8,675)	2,127
Increase (decrease) in net financial assets	487,654	(26,393)
Net financial assets, beginning of year	206,917	233,310
Net financial assets, end of year	694,571	206,917

The accompanying notes are an integral part of these financial statements

Nicomen Indian Band
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	609,213	(2,006)
Non-cash items		
Amortization of tangible capital assets	119,864	86,585
Ottawa Trust Fund income	(10,563)	(5,014)
Earnings (loss) from investment in Nation partnerships and business entities	63,490	(71,562)
	782,004	8,003
Changes in working capital accounts		
Accounts receivable	(97,428)	(27,371)
Restricted cash	-	48,001
Prepaid expenses	(8,675)	2,127
Accounts payable and accruals	(27,757)	35,579
Deferred revenue	36,576	17,656
	684,720	83,995
Financing activities		
Advances of long-term debt	128,365	31,725
Repayment of long-term debt	(50,733)	(22,808)
Advances (repayment) of bank indebtedness	12,802	(14,896)
	90,434	(5,979)
Capital activities		
Purchases of tangible capital assets	(277,099)	(113,099)
Proceeds of disposal of tangible capital assets	44,351	-
	(232,748)	(113,099)
Investing activities		
Investment in Nation partnerships and business entities	(84,196)	(10,001)
Transfers from Ottawa Trust	-	260,000
	(84,196)	249,999
Increase in cash resources	458,210	214,916
Cash resources, beginning of year	279,006	64,090
Cash resources, end of year	737,216	279,006
Supplementary cash flow information		
Interest paid	11,757	9,034

The accompanying notes are an integral part of these financial statements

Nicomen Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

1. Operations

The Nicomen Indian Band (the "Band") is located in the province of British Columbia. Nicomen Indian Band includes the Band's government and all related entities that are accountable to the Band and are either owned or controlled by the Band.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Band reporting entity, except for Band business entities. Trusts administered on behalf of third parties by Nicomen Indian Band are excluded from the Band reporting entity.

Nicomen Indian Band business entities, owned or controlled by the Band's Council but not dependent on the Band for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Band. Thus, the Band's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Squianny Limited Liability Partnership
- Zakwaski Limited Partnership
- Squianny Development Corporation

Investments in Band partnerships are accounted for using the proportionate consolidation method. The Band's pro-rata share of the assets, liabilities, revenue, and expenses of the Band partnerships have been combined on a line-by-line basis with similar items of the Band.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Net financial assets

The Band's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The net financial assets of the Band is determined by its financial assets less its liabilities. Net financial assets is comprised of two components, non-financial assets and accumulated surplus.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

2. **Significant accounting policies** *(Continued from previous page)*

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records for all tangible capital assets. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Amortization for tangible capital assets is recorded using the following rates or periods and intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Housing	declining balance	5 %
Equipment	declining balance	20 %
Community infrastructure	straight-line	40-100 years

Long-lived assets and discontinued operations

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Band determines that a long-lived asset no longer has any long-term service potential to the Band, the excess of its net carrying amount over any residual value is recognized as an expense in the consolidated statement of operations. Write-downs are not reversed.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Band members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on land or other Band tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Portfolio investments

Long-term investments in entities that are not owned, controlled or influenced by the Band are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

2. **Significant accounting policies** *(Continued from previous page)*

Revenue recognition

Government transfers

The Band recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Band recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

The Band recognizes externally restricted inflows as revenue in the period the resources are used for the purposes specified in accordance with an agreement or legislation. Until this time, the Band records externally restricted inflows in deferred revenue.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Other source revenue

Other revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Income from investments

Nicomen Indian Band uses the modified equity method to account for its investments in Squianny Limited Liability Partnership, Zakwaski Resources Limited Partnership and Squianny Development Corporation as the entities are not dependent on the Band for their continuing operations. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entities' accounting principles are not adjusted to conform to those of the Band. Thus, the Band's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received to the extent that retained earnings is above zero.

Segments

The Band conducts its business through eight reportable segments: Administration, Education and Economic Development, Social Development and Health, Capital Projects, Maintenance, Employment, Housing and Other. These operating segments are established by senior management to facilitate the achievement of the Band's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Band is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

At each financial reporting date, the Band reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Band continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2018, management has determined no liability is required to be recorded.

Nicomen Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

3. Restricted cash

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") the Band established a replacement reserve, funded by an annual allocation of \$6,142 (2017 - \$6,142), to ensure maintenance and replacement of buildings financed by CMHC. At March 31, 2018, no funds have been set aside to fund this reserve (2017 - \$nil). The unfunded portion at March 31, 2018 was \$31,077 (2017 - \$25,326).

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

4. Funds held in trust

Capital and revenue trust monies are transferred to the Band on the authorization of the Minister of Indigenous Services Canada, with the consent of the Band's Council.

	2018	2017
Capital Trust		
Balance, beginning and end of year	159,273	219,273
Transfer to Band	-	(60,000)
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Balance, end of year	159,273	159,273
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Revenue Trust		
Balance, beginning of year	77,679	272,665
Interest	5,364	4,705
Canada Pacific Railway	4,895	-
BC Special Distribution	304	309
Transfer to Band	-	(200,000)
<hr/>		
Balance, end of year	88,242	77,679
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	247,515	236,952
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5. Long-term investments

Long-term investments consist of Class A common shares of All Nations Trust Company and are recorded at cost.

Nicomen Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

6. Investments in Nation partnerships and business entities

The Band has investments in the following entities:

			<i>2018</i>
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>
			<i>Total investment</i>
First Nation Business Entities – Modified Equity:			
Squianny Development Corporation - 100%	1	-	9
<hr/>			
First Nation Business Partnerships – Modified Equity:			
Zakwaski Resources Limited Partnership - 99.9%	1	84,196	28,331
Squianny Limited Liability Partnership - 99.9%	1	10,000	(20,270)
<hr/>			
	2	94,196	8,061
<hr/>			
	3	94,196	8,070
<hr/>			

			<i>2017</i>
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>
			<i>Total investment</i>
First Nation Business Entities – Modified Equity:			
Squianny Development Corporation - 100%	1	-	71
<hr/>			
First Nation Business Partnerships – Modified Equity:			
Zakwaski Resources Limited Partnership - 99.9%	1	-	75,409
Squianny Limited Liability Partnership - 99.9%	1	10,000	(3,920)
<hr/>			
	2	10,000	71,489
<hr/>			
	3	10,000	71,560
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Consolidated financial information for Squianny Development Corporation is as follows:

	2018	2017
Assets	10	74
<hr/>		
Liabilities	2	2
Equity, end of year	8	72
<hr/>		
	10	74
<hr/>		
	2018	2017
Revenue	(64)	71
Expenses	-	-
Net Income	(64)	71
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Nicomen Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

6. Investments in First Nation partnerships and business entities *(Continued from previous page)*

Financial information for Squianny Limited Liability Partnership is as follows:

	2018	2017
Assets	10,911	6,078
Liabilities	21,199	-
Equity, end of year	(10,288)	6,078
	10,911	6,078
	2018	2017
Revenue	-	-
Expenses	16,366	3,924
Net loss	(16,366)	(3,924)

Financial information for Zakwaski Resources Limited Partnership is as follows:

	2018	2017
Assets	105,212	102,223
Liabilities	76,850	26,737
Equity, end of year	28,362	75,486
	105,212	102,223
	2018	2017
Revenue	360,731	237,363
Expenses	407,857	161,879
Net Income	(47,126)	75,484

7. Bank indebtedness

Bank indebtedness includes an operating loan amounting to \$94,716 (2017 – \$81,914) and bearing interest at prime plus 0.5%. The prime rate at March 31, 2018 was 1.25%. The maximum credit of the operating loan is \$100,000, and the undrawn portion at March 31, 2018 was \$5,284 (2017 - \$18,086). This arrangement does not have a termination date and can be withdrawn at the bank's option. The credit line is secured by a general security agreement covering all property of the Band.

Nicomen Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Deferred revenue

Deferred revenue consists of the following deferred government transfers and other revenues:

	2018	2017
Indigenous Services Canada - ICMS #9-00126992		
BC Hydro Line Relocation Project	54,232	-
Skeesht Health Society - Diabetic Members	8,340	8,340
Deferred House Sale Proceeds	-	17,656
	62,572	25,996

9. Long-term debt

	2018	2017
Non-Profit Housing IV		
All Nations Trust mortgage; payments of \$1,349 per month, including interest at 1.37% per annum; maturity date of October 1, 2021.	56,585	89,850
Toyota Financial Services		
Vehicle financing; payments of \$549 per month, including interest at 1.49% per annum; maturity date of July 7, 2021.	21,412	27,630
Ford Credit Services		
Vehicle financing; payments of \$1,136 per month, including interest at 6.29% per annum; maturity date of June 22, 2021, secured by a vehicle with a book value of \$46,056.	20,670	-
Ford Credit Services		
Vehicle financing; payments of \$452 per month, including interest at 6.29% per annum; maturity date of June 22, 2022, secured by a vehicle with a book value of \$25,880.	20,184	-
CAT Financial Services		
Equipment financing; payments of \$1,338 per month, with zero interest; maturity date of December 5, 2022, secured by equipment with a book value of \$81,248.	76,261	-
	195,112	117,480

Principal repayments on long-term debt in each of the next five years, assuming term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

2019	47,149
2020	48,374
2021	49,663
2022	36,545
2023	13,380

Long-term debt for housing projects is secured by Ministerial guarantees of the Minister of Indigenous Services Canada.

Nicomen Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

10. Accumulated surplus

Accumulated surplus is comprised of the following:

	2018	2017 <i>(Restated)</i>
Operating surplus	619,766	62,119
Tangible capital asset surplus	2,520,108	2,484,856
Ottawa trust surplus	247,515	236,952
CMHC replacement reserve surplus	31,077	25,326
	3,418,466	2,809,253

11. Change in accounting policies

Effective April 1, 2017, the Band adopted the recommendations relating to the following Sections, as set out in the Canadian public sector accounting standards.

- PS 2200 *Related Party Disclosures*
- PS 3420 *Inter-entity Transactions*
- PS 3210 *Assets*
- PS 3320 *Contingent Assets*
- PS 3380 *Contractual Rights*
- PS 3150 *Tangible Capital Assets*

Pursuant to the recommendations, other than for the adoption of PS 3150, the changes were applied prospectively and prior periods have not been restated.

The PS 3150 *Tangible Capital Assets* adoption was applied retroactively. As a result of the adoption, all tangible capital assets must be capitalized and amortized. For the year ended March 31, 2018, the change resulted in an increase in tangible capital assets and opening accumulated surplus of \$2,010,645, and increase in amortization expense of \$33,995.

The change in accounting policy has been applied retroactively with restatement of prior years. The cumulative effect in the prior year, as of March 31, 2017 was an increase in tangible capital assets and opening accumulated surplus of \$2,044,640, and increase in amortization expense of \$33,995.

12. Economic dependence

Nicomen Indian Band receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of agreements entered into with the Government of Canada. These agreements are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the Band to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

13. Financial Instruments

The Nicomen Indian Band's financial instruments consist of cash, receivables, marketable securities, accounts payable accrued liabilities and long-term debt. It is management's opinion that the Nicomen Indian Band is not exposed to significant currency, credit, or interest rate risk arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

14. Segments

The Nicomen Indian Band receives revenue and incurs expenses from various projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by segments. Schedules 3 to 10 disclose the Band's revenue and expenses in the following segments:

Administration

Includes general operations, support and financial management of the Band.

Education and Economic Development

Includes revenue and expenses related to primary, secondary and post secondary education of the members of the Band and activities related to the growth of revenue producing projects with the Band.

Social Development and Health

Includes revenue and expenses relating to the social assistance of the members of the Band and the provision of health services within the Band

Capital Projects

Includes revenue and expenses related to capital projects.

Maintenance

Includes revenue and expenses related to ongoing community maintenance.

Employment

Includes revenue and expenses related to employment programs of the Band.

Housing

Includes rent collection and maintenance related to the mortgaged homes owned by the Band.

Other

Includes revenue and expenses related to the Ottawa Trust Fund, Capital Assets, and other activities not related to another segment.

15. First Nations Financial Transparency Act

The Band is required to post its consolidated financial statements on a website and submit the consolidated financial statements to Indigenous Services Canada by July 29, 2018. As the audit report is dated after this date, the Band is in violation of this requirement. The possible effect of this violation has not yet been determined.

16. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Nicomen Indian Band
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2018

	<i>Land</i>	<i>Equipment</i>	<i>Community infrastructure</i>	<i>Housing</i>	<i>2018</i>	<i>2017</i>
						<i>(Restated - Note 11)</i>
Cost						
Balance, beginning of year	128,693	526,076	3,757,077	532,190	4,944,036	4,830,937
Acquisition of tangible capital assets	-	277,099	-	-	277,099	113,099
Disposal of tangible capital assets	-	(52,668)	-	-	(52,668)	-
Balance, end of year	128,693	750,507	3,757,077	532,190	5,168,467	4,944,036
Accumulated amortization						
Balance, beginning of year	-	353,709	1,729,296	258,695	2,341,700	2,255,115
Annual amortization	-	61,968	44,221	13,675	119,864	86,585
Accumulated amortization on disposals	-	(8,317)	-	-	(8,317)	-
Balance, end of year	-	407,360	1,773,517	272,370	2,453,247	2,341,700
Net book value of tangible capital assets	128,693	343,147	1,983,560	259,820	2,715,220	2,602,336
2017 Net book value of tangible capital assets	128,693	172,368	2,042,580	258,695	2,602,336	

Nicomen Indian Band
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2018

	2018	2017 <i>(Restated)</i>
Consolidated expenses by object		
Administration	43,183	119,382
Amortization <i>(Note 11)</i>	119,864	86,585
Bank charges and interest	10,826	7,372
Basic needs and shelter	65,955	86,234
Community events	20,514	32,365
Contracted services	426,347	423,652
Honoraria	39,832	21,200
Insurance	15,614	18,755
Interest on long-term debt	869	1,635
Office supplies	9,086	10,777
Repairs and maintenance	165,059	66,750
Salaries and benefits	727,337	834,840
Special needs	2,073	3,795
Special projects	51,754	50,304
Student expenses	29,350	30,605
Supplies	91,165	95,244
Support for families	5,000	19,744
Telephone and internet	14,320	15,648
Training	32,460	15,116
Travel	12,728	41,849
Tuition	8,792	4,091
Utilities	7,900	9,519
	1,900,028	1,995,462

**Nicomen Indian Band
Administration**

Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus

For the year ended March 31, 2018

	2018	2017
Revenue		
Nlaka'pamux Legacy Trust	377,485	688,000
Economic activity	304,876	228
Indigenous Services Canada	123,194	113,351
Other revenue	99,885	204,779
Kwoiek Creek Resources Limited Partnership	29,018	81,169
Province of BC	28,546	-
	963,004	1,087,527
Expenses		
Administration	18,530	89,621
Bank charges and interest	10,826	7,372
Basic needs and shelter	100	470
Community events	20,514	32,365
Contracted services	181,013	105,457
Honoraria	21,632	21,200
Insurance	11,414	13,505
Office supplies	8,592	10,777
Repairs and maintenance	350	-
Salaries and benefits	319,892	282,397
Special projects	51,754	50,118
Student expenses	-	3,295
Supplies	65,632	59,532
Support for families	2,785	1,195
Telephone and internet	14,320	15,648
Training	32,145	2,000
Travel	8,066	28,520
Utilities	6,693	8,028
	774,258	731,500
Surplus before transfers	188,746	356,027
Transfers between segments	(164,704)	(48,193)
Surplus	24,042	307,834

Nicomen Indian Band
Education and Economic Development

Schedule 4 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2018

	2018	2017
Revenue		
Economic activity	772,576	133,911
Indigenous Services Canada	113,550	70,045
New Relationship Trust	96,000	-
Union of BC Municipalities	66,915	33,457
First Nations Emergency Services Society	50,069	50,042
Earnings (loss) from investment in Nation partnerships and business entities	(63,490)	71,562
First Nation Education Steering Committee	4,440	4,683
Other revenue	-	2,234
Funding reimbursement (recovery)	(548)	(26,297)
	1,039,512	339,637
Expenses		
Administration	9,047	5,065
Contracted services	179,575	155,520
Honoraria	18,200	-
Salaries and benefits	221,255	361,264
Student expenses	29,350	27,310
Supplies	20,381	28,876
Support for families	1,000	1,000
Travel	2,220	4,540
Tuition	8,792	4,091
	489,820	587,666
Surplus (deficit) before transfers	549,692	(248,029)
Transfers between segments	129,926	177,000
Surplus (deficit)	679,618	(71,029)

Nicomen Indian Band
Social Development and Health
Schedule 5 - Consolidated Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Services Canada	131,690	144,660
Funding reimbursement (recovery)	(1,650)	-
	130,040	144,660
Expenses		
Administration	2,828	-
Basic needs and shelter	65,855	85,764
Contracted services	6,639	9,964
Salaries and benefits	24,442	24,783
Special needs	2,073	3,795
Supplies	-	2,193
Support for families	1,215	17,249
	103,052	143,748
Surplus	26,988	912

Nicomen Indian Band
Capital Projects

Schedule 6 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Services Canada	52,175	177,450
Funding reimbursement (recovery)	(5,086)	-
	47,089	177,450
Expenses		
Administration	7,278	20,496
Contracted services	28,936	77,117
Repairs and maintenance	12,230	-
Salaries and benefits	5,355	17,864
Special projects	-	187
Supplies	3,869	2,000
Travel	-	1,303
	57,668	118,967
Surplus (deficit) before transfers	(10,579)	58,483
Transfers between segments	(86,549)	43,019
Surplus (deficit)	(97,128)	101,502

**Nicomen Indian Band
Maintenance**

Schedule 7 - Consolidated Schedule of Revenue and Expenses and Deficit

For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Services Canada	46,020	52,491
Expenses		
Contracted services	27,159	24,594
Repairs and maintenance	9,823	33,190
Salaries and benefits	45,349	44,741
Supplies	1,283	2,237
Travel	633	1,207
Utilities	209	489
	84,456	106,458
Deficit before transfers	(38,436)	(53,967)
Transfers between segments	(4,319)	-
Deficit	(42,755)	(53,967)

**Nicomen Indian Band
Employment**

Schedule 8 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018	2017
Revenue		
Department of Fisheries and Oceans	26,500	26,500
Interior Salish Employment and Training Society	42,214	56,561
	68,714	83,061
Expenses		
Administration	3,000	3,100
Salaries and benefits	77,721	61,716
Supplies	-	407
Support for families	-	300
Training	314	13,116
Travel	1,809	6,278
	82,844	84,917
Deficit before transfers	(14,130)	(1,856)
Transfers between segments	-	7,780
Surplus (deficit)	(14,130)	5,924

**Nicomen Indian Band
Housing**

Schedule 9 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018	2017
Revenue		
Canada Mortgage and Housing Corporation	179,077	35,249
Indigenous Services Canada	-	48,000
Rental income - CMHC Units	19,583	20,368
Other revenue	17,656	-
	216,316	103,617
Expenses		
Administration	2,500	1,100
Contracted services	3,025	51,000
Insurance	4,200	5,250
Interest on long-term debt	869	1,635
Office expenses	493	-
Repairs and maintenance	142,266	2,170
Salaries and benefits	33,323	42,076
Utilities	1,000	1,000
	187,676	104,231
Surplus (deficit) before transfers	28,640	(614)
Transfers between segments	(6,142)	(6,142)
Surplus (deficit)	22,498	(6,756)

**Nicomen Indian Band
Other**

Schedule 10 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018	2017 <i>(Restated)</i>
Revenue		
Ottawa Trust Fund income	10,563	5,013
Other revenue (loss)	(12,017)	-
	(1,454)	5,013
Expenses		
Amortization <i>(Note 11)</i>	119,864	86,585
Repairs and maintenance	390	31,390
	120,254	117,975
Deficit before transfers	(121,708)	(112,962)
Transfers between segments	131,788	(173,464)
Surplus (deficit)	10,080	(286,426)