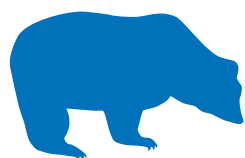




ANNUAL REPORT

FISCAL YEAR 2019-2020



 **LOWER NICOLA**
 **INDIAN BAND**

Chief Stuart Jackson

On behalf of the Lower Nicola Indian Band Council, I am pleased to present the Annual Report for the fiscal year April 2019 – March 2020.

Chief and Council elections were held in October of 2019 and this Council took the helm in November. We are grateful to and thank the outgoing Chief and Council for their efforts and all the groundwork they laid so that the Lower Nicola Indian Band can continue on its path forward.

When a new Council comes on board, the first hurdle for any such group is the steep and rapid learning curve required by each member to learn the ins and outs of the organization. Of course there is no pause button to press while the initial learning takes place and it can be a challenge to keep up with the decision-making required. I commend all those who stand for office – it takes courage and strength to represent our people.

As the Annual Report demonstrates, this leadership and our immediate predecessors were able to accomplish a substantial amount. Of particular importance was the completion of a Community Plan, and a strategic plan to map out the steps and focus for ongoing efforts to have our community meet the vision we all share.

Of equal importance is the significant work that has been done to establish good governance through the adoption of laws, policies, bylaws and procedures. This work is ongoing and will further enable consistent and equitable decisions and financial security.

As a Band, we continue to strive for economic diversity, meaningful employment opportunities for our members, excellence in education for our youth and leaders of tomorrow, care and security for our Elders and the vulnerable in our midst. Our language and culture are valued, and we are making great strides in recovering that which was lost.

On behalf of Council, I also want to take this opportunity to recognize the hard work of all of our LNIB employees, and to thank them for their efforts to put our vision and plans into practicality.

If you have any questions about the content of this Annual Report please reach out to me or our Executive Director.





Chief and Council 2016 to October 2019 I-r: Chief Aaron Sumexheltza, Councillors Harold Joe, Bill Bose, Joanne Laferty, Connie Joe, Leslie Manuel, Leona Antoine, Lucinda Seward



Chief and Council post October 2019: I-r back row: Robin Humphrey, Bill Bose, Connie Joe, Lucinda Seward, I-r front row: Spence Coutlee, Aaron Sumexheltza, Chief Stuart Jackson, William Sandy



Executive Director Kari Reilander

A year of building on our strategy, our service and our future

This Annual Report reflects the work done by LNIB staff and members who are serving the community through their leadership, and their volunteerism. We are committed to ensuring services and programs are delivered to the high standards expected by our community and continuously strive to improve the processes and daily performance of our duties. Our collective accomplishments are many, however, three overriding themes emerged: Implementing our Strategic Plan, Serving our Community and Investing in Lower Nicola Indian Band's Future.

Implementing our Strategic Plan: As many of you may remember, Council engaged membership between 2018 and 2019 with the assistance of Four Directions Management Services (Dan George), where members were consulted on the development of a LNIB Community Plan. Then in December of 2019 our newly elected Chief and Council built a Strategic Plan around the Community Plan. The 2020-2023 Strategic Plan is a foundational governance document and provides a high-level road map to achieve our mission of "LEADING." The plan defines what key strategies and goals are to be acted on by LNIB's Administration. Over the past year, we have accomplished many of these important goals, including: building out the policies required under the LNIB Financial Administration Law 2018; adopting a Financial Governance Policy and Procedures, a Finance Policy and Procedures, as well as the LNIB Information Management and Retentions Policy. We also launched our new, interactive website www.lnib.net. This foundation building activity successfully positions LNIB for additional funding from external agencies and makes clear to our economic partners that we know where we're going and what are our economic, social, environmental and culture commitments and plans are.

Serving our Citizens. Our commitment to band members remains our Top Priority. All of the services we provide are focused on the community and in serving our members: clearing driveways after snowstorms; collecting garbage and sewage disposal; hosting health, education and job fairs; providing after school programs and daycare; providing home support, patient travel and a weekly nursing's clinics; holding informative community meetings, special events and hosting consultative engagement meetings.

Our Infrastructure Department completed the first phase of a Community Water Project at Zoht. This project is important for the community; the water project ensures safe drinking water to all current and future homes at Zoht. In the coming year, we can look forward to the construction of new phases of projects at Joeyaska.

The Lands and Economic Development Departments continue to engage community members in Traditional Land Use Studies (TUS) to help protect LNIB's Title and Rights and to document the rich history of Nl̓eʔkepmx people and their connection to the land. The Lands Department continues to need the help of all community members to ensure our Aboriginal Rights and Title are protected.

Financial performance remains strong with the Finance Department achieving a clean audit from our Auditors, BDO. This high standard of financial reporting is something we are proud to communicate to our members. Finance and Administration continue to work diligently to ensure financial information



is both transparent and delivered with high levels of accountability to the LNIB membership. On March 24, 2020 Council appointed Marcy McLeod, Clyde Sam and Councilor Spence Coutlee to join Councilor Connie Joe and Julia Dick on the Finance and Audit Committee.

On the regulatory front, our Health Services are undergoing an accreditation process with the Canadian Accreditation Council. There are a number of benefits to LNIB and its members when accreditation is achieved. These benefits include standardized process in terms of job descriptions, accountability and ensuring programs and services are delivered in accordance with best practices around client safety and personal information security. Additionally, the Social Development Department received a 98% compliance score during the Annual Compliance review by ISC and is not subject to review for another four years. Never has LNIB achieved this level performance and is not subject to claw backs for noncompliance in this program.

Education is a cornerstone of healthy community. Our youth are our future leaders, recognizing that, Council committed significant resources to the improvement of the Education Department in its entirety.

The Economic Development is working hard to coordinate job placement. Many Joint Ventures are under development and are designed to make financial returns to the Nation.

Investing in LNIB's Future. Finally, we continue to invest in the Nation's future through building infrastructure, investing in our businesses and building capacity in our people. Behind the scenes, we have continued to build strong governance through policy development, better systems and improved communications.

Everyone is working hard to build a stronger Nation. We will continue moving forward with many ongoing and new initiatives in the coming year and we look forward to continuing to serve our community in the years ahead.

We hope you enjoy our 2019-2020 Annual Report.



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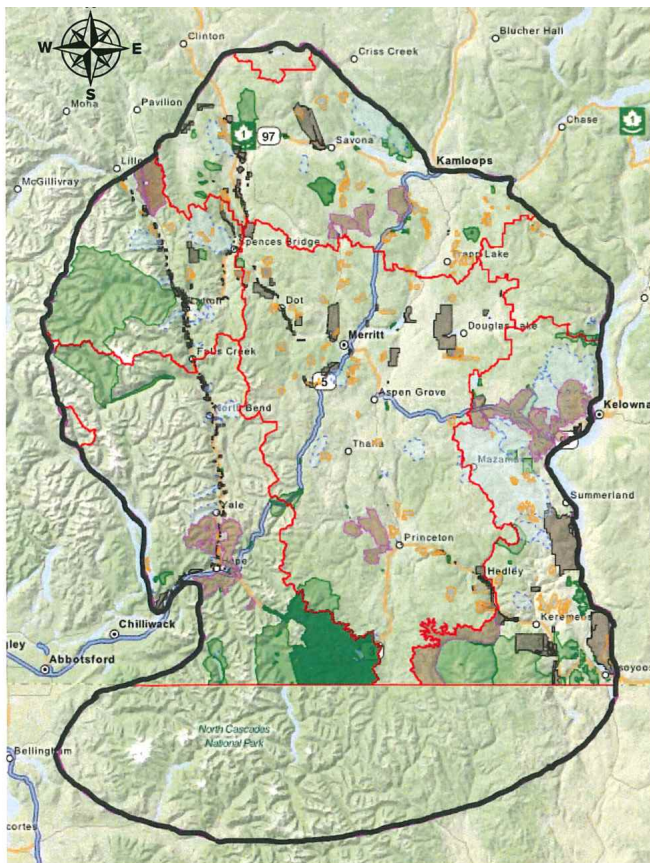
Lower Nicola Indian Band

Declaration of the Lower Nicola Indian Band

We, the people of the Lower Nicola Indian Band, commit ourselves to being a peaceful, prosperous, and secure community made up of healthy individuals rooted in the Nl̓eʔkepmx culture, respecting ourselves, each other, the environment, and all of Creation. We will honour and protect our children, the sacred gifts from the Creator, and our elders, the wisdom keepers.

Together as one, we will take responsibility to regain control of our own destiny and rebuild our relationships with other people on a firm footing of respect and justice. We will possess our traditional territories and defend our hereditary and Aboriginal rights as Nl̓eʔkepmx people, and promote the unity and strength of the Nl̓eʔkepmx Nation as a whole.

We will be a sovereign community with a government based on traditional values, guided by leaders who now and respect the language, culture, and people. We recognize that injustices have been committed against our people: our lands have been occupied, our culture eroded, and our sovereignty denied. We will not allow this to continue and will ensure that it never happens again. In this, the Lower Nicola Indian Band will be a model community that others look to for direction and inspiration. We will realize true power, fulfill our responsibility to our ancestors, and create peace for future generations.

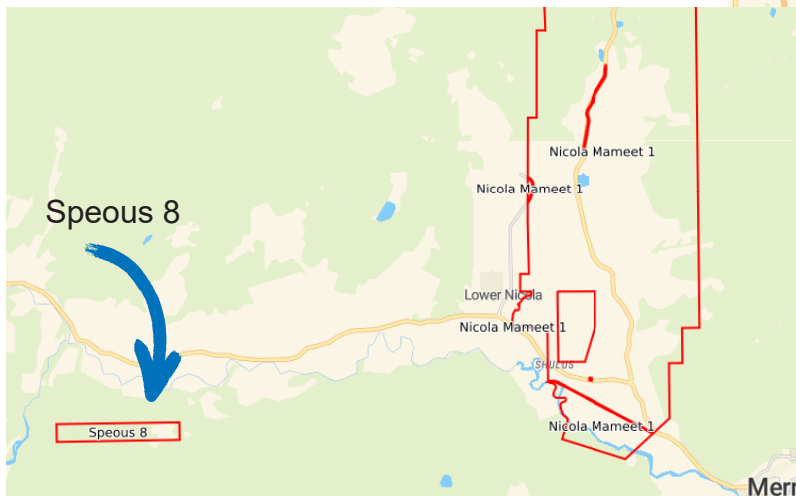
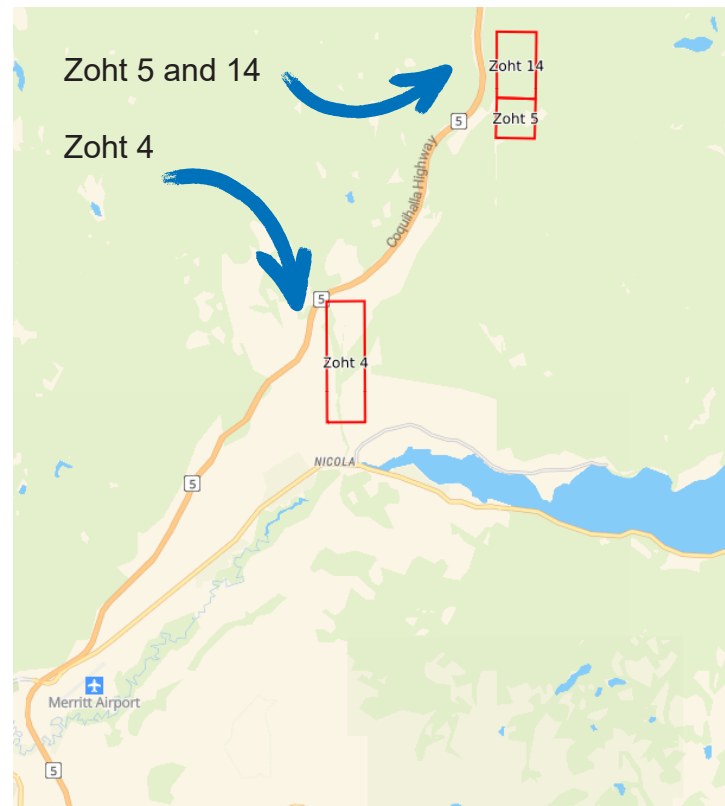
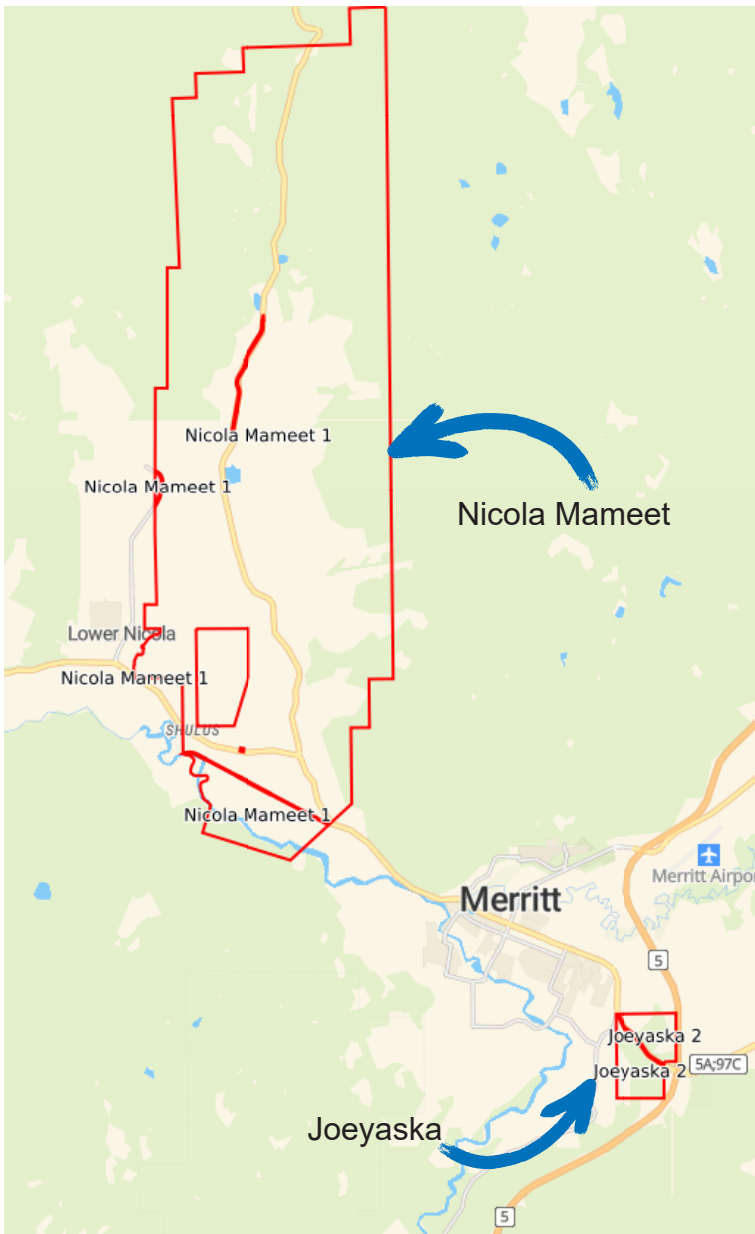


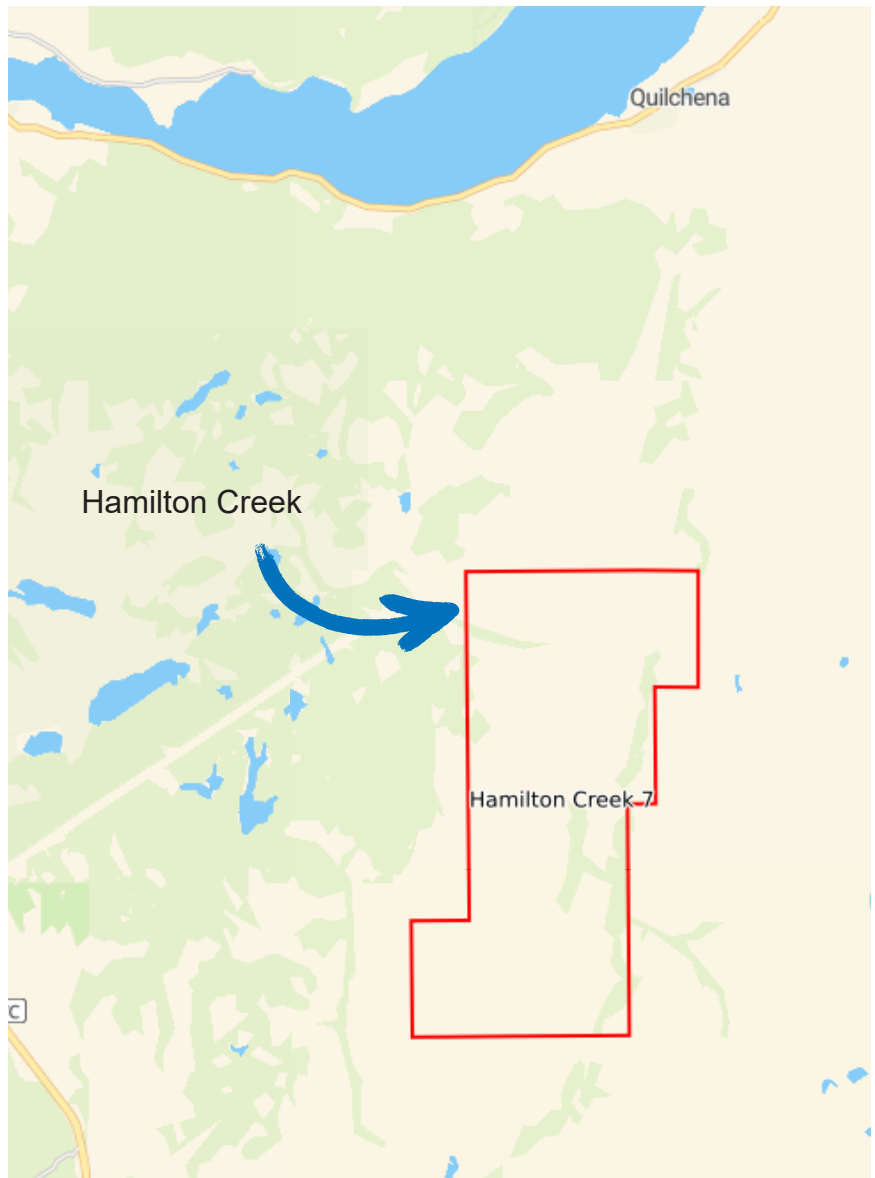
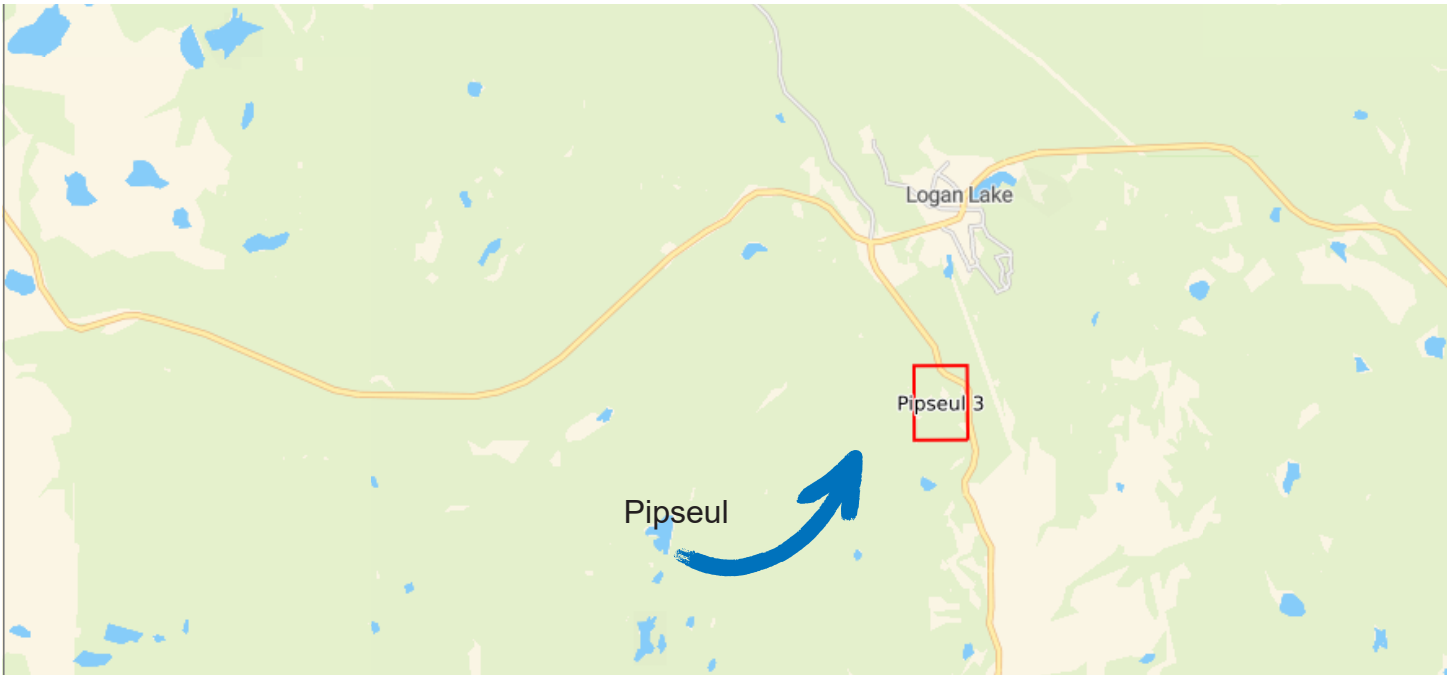
Strategic planning is making choices. It is a continuous process designed to support LNIB leaders, staff and members in being intentional about our goals and methods. Planning is based on strategy, vision, and objectives. They are interrelated, but their development is not a three-step sequence. All must be reflected in a strategic plan. Planning is a difficult and complex task, an iterative process. Without effective, continuous planning our organization has no guide to achieving goals and is ill prepared for changes to internal and external factors that can threaten our future.

Maps

LNIB Reserve Lands:

Nicola Mameet IR 1	45.8	km ²
Joeyaska IR 2	1.2	km ²
Hamilton Creek IR 7	17.7	km ²
Logans IR 6	0.1	km ²
Zoht IR 4	2.0	km ²
Zoht IR 5	0.6	km ²
Zoht IR 14	1.1	km ²
Pipseul IR 3	6.3	km ²
Speous IR 8	1.1	km ²







Strategic Framework



Vision

We are the Scw'exmx, the people of the creeks, of the Nłeʔkepmx Nation. We provide for our community's needs and promote wellness, connectedness, and unity amongst our members and with our neighbours and exercise our inherent rights and responsibilities as the recognized titleholders for the lands and its resources within our traditional territory.



Mission

LNIB is a community-driven organization that works to improve the quality of life and well-being for current and future generations by:

- **Leading** with a strong voice as the caretakers responsible for our water, lands and all living things;
- **Ensuring** we are able to enjoy the benefits of living in our territory as the title and rights holders of our lands;
- **Advancing** community pride by practicing of our traditional values, language, and culture; and,
- **Developing** self-sufficiency by building capacity to provide opportunities for the betterment of our community, its members, and our Nation.



Philosophy

LNIB is committed to the members that we serve. To honor this commitment, the LNIB pledges to maintain the following standards in serving our valued members so that they may have the "Best Member Experience":

- Build and support the foundation of the LNIB Government on Nłeʔkepmx values.
- Treat members with dignity, respect and courtesy.
- Listen earnestly and objectively to the needs of the membership.
- Respond to members in a timely, efficient and responsible manner.
- Respond to members with accurate and complete information.
- Utilize all assets available to insure members are satisfied with their experience with the LNIB Government.
- Work as a unified team across and between Sectors to improve service and problem solving for members.
- Solicit feedback from members on improving programs and services.





Community Goals



Language & Culture

We are committed to promoting, practicing, and upholding our language and culture as it's the foundational basis of who we are as a people and its continuation is integral to ensuring our future generations know our history and traditions and possess the skills to practice them.



Education & Training

Our members are deserving of the educational and training opportunity that will best position them for success in whatever field they choose. We are committed to supporting our members reach their personal goals by creating opportunities and opening doors for them to pursue their passions.



Health & Wellness

Health and wellness needs to be achieved and maintained across all 4 areas of the medicine wheel – spiritually, emotionally, physically, and mentally. We are committed to offering the best possible health and wellness services to our members to ensure that they are holistically healthy and well.



Land & Environmental Stewardship

We are the land and the land is us. We are committed to ensuring that the integrity of the land is sustained and protected now and into the future so that all living things and the generations to come will also be able to benefit from it like our ancestor did.





Values

TRUST

We foster welcoming environments that promote listening, understanding, safety and support.

HONESTY

We look at ourselves and others wholly and completely to ensure we are behaving openly, truthfully, and transparently.

GENEROSITY

We support a positive community spirit by looking out for one another and not leaving anyone behind. We give what we can.

RELIABILITY

We do what we say we are going to do by delivering the services expected of us and do so in a way that we would expect for ourselves.

AUTHENTICITY

We embrace what is unique about us as a people and practice our culture, traditions, and language to live by our own ways.

INCLUSIVITY

We maintain open minds, embrace new ideas, and seek alignment in differing world views to grow and better ourselves.





Elders & Youth

Our youth are the largest demographic of our community – they are our here and now and they are eager and willing. Our Elders are the keepers of our knowledge, traditions, and history. We are committed to providing our youth with the support they need to be successful in all their endeavors and to ensuring our Elders are supported, cared for, and respected in the ways they are deserving of.



State of the Art Infrastructure & Housing

As a growing community, we have a responsibility to ensure of infrastructure grows proportionately to meet our needs. We are committed to developing and maintaining the best possible infrastructure for community to thrive and continue to grow and advance.



Wealth Generation Employment & Economy

In order to achieve our Vision, we must be proactive and leaders in the regional economy around us. We are committed to generating wealth, increasing employment, and making a significant place with us within the economy in ways that aligns with our values as Scw'exmx people.



Emergency Response

We are vulnerable to a number of events which can trigger the need for emergency response. As recent years have shown us by the fires and floods we have been exposed to, this needs is something that will likely only increase in its necessity. We are committed to equipping ourselves with the necessary response capacity to be able to respond to emergency events in a way that best serves our members.



Administration

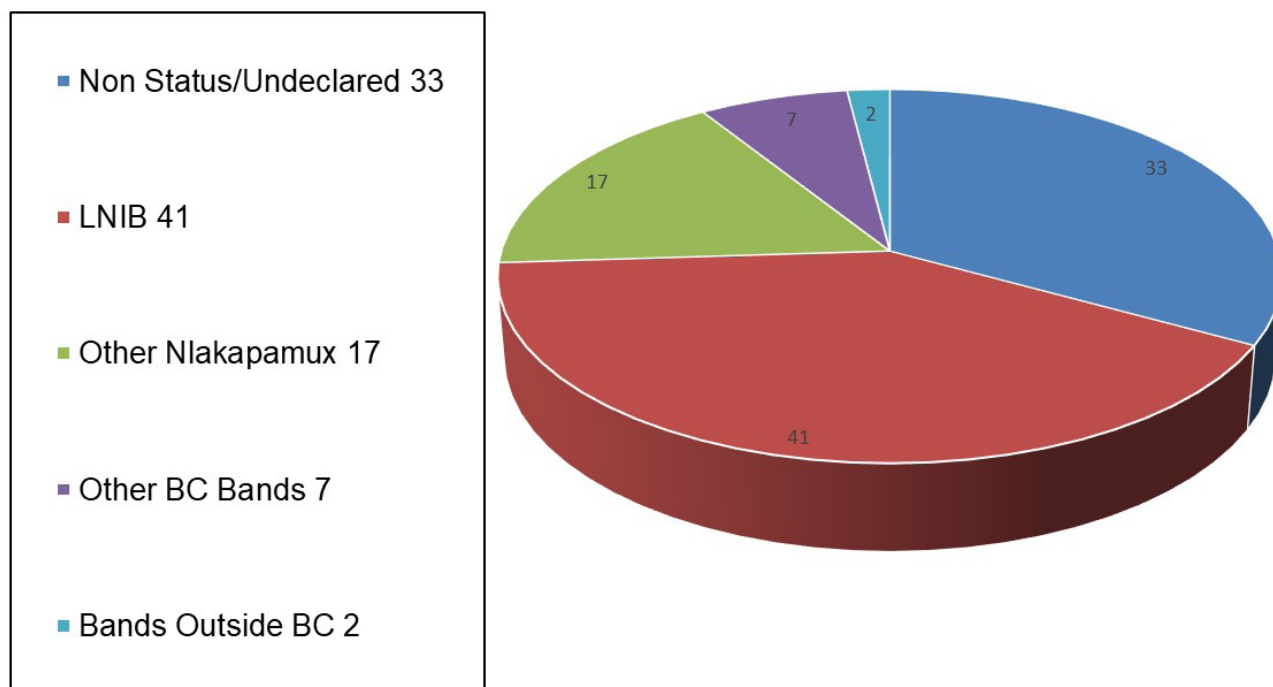
Administration provides support to Chief and Council meetings, events, schedules and Band member visits, Band general meetings, and receptionist services.

Administration also coordinates information technology, archival services, community safety and access to legal and consulting services.

iHuman Resources is responsible for hiring and employee management including professional development

Communications is responsible for social media, the LNIB websites, preparation and distribution of the monthly newsletter, as well as text messaging, media relations and management of the Intranet (an internal website for employee information sharing).

LNIB Workforce Percentages by Band Affiliation



(Please note chart does not include Band School Employees)



Strategic Plan: Human Resources

Improve current Human Resources activities by review policies and procedures, developing an HR Program, hiring an HR Manager, developing training plans for staff, and establishing clear lines of authority within the organization.



Strategic Plan: Organizational Restructuring

Reorganize LNIB's structure as necessary to support the strategy as set out by leadership and as articulated in the Community Plan.

A Director of Human Resources was hired.

A training authorization procedure with guidelines for acceptable staff professional development was implemented. Several Training sessions for all staff have been delivered including Occupational Health and Safety required training, Cyber security, basic computing skills, and Harassment complaint procedures. Most training has been video recorded and is mandatory for all new staff.

A Human Resources Management and Information System (HRMIS) was installed and implemented across LNIB.

This system includes a current and easily accessible Organizational Chart, job description and lines of authority. All employee and other Human Resources files have been digitized and uploaded to the system; as a result all employees have to access their entire personnel file anywhere and anytime, even after leaving LNIB employment.



Strategic Plan: Internal Capacity/ Skills

Encourage employee professional development by providing opportunities for staff to increase their capacity and identify current staffing gaps.

Develop wage scale



With clear job descriptions in place, a needs assessment was completed and identified areas where the LNIB work force is weak or missing skills. As a result there have been several new hires to fill gaps. This is an ongoing process that requires LNIB to best utilize its current staff and ensuring any new staff meet the identified needs.

Specific training for positions is identified and staff skills upgraded. This includes areas such as fire fighting, confined space, water technician, accounting, etc.

A general wage guideline for various levels of authority was developed and is being used across the organization. The Merritt job market is less competitive resulting in lower wage rate when compared to other regions of British Columbia, however, with a desire to improve skills in the organization, Human Resources is using a more provincial standard for wages. Although this has resulted in a moderately high wage expense, the short term experience is that staff retention has increased, meaning recruitment costs have come down.

More recently a management pay scale, based on the British Columbia government's pay scale for managers, has been developed and accepted by the Executive Director. This is expected to be implemented once all current year job performance evaluations are complete for all Directors, including the Executive Director



As part of the review of the LNIB administrative structure, the Economic Development and Lands Sector was split into two separate sectors each under a respective Director.

In the course of the review, the mandate of the Economic Development Department was clarified. The Economic Development Department researches potentials for future projects, and investigates/negotiates on behalf of the Band. Where Joint Venture opportunities arise, or new companies are structured, these are then passed over to the Lower Nicola Indian Band Development Corporation to oversee and manage.

Strategic Plan: Interface/ Integration (Economic Development Corp)

Clarify the relationship between the Economic Development Corporation to create a clear separation between its activities and those of the LNIB Band office.



Strategic Plan: Communication & Engagement

Prioritize communication and engagement efforts internally within the organization and externally



The LNIB website was redeveloped to provide a source of information that is easier to access and visually pleasing. The Members Only section was redeveloped to add security for sensitive information.

Text messaging was added a service to provide members with reminders about events and provides an additional way of contacting in cases of emergencies.

The monthly newsletter is distributed to all on-reserve households and is mailed to off reserve elders, and emailed to others off reserve.

The Intranet continues to be developed with additional programs to streamline internal communications.



Finance

The Finance department provides accounting services to all programs and businesses, payroll and benefits, asset management, insurance and risk management, revenue and working capital management, property tax administration, financial reporting, annual financial audit, and revenue agreement management. As well, they are responsible for ensuring adherence to any agreements and funding arrangements entered into by LNIB or any department or corporate entity. Additional responsibilities of the Finance Department include overseeing the management of LNIB's holdings, with the ultimate goal of managing LNIB's liquidity and mitigating its operational, financial and reputation risk. Includes LNIB's collections, disbursements, concentration, investment and funding activities.

With the collection of approximately \$1,500,000 of assessed property taxes and \$5,000,000 in other band sourced funding LNIB was able to subsidize the operations of its departments with approximately \$2,500,000 and carry forward an added surplus of approximately \$4,000,000. The breakdown of subsidized departments is as follows:

Administration	\$500,000
Public Works	\$600,000
Economic Development	\$300,000
Capital Reserve	\$1,100,000

Highlights

The Band realized an operating surplus and their overall equity position increased by 11%.

New programs initiated that will be continuing into the next fiscal year are further development of the Database engine and implementation of the Land Use Plan and Asset and Maintenance Management Program.

Consolidated Statement of Financial Position

The financial results of the consolidated statement of financial position are very positive. Net Financial Assets increased \$6,206,283 from \$19,695,161 to \$25,901,444.

Accumulated Surplus increased from \$47,029,158 to \$52,183,232 an increase of \$5,154,074

Consolidated Statement of Operations and Accumulated Surplus

The unallocated annual surplus for the fiscal year was \$5,154,074. There was also a significant improvement in the operations of the Band's Government Business Enterprises from an annual surplus of \$1,406,838 in 2019 to a \$2,365,179 surplus in 2020. Also included in 2020 was the first years share of gaming revenue from the Province of BC in the amount of \$550,403.



Tangible Capital Assets

Net (Tangible) Capital Assets include all the physical assets and infrastructure within LNIB communities. This includes buildings, housing, roads, sidewalks, water and sewer infrastructure, equipment and vehicles, net of accumulated depreciation. Net Capital Assets decreased \$1,145,060 in 2020 (\$1,220,201 of net new assets were added, offset by \$2,365,561 of depreciation).

New Initiatives

New programs that will be continuing into the next fiscal year are to further the development of the Database engine and implementation of the Asset and Maintenance Management Program.

In the coming year LNIB will be amending the 2018 Financial Administration Law to 2020 Standards and it will be fully implemented in compliance to the First Nations Financial Management Board.

Strategic Plan: Financial Administrative Law

Put in place the proper policies and procedures to fully implement Finance Administration Law.

Training Council members in finance.
Provide finance training during new Councilor onboarding.



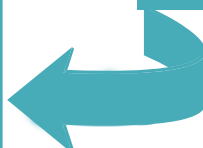
The Financial Administrative Law was reviewed and a chart formalized for policies and procedures that required amendment and/or creation and implementation. The following policies, procedures and bylaws were reviewed in this fiscal year:

Conflict of Interest
Finance Policy and Procedures
Housing Policy
Revised Timber Permit Policy
Sand and Gravel Policy
Information Management and Retention Policy
Financial Governance Policy and Procedures
Use of LNIB Name Policy

Financial training and the requirements under the Financial Administrative Law is provided to members of Council as part of the Council orientation.

Financial Oversight has been provided for with a full complement of a working Finance Committee with two Councillors and two other registered band members being appointed. On March 24, 2020 Council appointed Marcy McLeod, Clyde Sam and Councilor Spence Coutlee to join Councilor Connie Joe and Julia Dick on the Finance and Audit Committee.

Strategic Plan: Diversify Finance Committee Membership



Strategic Plan:
Update the Financial
Administrative Law

Include Conflict of Interest



Conflict of Interest Declarations are required to be completed annually by the Chief and each Councillor, as well as senior management.

For the sake of transparency, the Conflict of Interest Declarations by members of Council are considered public documents.

The operations of the Lower Nicola Indian Band Development Corporation are guided by the LNIBDC Board of Directors. Two members of Lower Nicola Indian Band Council are appointed to serve on the Board of Directors. The roles and purpose of the Development Corporation are formalized in the Owner's Letter of Expectation. This document was reviewed, revised and reissued in this reporting fiscal year.



Strategic Plan:
Clarify roles of
Development Corporation
and examine best
practices



Human Services

The Human Services Sector is responsible for the development and delivery of a variety of programs and services aimed at promoting the health and wellness of the community. Some of these services include: social assistance, community health and wellness, education, recreation, home-care, mental health and addictions counseling, youth and family activities, and homemaking services.

Helping to ensure that the health and well-being of our members is one of our most important priorities. Health and well-being encompasses all aspects of ourselves, including emotional, spiritual, psychological and physical all working in synchrony.

The current array of health programs and services provided at the Health Centre include:

- Health Programs
- Child and Family Services
- Sports and Recreation
- Training & Skills Development
- Social Development
- Elders Programs
- Youth Programs
- Culture & Language

Strategic Plan: Communication & Collaboration

To streamline processes and share information to understand the roles, responsibilities, and activities within the Sector and broader organization.

To network internally and externally to ensure our members are getting access to better services and support. Our departments collaborated a lot to meet our members needs we have a very strong working relationship. In our sector its important to establish strong working relationships our primary goal is to support the members. We need to look at all of our resources as we deal with a lot of situations where our programs overlap so we need to work together. We also work closely with the Communications team to get our information out and shared with the community.

Our biggest challenge in most cases is accessing the funds needed to provide full support whether it be housing, social or health needs.



To provide a culture program that will create resources and learn from others so they can teach our members. We continue to work on achieving some of other goals: to have a seasonal calendar, to create a resource list, and to start practicing traditional ceremonies. Our biggest challenge is finding the resources to teach and share their knowledge.

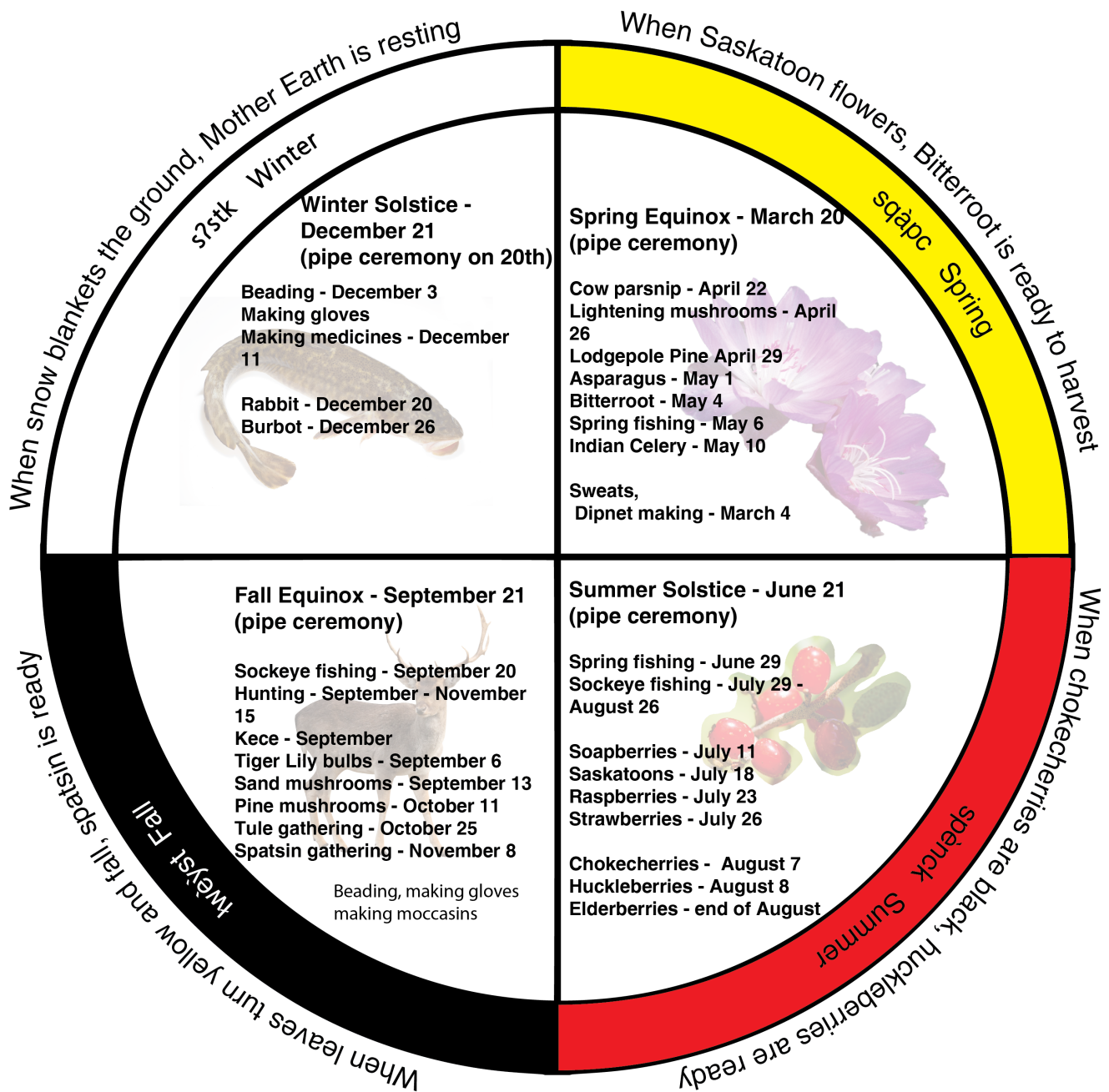
Some of our activities this year: seasons ceremony, bow making, welcoming babies celebration, moccasin making, ribbon skirts, jams, medicines, youth summer culture camps.

Strategic Plan Traditions & Culture

To create connections to our traditions and culture to establish a sense of identity, for our members and staff.

- Youth connection
 - Cultural Activities
 - Elder connection
 - Secure funding
1. Establish and implement a routine and schedule based on season.
 2. Network and collaborate with other Bands and agencies.
 3. Indian name giving and associated protocols.
 4. Traditional plant expert.
 5. Medicine man.
 6. Coming of age ceremonies.
 7. Evaluate services and implement changes as necessary.
 8. Creating teaching tools from our knowledge and resources.
 9. Youth cultural camp.









We provide cultural activities for the community and build stronger connections with our youth and elders. We did several activities with the Elders and Recreation program this year which gave us the opportunity to build relationships: story-telling, traditional games, gathering, preserving foods, cultural day camps.

All of our programs are open to anyone and we are always looking for ideas. Our culture, recreation and family activities work together every month to plan upcoming activities together.

Strategic Plan: Youth Connection

1. Provide programs and engagements i.e. cultural team building, word of the week.
2. Training on protocols and traditional ways i.e. storytelling with the Elders.
3. Gathering / seasonal rounds – routine activities, hands on cultural retreats, powwow, ceremonies.
4. Develop a cultural calendar i.e. indication of when things are ready.
5. Plant traditional medicines and herbs with identification plaques at the new building.
6. Women's sweat lodge.



Strategic Plan: A Safehouse/Sober Living Facility

Determine purpose of facility, type of facility, location and identify funding options.

Multi-Purpose Centre/Museum/Culture

Determine purpose of facility, type of facility, location and identify funding options.

To collaborate and network internally and externally to determine the feasibility and funding sources for a safety/sober living care facility in our community.

Our challenge will be finding the location and funding this has been a priority for the valley for a number of years now.

The Multi-Purpose Centre was the subject of a major grant application which unfortunately was unsuccessful.

Strategic Plan: Develop Life Skills and Wellness Plans

- Determine areas of need and improvement.
- Creating a workplace culture of self-care i.e. prayer, smudge, positive reinforcement.
- Treatment programs.
- Develop and implement a "Choices" like program.
- Reinforce the use of tools learned in the "Choices" like program long term.
- More recreation activities and supports i.e. bike rack, walking club.
- Cultural retreats.
- Sober living house.

We will expand on our programs for Elders and families. We added a number of physical and cultural activities to our monthly calendar of events.

Some of our activities: yoga, cross fit, volleyball, after school program, drop in, hiking, walking club, skating, annual turn me loose in Shulus, swimming, kayaking, canoeing traditional games and Muy Tai.

Recreation coordinated with our elders, cultural and family activities to ensure that we are offering a combination of health, culture, fitness and wellness to all ages.

All programs and agencies that work with youth in the valley coordinate for an annual youth conference that focuses on the physical, spiritual, mental and emotional well being of our youth.





To ensure that we are providing a warm, welcoming environment in all of our offices - we have space for the kids to safely play in each of our buildings. One of our main goals to achieve is to have more spaces with signs and pictures that represent our culture and teachings. Its important to our department to build trust and rapport with our members we need them to feel comfortable coming to see us when needed.



Strategic Plan: Member Experience

- Create a warm and welcoming environment i.e. kids interactive story centre, greetings / signs in our language, music, suggestion box, rules are set and followed.
- Build rapport with the community.
- Training to assist the members more holistically.





Some of the numbers:

Elders Programs - \$95,000

Mental Health Counseling - \$164,000

Family Programs (including Christmas, Fun Day)
\$87,430

Soup Kitchen - \$10,000

Community Health Nursing Programs - \$119,000

Drinking Water Safety - \$23,800

Children's Oral Health - \$10,670

Home and Community Care - \$186,625

Cultural Revival - \$158,000



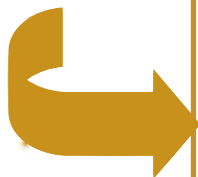
Education

The LNIB School has much to celebrate.

- Development of a strong and vibrant school that is well respected, trusted, proactive, and accountable.
- An education model that is effective, engaging and has provided a structure to deliver our many programs and services at the community level. It's strength lies in our cultural approach to opportunities.
- A strong leadership model that includes long-term competent staff and a new School Board that is responsible

Strategic Plan: Hire a Director of Education

Advertise, Hire and
Onboard Education
Director



Director of Education was hired late 2018 and tasked the accountability to oversee programs and services at a variety of levels: student support services for members attending Lower Nicola Band School K-7, student support services for members attending K-12 at public schools, student support services for members attending Post-Secondary Education, and career planning initiatives for members as it relates to both training and employment.

The Director is responsible for programs and services that directly involve vision, strategic development, planning, coordination, and execution of all activities related to K-12 education, Post-Secondary education, skills-training, and careers. The Director was assigned to oversee the operation of the Lower Nicola Band School May 2019 and is dedicated to striving for excellence by providing a quality education while promoting the Nlakaamux culture and Language to all children.

The Director's overarching goal is to both increase and sustain success with regards to education, training, and career program opportunities with transparency, accountability, and communication key factors in the way we serve LNIB members on and off reserve. This year's work plan required a financial investment from LNIB's own source revenue is requested; however, as a result of being successful in securing external funds dollars was saved.



The Lower Nicola Indian Band School has seen substantial growth over the past two decades and the 2019-2020 school year proved to be another for the school community. One of the priorities this year was for the Director to assess both the effectiveness and efficiency of the current programs/services that would serve as the foundation for a school growth plan that would provide the school with goals, strategies, and sustainable outcomes to increase capacity for student success.

In addition to offering an effective and efficient learning environment to students we have also been using LNIB's School Action Plan to create and implement new programs/services within the school. Furthermore, as both the teachers and school principal are expected to meet the provincial standards for each profession, we have created new administrative processes that will assist with growth and evaluation purposes.

The LNIB School Action Plan also provides direction for effective and efficient functionality of our School Board, and as such, we started to align this plan with the LNIB School Board's Strategic Framework that identifies the school's vision, values, mandate, and priorities. A formal process for the School Board will be in place and reported on in the next annual report to membership.

Strategic Plan: School Board

To develop a mandate that directs the work and decision-making of the Board.

Enhance the School Board structure.

Update Policy Framework to Align with Government Policies

Oversee Development of LNIB School Operational Plan



A donation of hockey equipment courtesy of Megan Breum and the Vancouver Canucks - a new rec program for the School



Strategic Plan: Lobbying and Advocacy

Review and assess current relationships.

Identify and seek out mutually beneficial relationships.

Revise open house structure to focus on increasing enrollment.

K-12 Capacity for both On/Off Reserve Members

The Band continues to provide a solid contribution of own source revenue to enhance the federal funds we receive for K-12 students living on reserve which is formula based with INAC guidelines. In addition, and in most recent years, the Band supported a new budget with own source revenue to provide similar programs and services for K-12 students who live outside the reserves.

This year we placed a high priority on providing numerous programs and services for K-12 members to increase academic capacity for those living both on and off reserves. The work plan included many result-based initiatives throughout the year, and with a strong budget in place to support the plan, our K-12 students benefited in both short and long-term gains.

While we did not reach our goal of attaining 100 new files of members living outside the Nicola Valley we did increase our contact list and this is movement in the right direction. We know there are many members attending K-12 programs and next year we will strategize new approaches to reach them.

Post-Secondary Education & Career-Training Capacity

The Post-Secondary Budget, as with K-12, is also driven by a Federal funding formula and fluctuates on an annual basis as with other departments. One positive activity over the past couple of years is that the Federal Government has provided flexibility with certain program eligibility criteria, which has been received well by First Nation Communities as it opens more doors for adult learners to be funded.

LNIB's commitment to invest in adult education has been recognized and is a more recent Budget area for Education to oversee. This budget was originally created to fund those who did not meet INAC criteria, and with certain barriers still remaining in Federal Guidelines, we know the enhanced investment by LNIB has continued to provide both tangible and intangible value to our members.



Strategic Plan: Building Capacity

Program/Service Capacity

Increasing capacity was an ongoing focus this year. Our team was reminded of this each time we met to ensure we remained motivated on streamlining improvements to increase effectiveness and efficiency in our day to day operations. The collective goal was to enhance the sector with result-based principles to reinforce our priorities for accountable, transparent, and communicative behaviors.

The fiscal budget supported numerous areas of capacity growth for our department as it provided us with great investment of human capacity for passionate staff, provided us with the funds for purposeful professional development, and a healthy allocation supported our efforts to connect the Band with more of our members who live outside the Nicola Valley.

Staffing Capacity

The Sector's management team includes: Shane Coutlee (Director of Education), Angie Sterling (School Principal), and Sharon Parsons (Education Department Manager). Collectively we have over 30 staff who support both the LNIB School and LNIB Education Department.



Creators of the Nlaka'pamux language books



Sector Highlights for 2019-2020

- Created a new service for all Graduating Students — Education Team now organizes an annual professional photo shoot for all Grads to utilize
- Secured funding to support Summer Literacy Camp that was run by LNIB School. Focus was K-3 and was open to all K-3 Band School Students and SD58 LNIB Students
- Secured office space at Merritt Secondary School where LNIB Education Staff conduct business once a week and utilize the space to work directly with both our members and school/district staff
- We now assist Secondary School Students with Certified Driving Lessons as successful completion of program provided students with credits towards their grade 12 graduation requirements.
- Increased staffing capacity at Lower Nicola Indian Band School hiring a Special Education Assistant to ensure there are now 2 specialized adults in each classroom, a health and wellness coordinator to enhance the physical education and sports activities within the school, and a daytime custodian to increase health/safety during the school day
- Successfully met all assessment measurements conducted by BC Ministry of Education Independent School review that took place at Lower Nicola Indian Band School
- Negotiated a new 5-year Local Education Agreement with SD58 that will be used to better serve our members attending public K-12 schools with quality education and successful graduation.
- Lower Nicola Indian Band School parents/staff introduced to new annual “Handbooks” to ensure transparency, accountably, and communication is active throughout the year
- As a result of resourceful management, advocacy from our team, and support from Chief and Council we were able to fund every eligible Post-Secondary Application that our



sector received this year. It was a record year for LNIB!

- We were able to hire 2 summer students this year who assisted Department Staff with annual summer tasks within the office, and this year, also helped LNIB Human Resources with a survey for membership.
- To increase communication with parents of Lower Nicola Indian Band School a FB Page was created as many of our school community both has access to and uses FB on a regular basis.
- Organized a Post-Secondary Institute tour for Grade 11/12 students in the fall to SFU and UBC. This was the first year LNIB Education offered this to members, and as it was valued by students, we plan to do this again in the future.
- Lower Nicola Indian Band School enrollment increased 15% over the previous school year
- Restructured physical space at Lower Nicola Indian Band School and moved Student Support Services from outside portable into main building to better serve students and staff
- Implemented a new progressive behavior management process for Teachers/Principal at Lower Nicola Indian Band School to better serve students, parents, and staff with educating/modeling successful academic behaviors
- Created new Lower Nicola Indian Band School “Staff Evaluation Process” for both Teachers and School Principal that will serve as a standardized framework for annual work plans, appropriate professional development, and collaborative discussions with supervisors.
- Purchased language technology for Lower Nicola Indian Band School Culture/Language Teachers to complement Nlaka’pamux Language instruction through the use of iPad applications and day to day instruction at the school.



Infrastructure

Overview of Department

The Infrastructure Department at LNIB is comprised of the following departments: Public Works, Facilities Maintenance and Housing. Altogether, we have 21 staff responsible for the operation and maintenance of public facility buildings, housing, paved and gravel roads, water wells and pump houses, reservoirs, water lines, waste water dosing station, waste water lift station, solid waste and recycling collection, operation of the Mamit Lake Dam, irrigation intakes and fleet maintenance.

Public Works Certified Water Operators are responsible to operate and maintain two chlorination systems, six water storage reservoirs and five water system pump house stations. Another part of this department is the wastewater maintenance which maintains sanitary collections from the Band School, Band School Subdivision, Shulus Arena, and our Community Health Centre. This department ensures that the water you get at your tap is safe to drink and that your sanitary sewage system is properly maintained and operated.

Our custodial staff maintain the following buildings:

- Lands & Economic Development building
- Band Hall & Basement
- Band Administration
- PW Trailer
- Health Centre
- Education Trailer
- Fire Hall
- Culture Centre
- LNIB School
- Rocky Pines Community Centre

Other maintenance work we do includes; road signs, street lighting, garbage bin maintenance, recycling program, grass maintenance, Rocky Pines Splash Pad and Animal Control.

The continual challenge for the Public Works Department is to maintain levels of service on the available funding along with increased customer service requests, inventory and keeping up to the growth of our community. Public Works Administration continues to work diligently with various funding sources to move projects forward to completion.



Strategic Plan: Update Infrastructure

Ensure our existing infrastructure is maintained and up-to-date to provide optimal service and performance.



Infrastructure Project Support

The Lands and Infrastructure Departments meet on a monthly basis to discuss and plan projects where there is overlap in responsibilities and projects. Over the last year staff have been meeting with Membership to discuss and obtaining Easement Agreements for the Industrial Park Waterline, the Domestic Water System (DWS) Eastloop Waterline and the Zoht IR No.4 Waterline.

The Lands Department also supports Infrastructure in adhering to the Land Code when planning to upgrade or construct roads, culverts and reservoirs. Working in conjunction with Lands and Finance, a tangible capital asset database is in progress that will assist with creating an accurate tangible capital asset listing. Once this database is completed, sectors will maintain their own capital asset listing which will also provide for the maintenance and life cycle planning of the Band's tangible capital assets. enable better budgeting and program planning in subsequent years.



Strategic Plan: Maintenance & Asset Management

Safeguard LNIB's assets through regular and routine maintenance and by developing an Asset Management Plan.

The Housing Department employs two full time maintenance workers. This allows us to complete most requested work and work orders in a timely fashion while being able to minimize the need to bring in outside contractors. The scope of the work needed is based on annual condition reports and tenant reported issues.

Housing is just beginning the groundwork for an asset management database, which will in turn give us vital information needed to develop an asset management plan. The basis of which will allow us to address preventative maintenance to extend the life of our existing housing stock.



After submitting proposals to funding providers we were able to plan renovations and upgrades to five homes on varying reserves. These repairs were done based on recommendations provided by a building inspector and completed by contractors outside of our organization. We also worked with organizations such as Fortis BC and BC Hydro through the Energy Conservation Assistance Program (ECAP) to provide tenants and home owners the tools to evaluate their needs to save energy and in turn save money, as well as provide some upgrades to their households. These upgrades can include everything from energy efficient light bulbs to furnace and appliance replacement.

The housing department maintains an updated wait list for all housing types. This list includes all applicants, both members and non-members, with priority given to LNIB members. The wait list shows the ongoing need to address the existing backlog of on reserve housing demand.

Strategic Plan: Housing

Continue to maintain existing housing stock and provide the housing necessary to meet community needs.



Strategic Plan: Bylaws

Review, update, and implement by-laws as necessary to ensure the best possible community functioning.

Curb Appeal Bylaw
Animal Control Bylaw
Trespassing Bylaw



Enforcement Law

The Infrastructure and Lands Department staff currently enforce bylaws and the Land Code but both need more help with law enforcement. This law allows the Chief and Council to appoint more enforcement officers to increase enforcement activities. Laws are ineffective without these activities and other enforcement tools.

The purpose of the Enforcement Law is to enable the fair, effective, and efficient enforcement of all LNIB laws. Enacting an overarching Enforcement Law rather than including enforcement provisions in each individual law makes sense due to the suite of laws under development. This approach allows LNIB to avoid repetition, and possibly confusion, by repeating the same enforcement provisions in different laws. The law outlines the authorities and responsibilities of the Council, Enforcement Officers, Justice of the Peace, and a Private Prosecutor. In addition, the current draft allows LNIB to develop a Community Justice Process now or later by amending the law.

Progress to Date:

The first draft of the law is complete and will be reviewed by the Lands Management Advisory Committee in April 2020. The COVID-19 restriction on public gatherings will prevent Public Hearings with the Membership and as a result delay the ratification of this law. The draft law will be available on the member-only portion of the LNIB website after the Lands Management Advisory Committee completes its review.



Strategic Plan: Housing Policy

Approve and Implement Housing
Policy

Develop a Five Year Housing Plan



September 17, 2019, after extensive research and development, our housing policy was ratified by Chief and Council. This policy allows us to accept, evaluate and approve housing applications based on transparent and equitable grounds. This also gives the housing department clear direction moving forward and dealing with the needs of our community and its members. This policy is available for review on the LNIB website.

With our housing policy in place, this gives us a base in which to build our housing plan. The housing plan will strive to address maintenance requirements and the need for affordable, healthy and safe housing for LNIB members.



Economic Development

Control over our lands and local economy is key to achieving a healthy, prosperous, culturally-rich future for our community. The Economic Development Sector is concerned with investment in and management of economic resources, with a strong focus on lands, land-based development projects, and Title and Rights. There are currently 28 member-owned and 2 band-owned businesses offering services in key sectors such as trades, agriculture, crafting and catering. There has been a tremendous growth in local businesses and entrepreneurs in recent years.

Strategic Plan: Build Capacity Through Member Training

Hire business coach.

Research training needs of members.

Identify trainers / facilitators / programs for members.

Negotiate with business partners to hire members.

Reassess statistics on member employment.

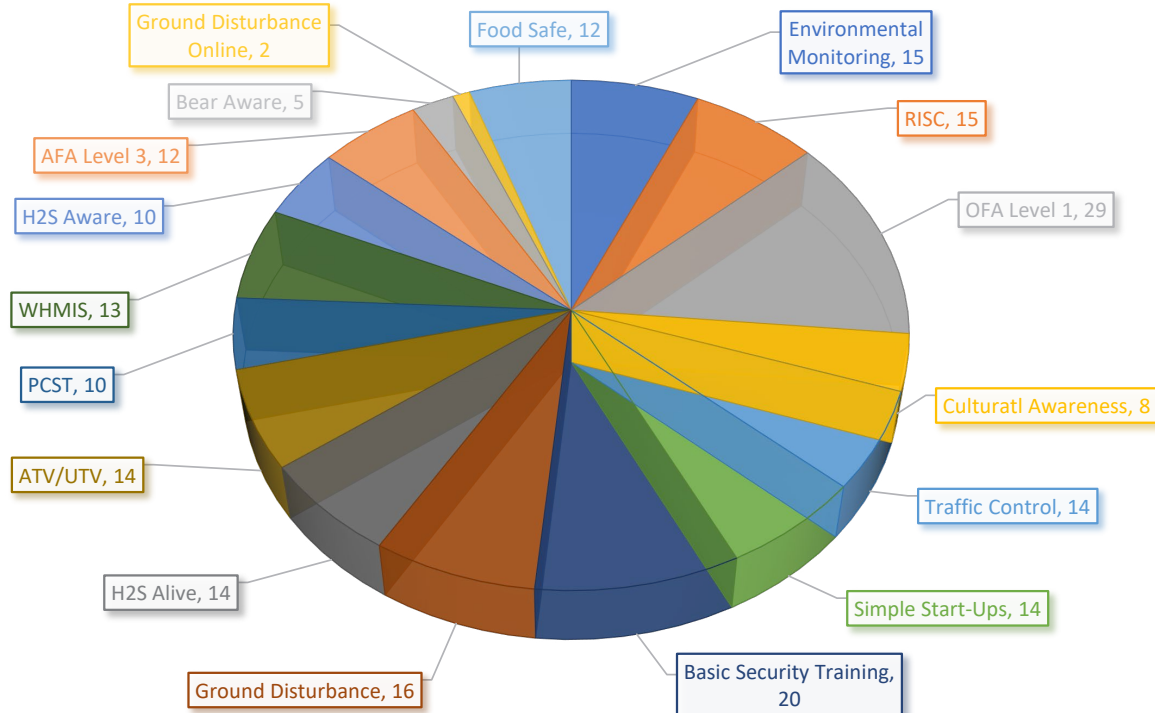
Throughout the year we have been working towards helping as many LNIB members as possible to share in the economic prosperity generated through the partnerships and joint ventures along with band and member owned businesses to generate employment and training opportunities for the membership.

Through this we have been able to:

- Clearing Members for employment with HVC has been impacted by an ongoing hiring freeze;
- Train and place members for Security Positions with Securiguard to work on the Kingsvale Transmission Line and Trans Mountain Expansion Project (TMEP);
- Provide safety training and placement for members to work for Valard Construction on the Kingsvale Transmission Line which included Labourers, Equipment Operators, Environmental Monitors and Administrative Staff;
- Enable participation on the Kingsvale Project resulting a Power Linesman Apprenticeship being offered by Valard to an LNIB Member;
- Working relationships were developed with TMEP and the Prime Contractors for spreads 5a and 5b regarding Indigenous Engagement to enhance employment opportunities for LNIB Membership;
- Regularly scheduled meetings were held with the prime contractors for spreads 5a and 5b;
- Members were invited to take part in information sessions with the prime contractors for spreads 5a and 5b regarding employment opportunities;
- Surerus Murphy Joint Venture (SMJV) and Cord offered Close to Qualified training programs that were offered and attended by interested members;
- Both in person and online training was implemented, with an emphasis on the latter due to COVID 19 in recent times; and
- Environmental along with socio-economic impacts and concerns of the TMEP were addressed at open houses hosted by representatives from Trans Mountain as well as the prime contractor for spread 5a.



TRAINING COURSE OFFERED 2019/2020



Strategic Plan: Environmental Stewardship

Develop environmental land use policy for the territory.

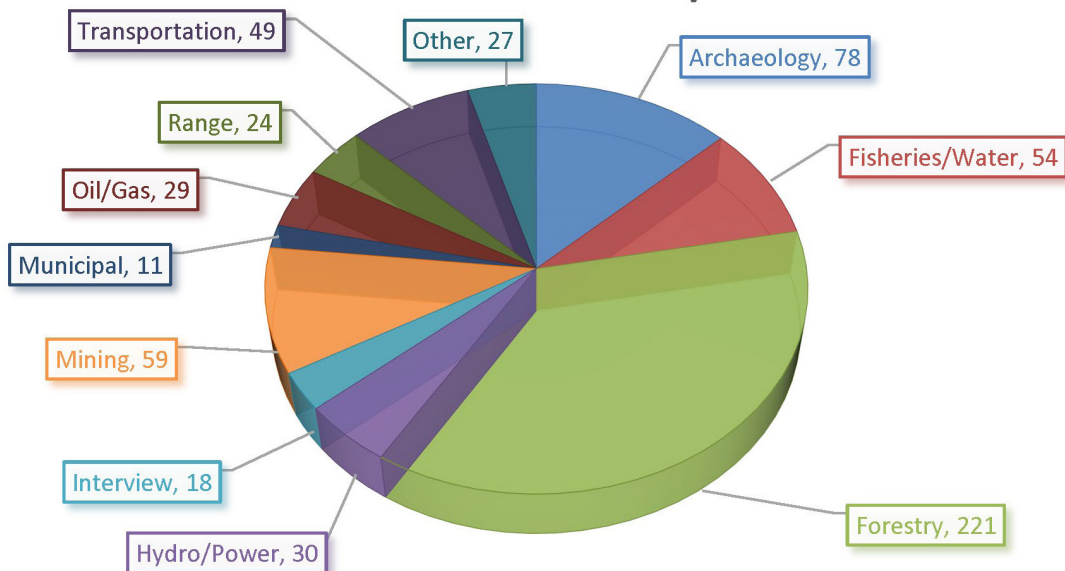
To manage our lands and resources by advancing our Nlaka'pamux worldview.

The Economic Development Department has made some fairly significant cooperative effort in working with the Environmental Assessment Office and Highland Valley Copper in establishing a Nlaka'pamux Culture Risk Assessment (NCRA). In the NCRA it allows for our assessment of significant cultural impacts to be assessed through the activities of the mine. Under the Environmental Assessment Office anything that impacts our culture within our Territory. The NCRA is better understood by having an understanding of our history prior to colonial occupation.

- Understanding Nlaka'pamux Culture is unique based on our occupation and use of our Territory, prior to our colonial occupation.
- Its important to understand how our cultural is unique and how our relationships with our neighbors took place prior to colonial occupation and today.
- Historical reference can be found through ethnographers, like James Teit and Charles Hill-Tout, among others.
(*Keep in mind who is writing and who the expected audience is for these documents, some of this information needs to be filtered through that lens*)

Prior to colonial occupation, our relationship between ourselves and our neighbours used to be a delicate balance. Now, today we have the balance between our Native neighbours and our colonial settlers. The environmental laws that are in place are governed by colonial settlers with minimal input from Nlaka'pamux culture.

REFERRAL DATA 2019/2020



Strategic Plan: Traditional and Cultural Teachings

Develop an inventory of traditional and cultural teachings.

Conduct interviews with Elders and record traditional information.

Develop opportunities for members to engage in traditional activities i.e. food gathering.

We have a good understanding of previous TLU studies that have been done in our area and are collectively inputting this information in our database. We continue to treat each new project as an opportunity to interview Elders and other knowledge holders to gain an understanding of traditional information. This is ongoing.

There have been a few opportunities currently available to members to participate in traditional activities through the band, such as: ice fishing derby, salmon and kokanee fishing, recreational activities and gathering of traditional foods and medicines.

We have an ongoing repatriation group who have been researching and tracking artifacts and historical documents that have come from our area and are currently being held at multiple museums. Access to this research, photographs and video is currently available by request to the Economic Development Department. You will require access to the internet to view any documents stored in our database.



Economic Development - Current Projects

- Transmountain Pipeline
- Kingsvale Transmission Line
- Negotiations

There are a couple of files in particular that we have been working on for the past couple of years. These were originally given to the Lower Nicola Indian Band Development Corporation (LNIBDC) to develop but went nowhere. Lack of knowledge and understanding about the roles and responsibilities of what the Economic Development Department and the LNIBDC caused delays with these projects.

1. Scratch Rock is a database project that was designed to help manage the details of our Band members. This database at its core is a membership database for hosting member contact details. Its purpose is to improve how we interact with our members. We collect relevant information from members. It is very important to have up to date contact information for all our Membership. The add on for future modules would include rent, household improvements, residential lot information, and education. We are still planning to expend funding to develop the social aspects of the program to better manage the details of our Band members.
2. The second item we have been working on is the Bio-mineral fertilizer project. This project is taking mine waste and creating a bio-mineral fertilizer and selling it for profit. We were initially going to develop this with Highland Valley Copper. Their staffing changes eluded to their lack of interest in this project. We decided to investigate other possible partnerships for this project given that it will be costly to develop over time.

Trans Mountain

The Trans Mountain Expansion Project is in full on construction in the Kamloops Urban area right now. The general contractor for the spread between Kamloops and Merritt (5a) is Surerus Murphy. LNIB and LNIBDC have been meeting with Surerus on a biweekly basis for well over a year. The Band's involvement in the project to-date have been to provide resumes to Surerus for Close to Qualified training for employment opportunities. Steve Wilks our Employment Coordinator has been working closely with Surerus to ensure we have as many LNIB members employed on the project as we possibly can.

The procurement opportunities are being managed by LNIBDC, Chief Stuart Jackson and Don Gossoo, Interim General Manager. They are meeting with Trans Mountain and Surerus to ensure that LNIBDC is securing as many procurement opportunities.

Kingsvale Transmission Line

This file was a major project under the Economic Development Department for well over four years.





It was negotiated between LNIB, Valard and Trans Mountain. The end result was a 24 km power transmission line owned by Shulus Electric and our joint venture partner Valard. The Kingsvale Transmission Line has been completed and waiting to be energized. The project started late but still managed to finish early. LNIBDC and Valard continue to wait for the project to be powered up. Due to political complications with the Nlaka'pamux Nation Tribal Council (NNTC) we have not been given our certificate to finish the work. Hopefully within the next couple of months this will be complete.



Lands

The mandate of the Lands Department is to ensure the Land Code is implemented as we work towards increased jurisdiction and decision-making on the traditional territory.

In addition, the Lands Department manages Indian Reserve Land transactions and registries for ten (10) reserves over seventeen thousand (17,000) acres

Strategic Plan: Implementing Land Code

To achieve greater certainty and transparency on the land base through the implementation of the Land Code.

The Lands Department is responsible for developing and implementing a land and environmental governance branch of LNIB that will enable the implementation of the Lower Nicola Indian Band Land Code. Developing a land and environmental governance system includes the following activities:

- Establishment, implementation, and maintenance of the governmental, legislative, and policy structure, including an environmental assessment and environmental protection regime;

The Lands Department is responsible for developing and implementing a land and environmental governance branch

of LNIB that will enable the implementation of the Lower Nicola Indian Band Land Code.

Developing a land and environmental governance system includes the following activities:

- Establishment, implementation, and maintenance of the governmental, legislative, and policy structure, including an environmental assessment and environmental protection regime;
- Enforcement which includes enforcing LNIB laws (both environmental laws and other land laws) and the prosecution of those in contravention of LNIB laws; and
- Undertaking of periodic evaluation of LNIB's land and environmental governance systems.

The Land Code only applies to LNIB reserve lands and its implementation also required the Lands Department to improve transparency, accountability and undergo training.

Transparency

The Lands Department prepared then presented a Five-Year Plan and an Annual Work Plan to the Lands Management Advisory Committee and then Chief and Council.

Accountability

The Lands Department provided regular reports to the Lands Management Advisory Committee, Executive Director and the Chief and Council.

Training

Lands Department staff reviewed land and environmental governance courselets available on the First Nation Land Management Resource Centre Website. In addition, staff participated in workshops or webinars that involved the Framework Agreement for First Nation Land Management, the First Nation Land Registry, Privacy Act, Financial Governance, GIS and Mapping and Law Enforcement.



The implementation of the Land Code required the Lands Department to continue developing policies and laws to address lands issues.

Strategic Plan: Resolution of Land Issues

Identify issues, engage,
members and resolve issues

Policy Development

Land Use Plan

The Lands Department completed a Land Use Plan in 2010 and in 2018 the Castlemain Group recommended several updates following the ratification of the Land Code. The Plan is a policy document that will support the implementation of the Land Code because it captures the community's vision, along with supporting objectives and priorities regarding the use of land on LNIB's reserves. In addition, it will support and guide future decisions about land use on-reserve.

The implementation of the Land Code required the Lands Department to continue developing policies and laws to address lands issues.

Land Use Plan

The Lands Department completed a Land Use Plan in 2010 and in 2018 the Castlemain Group recommended several updates following the ratification of the Land Code. The Plan is a policy document that will support the implementation of the Land Code because it captures the community's vision, along with supporting objectives and priorities regarding the use of land on LNIB's reserves. In addition, it will support and guide future decisions about land use on-reserve.

Progress to Date:

The plan is still under development and the Lands Department anticipates its completion in 2020. However, the COVID-19 restriction on public gatherings will prevent Public Hearings with the Membership and as a result delay the ratification of the Land Use Plan. The draft plan will be available on the member-only portion of the LNIB website after the Lands Management Advisory Committee completes its review.

Sand and Gravel Policy

The Lands Department developed a Sand and Gravel Policy to create a process for extracting sand and gravel from LNIB reserve lands. The intention of the Policy is to improve, accelerate, clarify and harmonize with provincial regimes the process of issuing permits and leases for sand and gravel projects to maximize potential economic development and environmental benefits for LNIB.

Progress to Date:

The Council ratified the policy on June 25th, 2019.

Timber Permit Policy

The Lands Department developed a Timber Permit Policy to create a process for extracting timber from LNIB reserve lands. The objectives of this Policy are: to set out a standardized set of rules and processes that apply to obtaining a timber permit on LNIB reserve land to harvest timber, including for the purposes of fuel management, and, in some circumstances, to sell timber harvested on



LNIB reserve land; and to clearly define the roles and responsibilities of the Lands Manager, the Lands Management Advisory Committee, the Lands Department and the applicants during the application process.

Progress to Date:

The Council ratified the amended policy on September 17th, 2019.

Towards Traditional Holding Allotments

The Lands Department has long been challenged to manage reserve lands in ways that balance the needs of all community members with the cultural principles and protocols of landownership and family-based decision-making. Many of these challenges have become increasingly complicated over generations as families grow and their connections to the land base change over time. These challenges are compounded by a reserve land base that is inadequate for the needs and visions of the growing community.

Recognizing the potential of Land Code to address and reframe these challenges in new, culturally relevant ways, the Lands Department is undertaking a Traditional Holdings Project. Traditional holdings are sections of LNIB reserve land occupied by members, and to which those members have asserted an interest or right but are not formally recognized as allotments by law.

The recommendations coming out Phase 1 of the project are to develop an approach to land allotments that aligns with Nle?kepmx/LNIB protocols and principles. Conduct regular reviews of allotment processes to make sure that allotment processes are being carried out in ways that the community supports, and that do not undermine other goals and priorities. Work to ensure cohesion between reserves, families and individuals in the process and try to avoid separate processes for separate reserves. Discuss what is working well, identify concerns and return to protocols and principles to make a plan for community-supported steps that can be taken to address concerns.

The recommendations regarding further development of the Allotment Law in Phase 2 include the following.

1. Work with LNIB families to include their decision processes in Allotment Law processes.
2. Draft allotment application and elicit community input.
3. Compile a list of possible evidence to support allotment applications.
4. Institute measures to ensure transparency in the allotment application process.
5. Facilitate community engagement process to determine decision-making body.
6. Support community members in making their applications.
7. Consider compensation for members who have involuntarily lost land.
8. Further research to understand parcel-specific issues.
9. Supporting preparation of allotment applications.
10. Build in a review process or benchmarks.

Progress to Date:

Phase 1 complete and presented to the Lands Management Advisory Committee and the Chief and Council. Phase 2 commencing in the spring of 2020.



Law Development

Spousal Property Law

Prior to the ratification of the Family Homes on Reserve and Matrimonial Rights or Interests Act by the Federal Government in 2013, there was no law applicable to the breakdown of a marriage or a common-law marriage on reserve lands that dealt with matrimonial property. The Land Code enables LNIB to create its own law to deal with these issues.

The purpose of this law is to provide rules and procedures applicable on the breakdown of a marriage or a common-law marriage, to: the use, occupancy and possession of LNIB Land; and the division of Interests in that land.

Progress to Date:

The Lands Department completed a first draft in August 2019, but law ratification is on hold because it requires 25% of the eligible (approx. 240) voters to participate on the vote and a majority to approve the law. Achieving this threshold will be a challenge because it will require significant human and financial resources and this would force the Lands Department to set aside other projects to complete this one. The Land Code required the same approval threshold.

Allotment and Custom Interest Law

LNIB needs to create an Allotment Law because there are currently no guidelines for a procedurally fair and transparent process for transferring reserve land parcels to LNIB Members. There is a need to balance the fiduciary responsibility of the Council to the Members with the LNIB's custom land allocation practices. Traditional Holdings or Custom Family Lands are not legally recognized as an Interest under the Land Code but are recognized within the LNIB community. The existence of Custom Family Lands are the source of many lands issues.

The purpose of the Allotment and Custom Interest Law is to provide a fair and transparent process for granting or transferring a Member a parcel of land from LNIB reserve lands. The law may also include a process for granting or transferring a Member a parcel of land associated with Custom Family Lands. This law can be ratified in phases with the first phase dealing with typical allotments and the second phase dealing with allotments associated with Custom Family Lands.

Progress to Date:

The Lands Department completed the first draft of the law regarding phase one in March 2020 and phase two will continue to be developed throughout 2020 and potentially into 2021. However, the COVID-19 restriction on public gatherings will prevent Public Hearings with the Membership and as a result delay the ratification of this law. The draft law will be available on the member-only portion of the LNIB website after the Lands Management Advisory Committee completes its review.



Business Licensing Law

The legalization of the sale of Cannabis and a need for more tools to ensure businesses are operating within laws and regulations on LNIB reserve land has created a need to develop this law. There are LNIB Members requesting assistance with establishing a retail cannabis business but LNIB currently has no guidelines to address application requirements and an approval process. In addition, LNIB charges businesses property tax and this law will provide another tool to ensure property tax payments are made to LNIB.

The purpose of the Business Licensing Law is to regulate businesses within LNIB reserve lands and ensure they are operating within applicable laws and regulations. In addition, LNIB will require any individual seeking to operate a retail cannabis business to obtain a business licence from LNIB as well as a provincial cannabis licence from the Provincial Government. This allows LNIB to utilize the Province's application and screening process as well as the enforcement mechanisms under provincial legislation. The law outlines the authorities and responsibilities of Council, the Lands Manager and Enforcement Officers. In addition, the law defines the requirements to obtain the different types of business licences. Under this law, business licences can be suspended or revoked for several reasons. Enforcement Officers may also issue stop work orders, order the business to be closed or shutdown, sealed off, or otherwise made unavailable for business use until a valid licence is obtained.

Progress to Date:

The first draft is nearly complete and ready for review by the Lands Management Advisory Committee in May or June of 2020. The COVID-19 restriction on public gatherings will prevent Public Hearings with the Membership and as a result delay the ratification of this law. The draft law will be available on the member-only portion of the LNIB website after the Lands Management Advisory Committee completes its review.



Subdivision, Development and Servicing Law

There are several issues driving the development of this law and they include the following:

Members connecting to the water system without LNIB approval causing water pressure issues; Members installed undersize culverts creating flooding risk to other homes in the spring; over time homes were built in scattered locations resulting in increased infrastructure replacement costs and poor road design; some roads on LNIB lands cannot be maintained safely because the roads are not built to acceptable standards; and some homes were constructed in the floodplain and are at risk of flooding in the spring.

The purpose of the Subdivision, Development, and Servicing Law is to promote environmentally sustainable, healthy, safe and well-planned development of LNIB reserve land that also meets the strategic goals and supports the socio-economic objectives of LNIB. The law sets out requirements for the orderly development of land including the subdivision of land, construction of buildings and other facilities, the removal of trees and clearing and excavating of land, and movement of soil. The law sets out prohibitions subject to authorization by the Land Use Plan, and in conformity with the Environmental Management Plan, the Cultural Heritage Policy, and other applicable policies or enactments. The law identifies three general requirement documents to be applied to developments: engineering; environmental assessments; and timber permits.

Progress to Date:

The first draft is nearly complete and ready for review by the Lands Management Advisory Committee. The COVID-19 restriction on public gatherings will prevent Public Hearings with the Membership and as a result delay the ratification of this law. The draft law will be available on the member-only portion of the LNIB website after the Lands Management Advisory Committee completes its review.

Land Use and Zoning Law

The issues driving the need to develop this law are that the Land Use Plan and related Zoning Bylaw are out-of-date and inconsistent. This law will also replace the Zoning Bylaw ratified under the Indian Act many years ago.

The purpose of the Land Use and Zoning Law is to enable the well-balanced development of LNIB land through the development of a Land Use Plan and it ensures that the land uses can meet the vision and needs of the community. The law requires conformity with the Land Use Plan and defines the zone structures, provisions, and prohibitions in the Land Use Plan and links requirements to the Subdivision, Development, and Servicing Law. The Land Use and Zoning Law, in concert with the Land Use Plan, acts as an implementation process for the provisions of other laws and plans such as the Environmental Management Plan.

Progress to Date:

The law is still under development and depends on advancing the Land Use Plan closer to completion. The COVID-19 restriction on public gatherings will prevent Public Hearings with the Membership and as a result delay the completion of the Land Use Plan and ratification of this law. The draft law will be available on the member-only portion of the LNIB website after the Lands Management Advisory Committee completes its review.



Strategic Plan: Environmental Stewardship

Develop environmental land
use policy for the territory.



The implementation of the Land Code required the Lands Department to continue to develop policies and laws under the Land Code to address environmental issues on LNIB reserve lands.

Policy Development

Solid Waste Management Plan

The Lands and Infrastructure Departments undertook a project to examine LNIB's solid waste management program with the goal of improving its environmental and financial outcomes. The stated goals of the project were to: reduce the volume of solid waste produced by the community; divert as much material as possible from the residual waste stream; eliminate inappropriate waste disposal on LNIB reserve lands; and reduce the financial burden of solid waste management on LNIB.

With the assistance of Land Forest People Consulting Ltd., the project team first examined the current state of solid waste management on LNIB reserve lands. That results detail a number of issues with the current system, namely: poor rates of diversion; inadequately constructed and distributed communal residual waste bins; the absence of management systems for compostable kitchen scraps and recyclable materials other than printed paper and packaging (PPP); and large-scale inappropriate dumping. During the project activities, additional issues with the current system became clear: that more education and engagement with community members and residents around solid waste management would be beneficial, and that service delivery costs on LNIB are unsustainable in the long-term.

This Solid Waste Management Plan (SWMP) contains recommendations involving residual waste, recycling, composting, other solid waste, education and engagement. LNIB can use the recommendations to improve the different aspects of solid waste management. Once the Lands and Infrastructure Departments have made a decision on which recommendations will be implemented, this SWMP must be updated to reflect that direction.



Progress to Date:

The planning regarding Solid Waste Management will be presented to the Lands Management Advisory Committee and the Chief and Council in the Spring of 2020. The SWMP along with other related reports will be available on the member-only portion of the LNIB website after the Lands Management Advisory Committee completes its review.

Illegal Dumping Mitigation Strategy

Illegal dumping is a significant issue for all communities across British Columbia but can be particularly so for First Nations. Illegal dumping contributes to social stigma, and has negative effects on property values, public health and safety, and peoples' recreation and enjoyment of natural spaces. It also creates significant burdens on the authorities that must deal with the problem, in terms of the financial costs and the provision of staff time and other resources associated with cleanup and prevention. The potential for environmental damage and contamination from illegal dumping are serious concerns.

LNIB is faced with the issue of managing and preventing widespread illegal dumping of waste on LNIB reserve lands. In 2019, a study of solid waste management on LNIB land was undertaken, in part to better understand this issue. As a result, LNIB were advised to investigate the feasibility of implementing new strategies or programs to combat inappropriate dumping, such as physical barriers, surveillance, signage, and legislative tools. The Illegal Dumping Mitigation Strategy is in response to this recommendation, and is an examination of the cost, utility, maintenance, and other relevant considerations of employing various tools to combat inappropriate dumping on LNIB lands.

Progress to Date:

The planning regarding the mitigation of illegal dumping will be presented to the Lands Management Advisory Committee and the Chief and Council in the Spring of 2020. The Illegal Dumping Mitigation Strategy will be available on the member-only portion of the LNIB website after the Lands Management Advisory Committee completes its review.

Environmental Management Plan

With the ratification of the Land Code, LNIB accepts responsibility for governing and managing its reserve lands. This responsibility can be seen as having the following three environmental components.

1. Protecting community members and reserve ecosystems from environmental harm by controlling human activities and making sure that development and other human activities do not create environmental problems or increase risks. Such protections may mean prohibiting development in areas subject to natural hazards (e.g., floods or landslides), preventing contaminated soil or other material from being dumped on reserves, and assuring that community members have clean water to drink and clean air to breathe.
2. Complying with environmental requirements arising from the Land Code. LNIB must





have environmental protection and environmental assessment regimes, policies, laws, and other measures to address identified environmental issues.

3. Complying with federal environmental laws. LNIB must still abide by provisions of the Fisheries Act, Species at Risk Act, and Migratory Birds Convention Act.

Legal and potentially financial liability accompany LNIB's responsibilities for managing environmental issues that are created after a land code takes effect. For instance, LNIB may be liable for environmental incidents that could have been reasonably foreseen or avoided. Legal action or fines could result from failure to comply with federal laws or from allowing contamination on a reserve to affect public health or environmental quality. Such liability can be reduced if a LNIB shows due diligence in identifying environmental issues and taking action to respond to those issues. Careful preparation and active implementation of an Environmental Management Plan is an important element in proving due diligence in environmental management. The purpose of the Environmental Management Plan is to ensure that environmental policy, practices, and administrative procedures are in place to achieve the vision of the community.

Progress to Date:

Land Forest People Consulting was retained to prepare an Environmental Management Plan. The first draft was delivered March 31st, 2019 and was partially funded through Solid Waste Management Planning funds acquired in that fiscal year. In May of 2019 Land Forest People



Consulting, working with the Lands and Infrastructure Departments, completed the LNIB Solid Waste Management Plan which is a major input to this plan. The environmental management planning will be presented to the Lands Management Advisory Committee and the Chief and Council in the Summer of 2020. The COVID-19 restriction on public gatherings will prevent Public Hearings with the Membership and as a result delay the completion of this plan. The draft policy will be available on the member-only portion of the LNIB website after the Lands Management Advisory Committee completes its review of the plan.

Law Development

Environmental Management Law

There are several issues driving the development of this law including this listed above under the section for the Environmental Management Plan. In addition, there are currently no guidelines for environmental management or managing contaminated sites, there are currently unmanaged land use activities within the community (e.g. solid waste, gas and oil storage) and Illegal dumping continues to be an outstanding issue.

The purpose of the Environmental Management Law is to ensure that the Lower Nicola Indian Band's vision of a safe, prosperous, and sustainable community is achieved while caring for our land and water. The law is applicable to all LNIB reserve lands, and to all persons on LNIB reserve lands. The law requires the preparation of an environmental management plan and an environmental emergency management plan for LNIB. The nature of these plans is described including the mandatory environmental operating procedures. Prohibitions under the law and operating procedures address; solid waste management; soil conservation; the discharge, confinement, and disposal of contaminants; fuel handling and storage; and unsightly land. The Law provides for: the response to environmental emergencies and the administration of environmental permitting; and contaminated sites investigation and remediation.

Progress to Date:

The law is under development and a first draft should be complete before March 2021.

Land and Estate Transfers

Nine land transfer requests were received, processed, and registered in the First Nations Land Registry System over the last year. One of those requests were in relation to an estate that has been outstanding for the past twenty-six years and has now been resolved.



Land Instruments

Over the last year the Lands Department has executed and registered six new land instruments for a total of eight active Instruments on LNIB Reserves. Three Timber Permits were issued to Shulus Forest Enterprises Ltd., a Letter Agreement and Material Extraction Permit was issued to Peter Bros. Construction Ltd., a Lease Agreement was executed with Scw'exmx Child & Family Serviced Society and a Licence and Right-of-Way Agreement was executed with Coquihalla Developments Corporation (Nicola Ranch). The Lands Department actively monitors all instruments by completing monthly Property Management Reports and quarterly Site Inspections to ensure tenants are adhering to the terms of their agreements and applicable laws.

IR Access Requests

The Lands Department has received and processed nine reserve access requests for BC Hydro, Trans Mountain, Scw'exmx Tribal Council, Highland Powerlines Ltd and Ministry of Forests, Lands and Natural Resources. Majority of the access requests were in relation to routine maintenance while other were in relation to monitoring of the LNIB Range Land and Guichon Creek.

Lands Management Advisory Committee

The Lands Management Advisory Committee ("LMAC") is a body established under the LNIB Land Code to assist in the administration and management of LNIB Lands. Over the last year LMAC has met once a month to discuss land related issues and make recommendations to Chief and Council regarding allotments, laws, policies, cannabis, land instruments and zoning.

Strategic Plan Band Membership Register

Maintain records for Band Membership

Status Cards

- 18 Certificate of Indian Status (CIS) Cards processed
- 20 Secure Certificate of Indian Status (SCIS) Applications assisted

New Indian Registry Administrators (IRA)

- Two new Indian Registry Administrators now successfully appointed and approved to administer and maintain the LNIB Indian Registry Department. Lower Nicola Indian Band now has three Indian Registry Administrators (IRA).

Membership Changes

- Total membership changes:
- 1286 members at Dec 2019
- 1290 members at March 2020



Committees and Volunteers

The Lower Nicola Indian Band values and thanks the people who serve the community in a volunteer capacity, including on Committees.



We raise our hands up to:

Finance & Audit Committee:

Councillor Connie Joe, Chair
Councillor Spence Coutlee
Julia Dick
Marcy McLeod
Clyde Sam

LNIB School Board

Councillor Lucinda Seward, Chair
Darlene Vallee
Mandy Jimmie

Prior to November 2019

Councillor Bill Bose, Chair
Councillor Joanne Lafferty

Lands Management Advisory Committee

Councillor Bill Bose, Chair
Hrolfe Joe
Gene Moses
Sondra Tom
Louise Moses
Robert Sterling
Madeline Lanaro





LNIB Fire Services Volunteers

Special thanks to the men and women who volunteer their time and energy to keep our community safe, and of course to Chief Lindsay Tighe and Deputy Chief Tony Allen who provide training and leadership

**Pictured here: “Moose” Coutlee, Deputy Chief Tony Allen, Adam MacDonald, Taylor Cox, Bruce Swakum, Charlene Joe, Ivan Swakum
Missing: Jonah Dick, Codey Jager, Ayana Brown, Ashton Peterson, junior Dorian Hurtubise**





Ivan Swakum - "I joined the Fire Department for a few of reasons. Jonah Dick encouraged me because of the fire that destroyed Louis and Myris' house so he and Bruce and I all joined together. I also remembered when the Fire Hall always had someone there and was a place where people just dropped in and I wanted to help rebuild the Fire Department to that visibility. I've had years of wildland firefighting and thought this would be a good natural step. I would do more, but I have a full time job. When time allows I'll definitely be back."



Charlene Joe: "I first joined the Fire Department when it first started in 1996 - it was the thing to do then and my cousin kept encouraging me. I loved it from the very first. I was 23 and a single Mom but back then we had dispatch here and I would actually leave my son with them in the middle of the night to attend a call!" I left for a number of years, but came back in 2014 so I've been with the FD for about 13 years. I would love a career in firefighting and to be Fire Chief some day. It is a really good feeling to help your community.. The hardest thing? That's when we lose a community member... We train hard, and volunteering is something I definitely recommend."

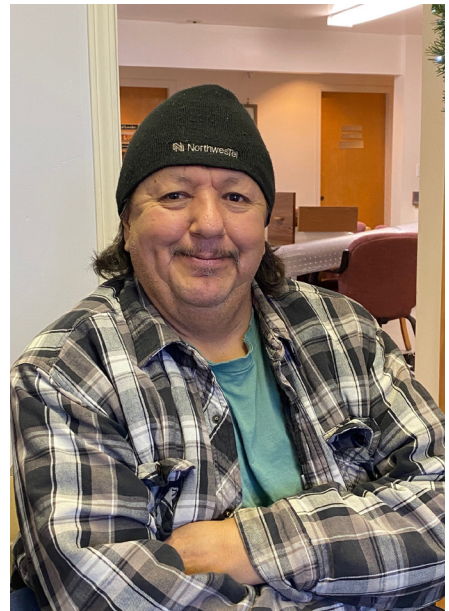
Adam MacDonald: Adam is not First Nations, and he lives in Lower Nicola. "I have been volunteering with the LNIB FD for about 2 1/2 years. A few years back my dad had a heart attack and the LNIB FD attended to provide lift assistance to the ambulance crew. Ever since then I vowed that if I could I would volunteer. I love it - there is a great atmosphere at the Fire Hall and it's a really good bunch of people. The training you receive is phenomenal."





Bruce Swakum: “ I joined at the same time as Ivan Swakum at his prodding. I love it! It’s a great to do something like this for our community. I had a lot of years doing wildfire fighting which I also loved. This is a different type of firefighting - in wildfire we fight fire with fire using backburns. Here we get as much water on it as soon as possible. I want to help our community with Spring burning, and I’m also interest in emergency management.”

Randy (Moose) Coutlee: Moose is likely the longest serving volunteer having been helping out for over 20 years. He says it’s helping out the community and the great teamwork that keeps him coming in. Speaking with Moose you can quickly sense that he’s integral to the team’s morale!

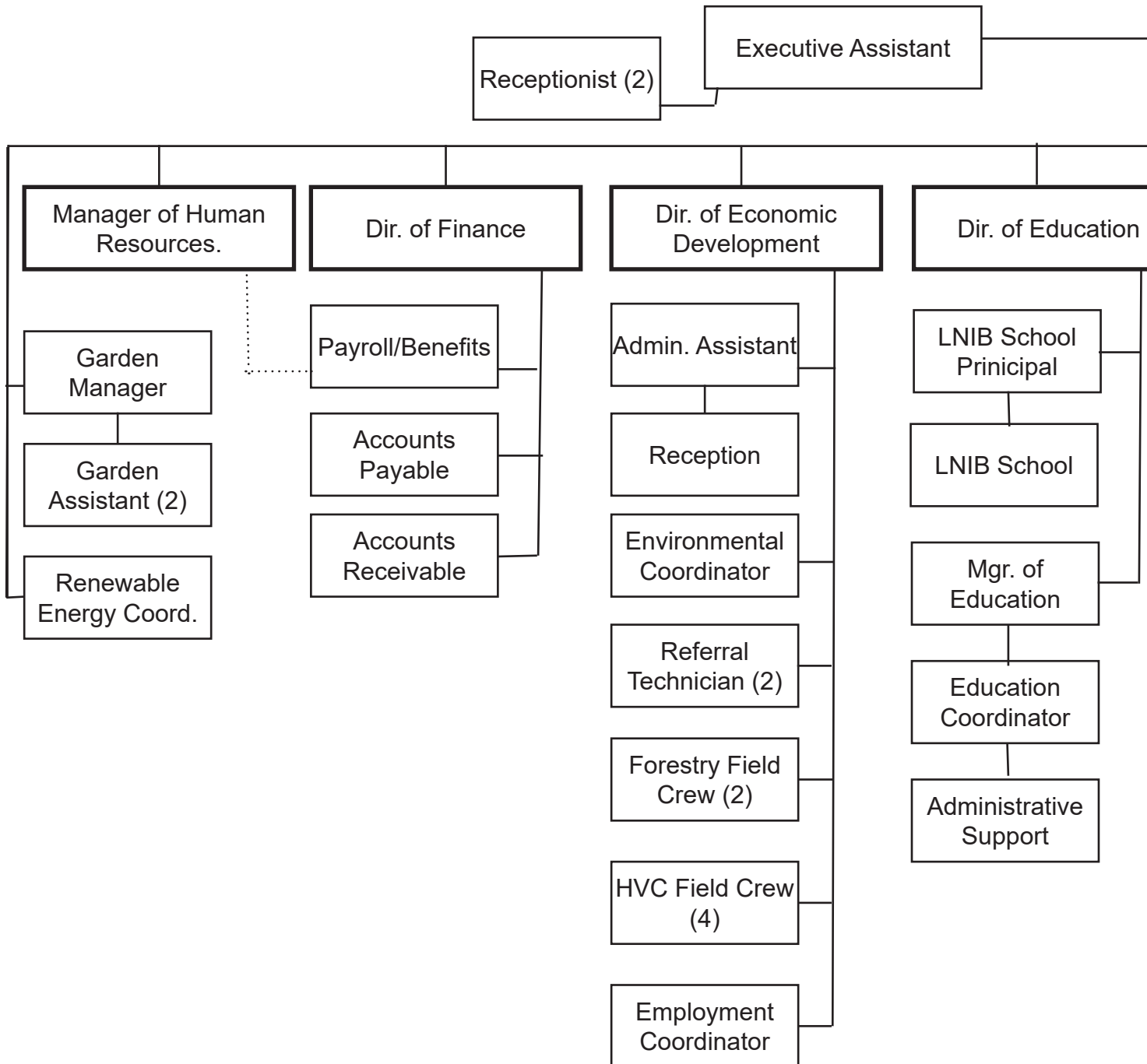


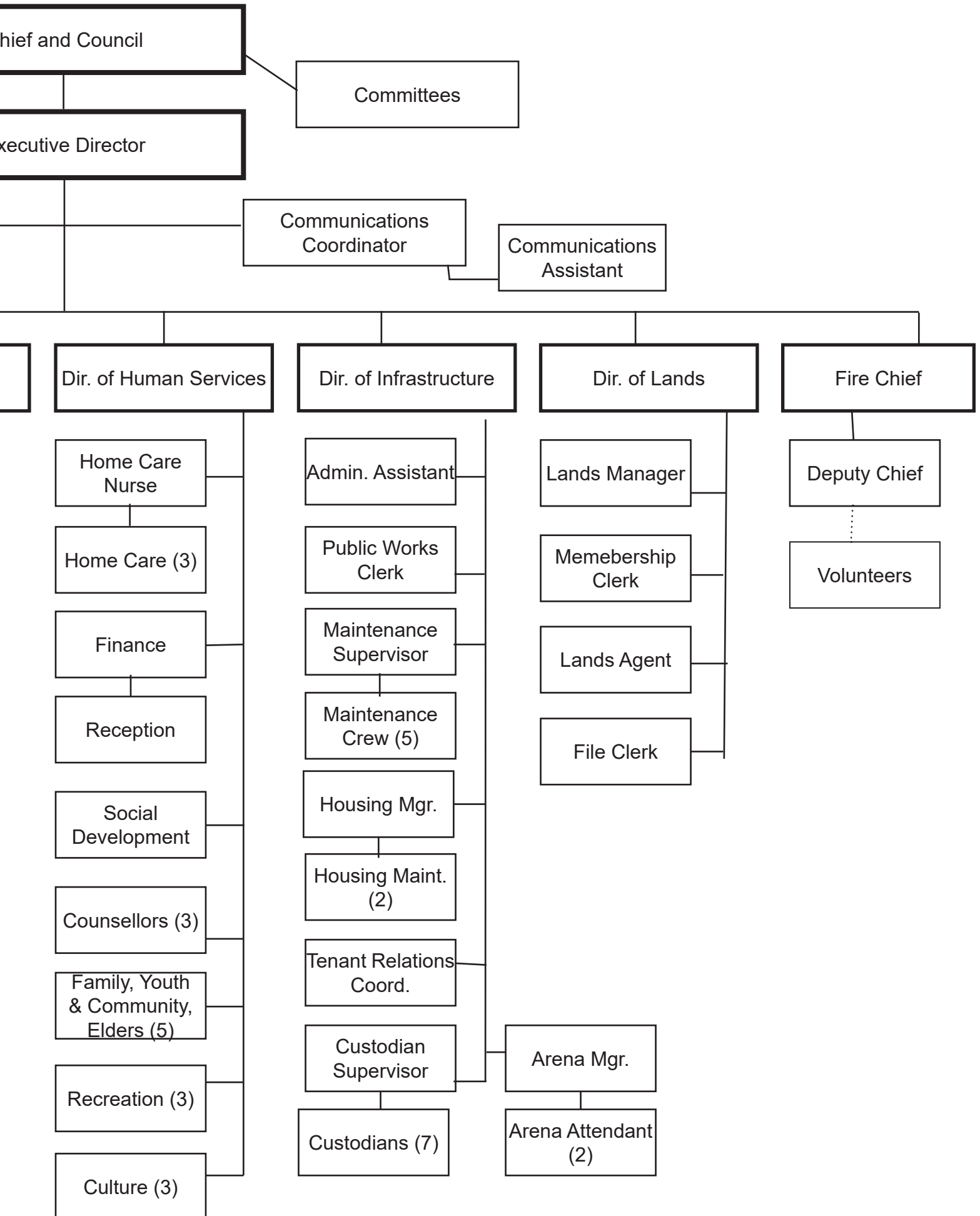
Taylor Cox: Taylor discovered she has a flair for dealing with emergencies when she was caught up in a highway accident. She has now been volunteering with LNIB’s fire department since 2016. She credits Deputy Chief Tony Allen for teaching her everything she knows, and has found her niche dealing with medical emergencies. Taylor has received her Angel Wings - a recognition of dealing with a medical emergency where there is a life saved, and one where a life is lost. Taylor would like to join the ambulance service eventually but will continue her volunteer fire services work.





Appendix A - Organizational Chart





Appendix B - Financial Statements

Lower Nicola Indian Band Consolidated Financial Statements For the year ended March 31, 2020



Lower Nicola Indian Band
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Management's Responsibility for Financial Reporting

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

These consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Lower Nicola Indian Band maintains systems of internal accounting and administrative controls, consistent with reasonable costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

Lower Nicola Indian Band is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through its Finance and Audit Committee.

The Finance and Audit Committee (the Committee) reviews the Band's consolidated financial statements and recommends their approval to Council. The Committee meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, consolidated financial statements and external auditor's report. The Committee reports its findings to the Council for consideration when approving the consolidated financial statements for issuance to the members. The Committee also considers, for review by the Council, the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full and free access to the Band Council.



Chief



Band Councilor



Independent Auditor's Report

To the Chief and Council of Lower Nicola Indian Band

Qualified Opinion

We have audited the consolidated financial statements of Lower Nicola Indian Band and its consolidated entities (the Consolidated Entity), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statement of operations, change in net financial assets, and cash flows for the year ended, and notes to the consolidated 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* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Consolidated Entity as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

In the prior year, management commenced a project to create a database of tangible capital assets. As part of this project, management determined that certain assets acquired in the past were missing from the reported tangible capital assets. As such, the tangible capital asset amounts and related amortization expense reported are not complete. Management is in the process of updating its tangible capital asset listing for the missing assets which is expected to be completed within the next fiscal year. The effects of this departure from Canadian public sector accounting standards on the consolidated financial position, results of operations and changes in net financial assets have not been determined because it is impracticable to do so.

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

Other Matters - Supplementary Information

Lower Nicola Indian Band has also prepared another set of consolidated financial statements for the year ended March 31, 2020 in accordance with Canadian public sector accounting standards. However, those consolidated financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures prepared to assist management of Lower Nicola Indian Band to meet the reporting requirements of various funding agencies. Our audit report on the other set of financial statements was issued to Chief and Council of Lower Nicola Indian Band and was dated July 21, 2020.



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

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

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

Those charged with governance are responsible for overseeing Lower Nicola Indian Band's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lower Nicola Indian 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 Lower Nicola Indian Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Lower Nicola Indian Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Lower Nicola Indian Band to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants

**Kelowna, British Columbia
July 21, 2020**



Lower Nicola Indian Band Consolidated Statement of Financial Position

March 31	2020	2019
Financial Assets		
Cash and cash equivalents (Note 2)	\$19,757,103	\$ 16,923,820
Accounts receivable (Note 3)	4,021,192	3,316,501
Due from related parties (Note 10)	558,173	1,429,858
Investment in business enterprises (Note 11)	5,979,966	3,621,047
	<u>30,316,434</u>	<u>25,291,226</u>
Liabilities		
Accounts payable and accrued liabilities	1,485,600	2,441,909
Deferred revenue	42,068	24,551
Long-term debt (Note 5)	2,887,322	3,129,605
	<u>4,414,990</u>	<u>5,596,065</u>
Net Financial Assets	<u>25,901,444</u>	<u>19,695,161</u>
Non-Financial Assets		
Prepaid expenses	152,851	60,000
Tangible capital assets (Note 4)	25,878,396	27,023,456
Inventory	250,541	250,541
	<u>26,281,788</u>	<u>27,333,997</u>
Accumulated Surplus (Note 12)	<u>\$52,183,232</u>	<u>\$ 47,029,158</u>

Approved on behalf of Council



Chief



Band Councilor



Lower Nicola Indian Band Consolidated Statement of Operations

For the year ended March 31	(Note 14) Budget	2020	2019
Revenues			
Federal Government			
Indigenous Services Canada	\$ 5,751,253	\$ 6,732,986	\$ 6,441,105
Canada Mortgage and Housing Corporation	258,757	215,076	242,817
First Nations Health Authority	1,368,180	1,303,305	1,328,380
Provincial Government			
First Nations Education Steering Committee	543,132	565,074	618,137
Province of British Columbia	639,939	696,188	566,301
BC First Nations Gaming	-	550,403	-
Other			
Housing charges and rental	874,816	842,527	842,699
Interest and investment income	120,283	408,004	865,860
Other contracts and miscellaneous	8,628,506	7,497,807	7,546,836
Property taxes	1,456,420	1,498,768	1,464,607
Income from investment in band owned entities	-	2,365,179	1,406,838
Total revenues for the year	19,641,286	22,675,317	21,323,580
Expenditures (Note 16)			
Administration	3,009,838	4,753,779	5,462,944
Community health	1,021,151	1,021,699	1,139,656
Economic development	2,158,350	1,991,546	1,445,686
Education	4,629,705	4,625,766	3,787,958
Housing	578,172	935,301	398,791
Land, estate and membership	825,288	684,140	810,922
Lower Nicola Indian Band Development Corporation	-	448,101	372,726
Public works	1,807,905	1,424,642	345,125
Social development	1,475,620	1,636,269	1,431,299
Total expenditures for the year	15,506,029	17,521,243	15,195,107
Annual surplus	4,135,257	5,154,074	6,128,473
Accumulated surplus, beginning of year		47,029,158	40,900,685
Accumulated surplus, end of year		\$52,183,232	\$ 47,029,158



Lower Nicola Indian Band Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	(Note 14) Budget	2020	2019
Annual surplus	\$ 4,135,257	\$ 5,154,074	\$ 6,128,473
Acquisition of tangible capital assets (Note 4)	(4,334,014)	(1,269,951)	(2,792,432)
Amortization of tangible capital assets (Note 4)	-	2,410,066	2,654,860
Disposal of tangible capital assets (Note 4)	-	4,945	30,950
Purchase of inventory	-	-	(250,541)
Use of prepaid expenses	-	(92,851)	250
	-	1,052,209	(356,913)
Net change in net financial assets	(198,757)	6,206,283	5,771,560
Net financial assets, beginning of year		19,695,161	13,923,601
Net financial assets, end of year		\$25,901,444	\$ 19,695,161



Lower Nicola Indian Band Consolidated Statement of Cash Flows

For the year ended March 31	2020	2019
Operating Activities		
Annual surplus	\$ 5,154,074	\$ 6,128,473
Items not affecting cash		
Amortization	2,410,066	2,654,860
Share of income from FN controlled entities	(2,365,179)	(1,406,838)
	<u>44,887</u>	<u>1,248,022</u>
Changes in non-cash working capital		
Accounts receivable	(704,691)	(1,027,786)
Inventory	-	(250,541)
Prepaid expenses	(92,851)	250
Accounts payable and accrued liabilities	(956,138)	422,159
Deferred revenue	17,517	44
	<u>(1,736,163)</u>	<u>(855,874)</u>
Investing Activities		
Acquisition of tangible capital assets	(1,269,951)	(2,792,432)
Investment in First Nation controlled entities	422,999	(346,303)
Receipts from First Nation controlled entities	459,831	245,000
Proceeds from disposition of tangible capital assets	-	30,950
Investment in partnerships	(110)	-
Investment in Entity under shared control	-	(621,461)
	<u>(387,231)</u>	<u>(3,484,246)</u>
Financing Activities		
Repayment of Social Housing long-term debt	(242,284)	(240,284)
Net change in cash and cash equivalents	2,833,283	2,796,091
Cash and cash equivalents, beginning of year	16,923,820	14,127,729
Cash and cash equivalents, end of year	\$19,757,103	\$16,923,820



Lower Nicola Indian Band

Notes to the Consolidated Financial Statements

March 31, 2020

1. Summary of Significant Accounting Policies

Nature of Business Lower Nicola Indian Band provides services and support to its band members.

Lower Nicola Indian Band is an Indian Band and, as such, is exempt from income tax under section 87 of the Indian Act.

Basis of Accounting These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board.

Reporting Entity The Lower Nicola Indian Band reporting entity includes the Lower Nicola Indian Band government and all related entities that are either owned or controlled by the First Nation.

Principles of Consolidation All governmental units are fully consolidated by the government reporting entity. Other business enterprises and partnerships which meet the definition of a government business enterprise or partnership are accounted for on the modified equity basis of accounting.

Entities that fall under the consolidated basis of accounting are fully consolidated on a line-by-line basis with inter-organizational balances and transactions eliminated. The only entity that is accounted for under the consolidation basis is Lower Nicola Indian Band Development Corporation.

Entities that are accounted for using the modified equity basis of accounting includes the cost of the Lower Nicola Indian Band's investment in the entities including the proportionate share of earnings. Under the modified equity basis of accounting inter-organizational balances are not eliminated. The following entities are accounted for on a modified equity basis:

LNIB Holdings LP
NAIK Development LP
LNIB Aggregates LP
Shulus Forest Enterprises LP
LNIB Ventures LP
Shulus Farms LP

Investments that are accounted for using the cost basis of accounting include:

Spayum Holdings Limited Partnership
All Nations Trust Corporation
BC First Nations Gaming Revenue Sharing Limited Partnership



Lower Nicola Indian Band

Notes to the Consolidated Financial Statements

March 31, 2020

1. Summary of Significant Accounting Policies (continued)

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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses, and inventory.
Cash and Cash Equivalents	Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments with maturities of three months or less. Cash and cash equivalents on the Consolidated Statement of Cash Flows is represented by cash, short term investments as disclosed on the consolidated statement of financial position.
Temporary Investments	Temporary investments are recorded at cost, unless the market value of temporary investments has declined below cost, in which case they are written down to market value.
Post Employment Benefits	Band employees are eligible to accumulate sick leave until termination of employment. Unused sick leave is not eligible for payment upon retirement or termination and may not be used as vacation. Employees may accumulate a maximum of 50% of the maximum days to be accrued.
Liability for Contaminated Sites	A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the band is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.
Financial Instruments	The Band recognizes and measures financial assets and financial liabilities on the balance sheet when it becomes a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a trade date or settlement date basis. All financial instruments are measured at cost on initial recognition. Financial instruments are subsequently measured at amortized cost.

Lower Nicola Indian Band

Notes to the Consolidated Financial Statements

March 31, 2020

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Revenue received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Statement of Financial Position.

Taxation is recognized as revenue based on the approval of the tax assessment subsequent to the financial statement date. The approved annual tax assessment reflects the taxation revenue for the period between January 1, 2020 through December 31, 2020, accordingly, the first three months of this assessment period is recognized as revenue in the fiscal year ended March 31, 2020. Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Taxation arrears and interest revenue are recognized at the time of issuing overdue property tax notices to the rate payers for the fiscal year based on the time overdue.

Rental revenue is recognized when the services are provided to tenants, and collection is reasonably assured. When rental payments are received in advance of contracted services, the Band records this as deferred revenue.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.



Lower Nicola Indian Band

Notes to the Consolidated Financial Statements

March 31, 2020

1. Summary of Significant Accounting Policies (continued)

Tangible Capital Assets Tangible capital assets are valued at acquisition cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs.

Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of goods and services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Amortization is charged against tangible capital assets based on the estimated useful life of the asset as follows.

- | | |
|------------------------|-----------------------------|
| - Automotive equipment | - 5-10 years straight line |
| - Buildings | - 25-50 years straight line |
| - Equipment | - 5 years straight line |
| - Infrastructure | - 25 years straight line |

Tangible capital assets under construction, development or that have been removed from service are not amortized until they are available to be put into service.

Tangible capital asset are written down when associated output indicate that they no longer contribute to the Band's ability to provide good and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed tangible capital assets are recorded at their fair value on the date of contribution, except in unusual circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

Measurement Uncertainty The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Lower Nicola Indian Band

Notes to the Consolidated Financial Statements

March 31, 2020

2. Cash and Cash Equivalents

	2020	2019
Consists of:		
Cash	\$ 19,456,022	\$ 16,625,143
Term deposits	<u>301,081</u>	<u>298,677</u>
	<u>\$ 19,757,103</u>	<u>\$ 16,923,820</u>
Restricted		
Ottawa Trust Funds	\$ 301,081	\$ 298,677
Social housing reserves (Note 6)	<u>1,179,305</u>	<u>1,269,320</u>
	1,480,386	1,567,997
Unrestricted	<u>18,276,717</u>	<u>15,355,823</u>
	<u>\$ 19,757,103</u>	<u>\$ 16,923,820</u>

The Social housing reserve funds are externally restricted by CMHC and the Ottawa Trust Fund is externally restricted by Indigenous Services Canada.

3. Accounts Receivable

	2020	2019
Trade	\$ 3,747,146	\$ 2,962,818
First Nation Health Authority	200	950
Indigenous Services Canada	143,337	146,462
Local Area Revenue	377,060	369,678
Rent	429,989	435,173
Canada Mortgage and Housing Corporation	17,881	18,152
Member loan	-	67,991
Allowance for doubtful accounts	<u>(694,421)</u>	<u>(684,723)</u>
	<u>\$ 4,021,192</u>	<u>\$ 3,316,501</u>



Lower Nicola Indian Band

Notes to the Consolidated Financial Statements

March 31, 2020

4. Tangible Capital Assets

	2020					
	Automotive Equipment	Buildings	Equipment	Infrastructure	Social Housing	Total
Cost, beginning of year	\$ 2,205,802	\$ 23,699,850	\$ 2,391,835	\$ 11,148,337	\$ 7,460,177	\$ 46,906,001
Additions	255,080	67,991	612,810	334,070	-	1,269,951
Disposals	-	-	(49,450)	-	-	(49,450)
Cost, end of year	2,460,882	23,767,841	2,955,195	11,482,407	7,460,177	48,126,502
Accumulated amortization, beginning of year	1,134,208	11,987,387	1,308,208	3,595,643	1,857,099	19,882,545
Amortization	203,350	1,304,523	493,064	166,845	242,284	2,410,066
Disposals	-	-	(44,505)	-	-	(44,505)
Accumulated amortization, end of year	1,337,558	13,291,910	1,756,767	3,762,488	2,099,383	22,248,106
Net carrying amount, end of year	\$ 1,123,324	\$ 10,475,931	\$ 1,198,428	\$ 7,719,919	\$ 5,360,794	\$ 25,878,396

	2019					
	Automotive Equipment	Buildings	Equipment	Infrastructure	Social Housing	Total
Cost, beginning of year	\$ 2,152,060	\$ 18,891,274	\$ 1,781,151	\$ 14,501,352	\$ 7,460,177	\$ 44,786,014
Additions	420,794	511,092	610,684	456,275	-	1,998,845
Disposals	(672,445)	-	-	-	-	(672,445)
Transfers	305,393	4,297,484	-	(3,809,290)	-	793,587
Cost, end of year	2,205,802	23,699,850	2,391,835	11,148,337	7,460,177	46,906,001
Accumulated amortization, beginning of year	1,577,455	9,885,879	876,425	3,435,479	2,093,942	17,869,180
Amortization	198,248	1,553,628	431,783	160,164	240,284	2,584,107
Disposals	(641,495)	-	-	-	-	(641,495)
Write-downs/transfers	-	547,880	-	-	(477,127)	70,753
Accumulated amortization, end of year	1,134,208	11,987,387	1,308,208	3,595,643	1,857,099	19,882,545
Net carrying amount, end of year	\$ 1,071,594	\$ 11,712,463	\$ 1,083,627	\$ 7,552,694	\$ 5,603,078	\$ 27,023,456

Lower Nicola Indian Band

Notes to the Consolidated Financial Statements

March 31, 2020

5. Long-term Debt

	2020	2019
Social Housing Fund		
All Nations Trust Company loan repayable in monthly installments of \$2,133 including interest at 1.01% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due February 1, 2021	\$ 138,928	\$ 162,994
All Nations Trust Company loan repayable in monthly installments of \$1,662 including interest at 2.22% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due November 1, 2023	70,177	88,347
All Nations Trust Company loan repayable in monthly installments of \$1,326 including interest at 1.01% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due February 1, 2021	91,382	106,295
All Nations Trust Company loan repayable in monthly installments of \$767 including interest at 1.01% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due February 1, 2021	50,693	59,341
All Nations Trust Company loan repayable in monthly installments of \$1,003 including interest at 2.39% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due March 1, 2023	85,933	95,790
All Nations Trust Company loan repayable in monthly installments of \$1,920 including interest at 2.50% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due June 1, 2023	168,592	187,181
All Nations Trust Company loan repayable in monthly installments of \$2,651 including interest at 1.01% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due February 1, 2021	182,606	212,405
All Nations Trust Company loan repayable in monthly installments of \$2,709 including interest at 1.84% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due September 1, 2022	358,567	384,228
All Nations Trust Company loan repayable in monthly installments of \$2,664 including interest at 1.85% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due August 1, 2024	400,236	424,690
Subtotal	\$ 1,547,114	\$ 1,721,271



Lower Nicola Indian Band Notes to the Consolidated Financial Statements

March 31, 2020

5. Long-term Debt (continued)

Balance brought forward	\$ 1,547,114	\$ 1,721,271
All Nations Trust Company loan repayable in monthly installments of \$2,121 including interest at 1.98% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due May 1, 2024	345,634	360,986
All Nations Trust Company loan repayable in monthly installments of \$4,167 including interest at 1.97% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due December 1, 2022	916,787	948,422
All Nations Trust Company loan repayable in monthly installments of \$1,926 including interest at 2.22% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due September 1, 2023	77,787	98,926
	<u>2,887,322</u>	<u>3,129,605</u>
Less current portion	<u>(649,379)</u>	<u>(988,078)</u>
	<u>\$ 2,237,943</u>	<u>\$ 2,141,527</u>

Principal repayments on long-term debt for the next five years are estimated as follows:

2021	\$ 649,379
2022	188,633
2023	1,343,406
2024	193,145
2025	512,759
	<u>\$ 2,887,322</u>



Lower Nicola Indian Band

Notes to the Consolidated Financial Statements

March 31, 2020

6. Housing Reserves

	2020	2019
Replacement reserve	\$ 649,244	\$ 601,328
Operating reserve	614,394	554,435
	<u>\$ 1,263,638</u>	<u>\$ 1,155,763</u>

Under the terms of the agreement with CMHC, the Replacement Reserve account is to be credited in the amount of \$64,725 (2019 - \$47,987) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the CDIC or as may otherwise be approved by CMHC. Withdrawals are credited to interest first and then principal.

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Operating Reserve account is to be credited with any surplus amount in phase 13 to 23, based on the minimum rent calculation.

As at March 31, 2020 the housing operating reserves was underfunded by \$49,233 and underfunded in the prior year by \$30,359 and the replacement reserve was underfunded by \$35,099 in the current year and overfunded by \$143,929 in the prior year.

7. Federal Assistance Payments

The Social Housing Fund receives federal assistance through CMHC to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of the assistance received for the year ended March 31, 2020 was \$215,076 (2019 - \$242,817), and this amount is included in CMHC revenue on the consolidated statement of operations.

8. Commitments and Contingencies

The Band has guaranteed a line of credit for Ogilvie Mountain Holdings LP for up to \$5,450,000.

Various lawsuits have been filed against the Band for incidents which arose in the ordinary course of business. In the opinion of management and legal counsel, the outcome of the lawsuits, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

9. Economic Dependence

Lower Nicola Indian Band receives approximately 30% (2019 - 30%) of its revenues pursuant to a funding arrangement with Indigenous Services Canada (ISC).



Lower Nicola Indian Band Notes to the Consolidated Financial Statements

March 31, 2020

10. Due from Related Parties

	2020	2019
Due from NAIK Development Corporation Ltd.	\$ 10,894	\$ 3,091
LNIB Development Corporation due from related parties	547,279	1,426,767
	<u>\$ 558,173</u>	<u>\$ 1,429,858</u>

The above balances are the result of normal operations, bear no interest, and have no set repayment terms.

11. Investment in Business Enterprises

	2020	2019
LNIB Holdings LP	\$ 405,630	\$ 407,000
NAIK Development LP	498,259	517,951
LNIB Aggregates LP	3,235,961	1,253,406
Shulus Forest Enterprises LP	443,482	252,586
LNIB Ventures LP	300,090	87,300
All Nations Trust Corporation	8,710	8,710
BC First Nations Gaming Revenue Sharing LP	110	-
Nicola Valley Indian Services Association	795,900	795,900
LNIB Development Corporation investments in related parties	291,824	298,194
	<u>\$ 5,979,966</u>	<u>\$ 3,621,047</u>

The following summary discloses the nature of business and condensed financial information of the business enterprises:

Nature of Business LNIB Holdings LP

This line of business is a Partnership that is established under the laws of British Columbia. Lower Nicola Indian Band has a 99.999% interest in the Partnership.

NAIK Development LP

This line of business is a Partnership that is established under the laws of British Columbia and is engaged in the business of economic development activities. Lower Nicola Indian Band has a 99.999% interest in the Partnership.



Lower Nicola Indian Band

Notes to the Consolidated Financial Statements

March 31, 2020

11. Investment in Business Enterprises (continued)

LNIB Aggregates LP

This line of business is a Partnership that is established under the laws of British Columbia and is engaged in the business of aggregate activities. Lower Nicola Indian Band has a 99.999% interest in the Partnership.

A significant component of income in LNIB Aggregates LP is a result of its investments in Ogilvie Mountain Holdings LP and Lower Nicola Site Services LP who are engaged in pipeline maintenance and construction services. LNIB Aggregates LP has a 50.99% interest in both Partnerships.

Shulus Forest Enterprises LP

This line of business is a Partnership that is established under the laws of British Columbia and is engaged in the business of forestry related operations. Lower Nicola Indian Band has a 99.999% interest in the Partnership.

LNIB Ventures LP

This line of business is a Partnership that is established under the laws of British Columbia and is engaged in revenue sharing through joint venture and strategic alliance agreements. The Band has a 99.999% interest in the Partnership.

Shulus Farms LP

This line of business is a Partnership that is established under the laws of British Columbia and is engaged in leasing land for hay cultivation. The Band has a 99.999% interest in the Partnership. There was no activity for the current year end.





Lower Nicola Indian Band
Notes to the Consolidated Financial Statements

March 31, 2020

11. Investment in Business Enterprises (continued)

	NAIK							
	LNIB Holdings LP	Development LP	LNIB Aggregates LP		Shulus Forest Enterprises LP	LNIB Ventures LP	2020	2019
Financial Position								
Cash	\$ -	\$ -	\$ -	\$ 698,501	\$ 513,714	\$ 92,773	\$ 1,304,988	\$ 2,287,996
Accounts receivable	-	-	-	2,427,699	561,040	197,004	3,185,743	2,460,079
Inventory	-	-	-	-	12,253	-	12,253	49,297
Tangible capital assets	407,000	-	-	3,873,836	736,773	-	5,017,609	8,343,504
Other assets	101	509,227	-	7,331,953	75,000	20,424	7,936,705	7,504,201
Total Assets	407,101	509,227	14,331,989	1,898,780	310,201	17,457,298	20,645,077	
Accounts payable	-	-	-	1,565,632	230,831	9,981	1,806,444	1,626,290
Capital lease	-	-	-	2,050,761	205,401	-	2,256,162	4,558,114
Other liabilities	1,370	10,935	2,963,860	1,018,921	-	-	3,995,086	10,818,813
Total Liabilities	1,370	10,935	6,580,253	1,455,153	9,981	8,057,692	17,003,217	
Equity	405,731	498,292	7,751,736	443,627	300,220	9,399,606	3,641,860	
Total Liabilities and Equity	407,101	509,227	14,331,989	1,898,780	310,201	17,457,298	20,645,077	
Results of Operations								
Revenues	-	(11,550)	12,031,066	3,042,195	229,685	15,291,396	6,947,076	
Expenses	1,370	8,144	10,048,313	2,851,280	16,874	12,925,981	5,538,578	
Net income (loss)	(1,370)	(19,694)	1,982,753	190,915	212,811	2,365,415	1,408,498	
Allocation	\$ (1,370)	\$ (19,692)	\$ 1,982,555	\$ 190,896	\$ 212,790	\$ 2,365,179	\$ 1,406,838	

Lower Nicola Indian Band Notes to the Consolidated Financial Statements

March 31, 2020

12. Accumulated Surplus

The Lower Nicola Indian Band segregates its accumulated surplus into the following categories:

	2020	2019
Equity in Operating Fund	\$22,252,803	\$ 18,228,626
Equity in Capital Fund (Note 13)	20,517,608	21,420,381
Equity in Social Housing	3,718,734	3,612,583
Equity in Enterprise Fund	5,688,030	3,322,851
Equity in Ottawa Trust Funds	301,081	298,677
Equity (deficit) in LNIBDC	(295,024)	146,040
	<u>\$52,183,232</u>	<u>\$ 47,029,158</u>

13. Equity in Capital Fund

	2020	2019
Balance, beginning of year	\$21,420,381	\$ 21,550,601
Acquisition of tangible capital assets	1,269,951	1,998,845
Disposal of tangible capital assets	(4,945)	(30,949)
Increase in building cost	-	793,587
Amortization of tangible capital assets	(2,167,779)	(2,891,703)
Balance, end of year	<u>\$20,517,608</u>	<u>\$ 21,420,381</u>



Lower Nicola Indian Band

Notes to the Consolidated Financial Statements

March 31, 2020

14. Budget

The Band Council Budget Resolution adopted by Council was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. Further the budget was approved on a quarterly basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the consolidated statements of operations and change in net financial assets represent the Budget adopted by Council with adjustments as follows:

	<u>2020</u>
Budget Bylaw surplus (deficit) for the year	\$ 5,756
Add:	
Capital expenditures	4,334,014
Administration expenses	92,650
Repayments of long-term debt	285,318
Transfers from surplus	361,547
Less:	
Administration revenue	60,000
Loan proceeds	<u>884,028</u>
Budget surplus per consolidated statement of operations	<u>\$ 4,135,257</u>

15. Contaminated Sites

As of April 2008, Indigenous Services Canada identified four land parcels under Band control that had been contaminated, mostly relating to abandoned dumps and fuel spills. Two of the four land parcels have been identified as areas of potential concern. Management has engaged a qualified professional to conduct groundwater sampling in order to assess the damage and potential remediation of these two sites. The Band is in discussions with Indigenous Services Canada regarding remediation of the remaining contaminated sites. The outcome of this testing and potential liability is still unknown.

Lower Nicola Indian Band

Notes to the Consolidated Financial Statements

March 31, 2020

16. Expenditures by Object

	2020	2019
Administration	\$ 77,576	\$ 73,479
Advertising and promotion	22,119	34,389
Amortization	2,410,066	2,654,860
Bad debts	29,475	26,766
Bank charges	12,251	13,672
Contract services	388,471	194,638
Cost recoveries	(435,032)	(1,389,439)
Direct social assistance	1,163,917	975,040
Honoraria	312,923	306,884
Insurance	244,091	207,682
Interest on long-term debt	54,174	61,485
Local education agreement	982,939	927,859
Materials, supplies and services	1,237,375	1,210,819
Office	398,313	321,159
Professional fees	1,745,826	1,815,578
Rental of facilities and equipment	117,393	128,179
Repairs and maintenance	1,252,864	1,106,891
Salaries and benefits	5,719,631	5,006,281
Student allowances and tuition	427,590	303,547
Telephone	146,352	163,332
Travel and meetings	269,096	337,732
Tuition	269,717	212,130
Utilities	303,139	324,257
Vehicle	72,902	64,510
Workshops, seminars and training	298,075	113,377
	<u>\$17,521,243</u>	<u>\$ 15,195,107</u>



Lower Nicola Indian Band

Notes to the Consolidated Financial Statements

March 31, 2020

17. Impact of COVID-19

Subsequent to year-end, the impact of COVID-19 in Canada and on the global economy increased significantly. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time.

At year end, the Band has authorized to pay \$300 to each of its members to provide interim financial support and relief to those impacted by the COVID-19 pandemic. Funding from Indigenous Services Canada and the Province of British Columbia was received subsequent to year end to assist with the member payout. At year end, a receivable of \$200,000 and a liability of \$360,000 has been recorded in the financial statements. The Band is not exposed to a potential liability in excess of this amount as the amount accrued is based on the number of members at year end.

If the impacts of COVID-19 continue, there could be an impact on the Band and its members, suppliers and other third party business associates. Such events could impact the timing of, and amounts realized on the Band's assets. At this time, the future potential impact of COVID-19 on the Band is not known.

18. Segmented Information

The Band provides a wide range of services to its members such as education, health and housing. For management reporting purposes, operations and activities are organized and reported by department. The nature of the departments and the activities they encompass are as follows:

Administration

Administration provides support to Chief and Council for meetings, events, schedules, Band member visits, and Band general meetings. Administration also coordinates human resources and professional development to ensure a professional team delivering services to the Band members.

Social Development

Social Development provides monthly financial benefits and services to individuals and families, resident on reserve and off reserve, who are in need.

Education

The Education department provides a number of services to eligible First Nations students enrolled in elementary/secondary education programs and eligible post-secondary education programs.

Community Health

The Band provides health programs and services under an agreement with First Nations Health Authority, and the Province of British Columbia.

Housing

Housing is responsible for managing the housing program. This comprises of property management functions, planning and construction of new houses, and maintenance and upkeep of the housing stock, as well as the relationship with Canada Mortgage Housing Corporation and Indigenous Services Canada.

Lower Nicola Indian Band

Notes to the Consolidated Financial Statements

March 31, 2020

18. Segmented Information (continued)

Public Works

The Public and Capital Works department manages the infrastructure and servicing requirements such as water, sewage, roads and member facilities for the Band.

Land, Estates and Memberships

Land, Estates and Memberships is responsible for the management of all reserve lands and responsibility for building out and implementing the Band's Land Code.

Economic Development

This department provides a number of services including providing guidance to Band Council and Administration around natural resource matters and managing and monitoring the land. The department is responsible for managing referrals, as well as project funding related to natural resources and the environment.

LNIB Development Corporation

The Development Corporation promotes ongoing wealth creation for the Band, prioritizes community development and provides employment opportunities while committing to the stewardship of resources.





Lower Nicola Indian Band Notes to the Consolidated Financial Statements

March 31, 2020

18. Segmented Information (continued)

	Administration	Social Development	Education	Community Health	Housing	Public Works	Land, Estates and Memberships	Economic Development	LNIB Development Corporation	2020 Total
Revenue										
ISC	\$ 668,982	\$ 1,385,118	\$ 3,082,483	\$ -	\$ -	\$ 1,182,420	\$ 286,386	\$ 127,597	\$ -	\$ 6,732,986
CMHC	-	-	-	-	215,076	-	-	-	-	215,076
FNESC	-	-	565,074	-	-	-	-	-	-	565,074
FNHA	-	-	125,186	1,178,119	-	-	-	-	-	1,303,305
Property taxes	1,498,768	-	-	-	-	-	-	-	-	1,498,768
Province of B.C.	-	-	696,188	-	-	-	-	-	-	696,188
Miscellaneous	2,842,614	-	61,154	-	764,633	778,154	270,128	6,947,238	-	11,663,921
	5,010,364	1,385,118	4,530,085	1,178,119	979,709	1,960,574	556,514	7,074,835	-	22,675,317
Expenditures										
Administrative	365,404	15,761	113,988	14,902	114,364	67,290	293,969	769,126	24,400	1,779,204
Amortization	2,167,782	-	-	-	242,284	-	-	-	-	2,410,066
Direct assistance	-	1,163,917	-	-	-	-	-	-	-	1,163,917
Materials, supplies, utilities	241,878	149,559	884,313	43,977	9,887	425,461	7,247	37,469	252,108	2,051,899
Operations and maintenance	552,601	40,938	234,175	199,707	343,056	(69,571)	67,092	279,291	115,991	1,763,280
Student costs	-	-	1,680,245	-	-	-	-	-	-	1,680,245
Transportation costs	122,449	14,655	96,280	135,829	10,110	61,715	20,738	136,283	42,017	640,076
Wages and benefits	1,303,665	251,439	1,616,765	627,284	215,600	939,747	295,094	769,377	13,585	6,032,556
	4,753,779	1,636,269	4,625,766	1,021,699	935,301	1,424,642	684,140	1,991,546	448,101	17,521,243
Excess (deficiency) of revenue for the year	\$ 256,585	\$ (251,151)	\$ (95,681)	\$ 156,420	\$ 44,408	\$ 535,932	\$ (127,626)	\$ 5,083,289	\$ (448,101)	\$ 5,154,074

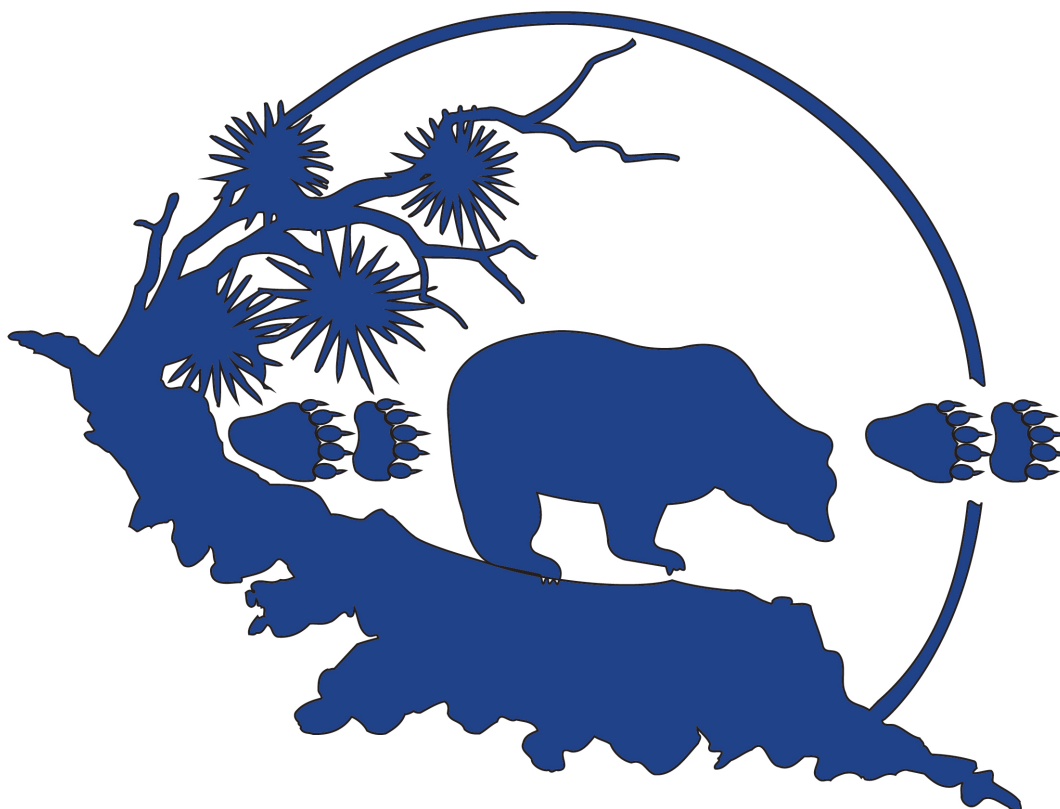
Lower Nicola Indian Band Notes to the Consolidated Financial Statements

March 31, 2020

18. Segmented Information (continued)

	Administration	Social Development	Education	Community Health	Housing	Public Works	Land, Estates and Memberships	Economic Development	LNIB Development Corporation	2019 Total
Revenue										
ISC	\$ 741,936	\$ 1,366,155	\$ 2,704,526	\$ -	\$ -	\$ 847,454	\$ 622,332	\$ 158,702	\$ -	\$ 6,441,105
CMHC	-	-	-	-	218,536	24,281	-	-	-	242,817
FNESC	-	-	618,137	-	-	-	-	-	-	618,137
FNHA	-	-	122,731	1,205,649	-	-	-	-	-	1,328,380
Property taxes	1,464,607	-	-	-	-	-	-	-	-	1,464,607
Province of B.C.	-	-	566,301	-	-	-	-	-	-	566,301
Miscellaneous	2,405,127	-	22,626	16,500	762,818	316,237	537,373	5,926,284	675,268	10,662,233
	4,611,670	1,366,155	4,034,321	1,222,149	981,354	1,187,972	1,159,705	6,084,986	675,268	21,323,580
Expenditures										
Administrative	527,941	12,563	113,518	17,733	139,647	463,444	465,489	484,645	8,575	2,233,555
Amortization	2,891,703	-	-	-	(236,843)	-	-	-	-	2,654,860
Direct assistance	-	975,040	-	-	-	-	-	-	-	975,040
Lease payments	-	-	-	-	-	-	-	(2,137)	-	(2,137)
Materials, supplies, utilities	287,351	130,233	561,481	71,153	12,909	673,460	5,175	45,861	231,941	2,019,564
Operations and maintenance	473,443	48,908	206,541	299,279	244,441	(1,535,839)	108,576	92,409	104,148	41,906
Student costs	-	-	1,434,756	-	-	-	-	8,780	-	1,443,536
Transportation costs	98,256	9,193	81,462	126,833	19,031	48,221	7,199	116,553	8,873	515,621
Wages and benefits	1,184,250	255,362	1,390,200	624,658	219,606	695,839	224,483	699,575	19,189	5,313,162
	5,462,944	1,431,299	3,787,958	1,139,656	398,791	345,125	810,922	1,445,686	372,726	15,195,107
Excess (deficiency) of revenue for the year	\$ (851,274)\$	(65,144)\$	246,363 \$	82,493 \$	582,563 \$	842,847 \$	348,783 \$	4,639,300 \$	302,542 \$	6,128,473





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