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**LOWER KOOTENAY INDIAN BAND**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED MARCH 31, 2008**

**GADICKE & MINICHELLO**



CHARTERED ACCOUNTANTS

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## INDEX

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### REPORTS

Management's Responsibility for Financial Reporting 2

Auditors' Report 3

### SUMMARY FINANCIAL STATEMENTS

Summary Statement of Financial Position 4

Summary Statement of Operations 5

Summary Statement of Cash Flow 6

Notes to Financial Statements 7-11

### INDIVIDUAL STATEMENTS OF OPERATIONS

Schedule 1-Administration 12

Schedule 2-Education 13

Schedule 3- Social Housing 14

Schedule 4-Social Development 15

Schedule 5-Health Programs 16

Schedule 6-Infrastructure and land management 17

Schedule 7-Economic Development 18

Schedule 8 - Summary of Operations by Schedule 19

### OTHER STATEMENTS

Changes in Deferred Revenue of Capital Projects 20

Changes in Ottawa Trust Fund 20

Statement of Receipt and Expenditure of Indian Moneys 21

Schedule of Salaries, Honouraria and Travel Expenses 21

Schedule of Financial Position of Business Enterprises 22-25



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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Lower Kootenay Indian Band and all the information in this annual report are the responsibility of management and have been approved by the Chief and Executive Director on behalf of Council.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.


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

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

The Finance Committee, composed of Council Members, reviews the Lower Kootenay Indian Band's 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, the financial statements and the external auditors' report. The Committee reports its findings to the Council for consideration when approving the financial statements for issuance to the Members. The Committee also considers, for review by Council and approval by the Members, the engagement of the external auditors.

The financial statements have been audited by Gadicke & Minichiello in accordance with Canadian generally accepted auditing standards on behalf of the members. Gadicke & Minichiello have full and free access to the Finance Committee.

  
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Chief/Councilor

  
\_\_\_\_\_  
Band Administrator

**CRESTON OFFICE:**

122 - 11th Avenue North P.O. Box 1175  
Creston, B.C. Canada V0B 1G0  
Telephone: (250) 428-2248  
Fax No. (250) 428-4338  
gadmin@gadminca.com

**KASLO OFFICE:**

Box 610 424 Front Street  
Kaslo, B.C. Canada V0G 1M0  
Telephone: (250) 353-7742  
Fax No. (250) 353-7743  
gad\_min@netidea.com

## AUDITORS' REPORT

To the Members,  
Lower Kootenay Indian Band

We have audited the following financial statements of the Lower Kootenay Indian Band as at March 31, 2008 and for the year then ended:

- Summary Statement of Financial Position
- Summary Statement of Operations
- Summary Statement of Cash Flow
- Notes to the Financial Statements
- Statement of Receipt and Expenditure of Capital Trust and Revenue Trust Moneys
- Schedules of Salaries, Honouraria, Travel Expenses and Other Remuneration

These financial statements are the responsibility of the Lower Kootenay Indian Band's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly in all material respects, the financial position of the Lower Kootenay Indian Band as at March 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Creston, B. C.  
November 12, 2008

*Gadicke + Minichiello*  
CHARTERED ACCOUNTANTS



# LOWER KOOTENAY INDIAN BAND

## SUMMARY STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2008

	2008	2007
<b>ASSETS</b>		
Cash	\$ 418,687	\$ 428,247
Term Deposits	2,811	2,724
Replacement Reserve, note 9	149,196	158,146
Accounts Receivable, note 3	283,377	261,933
Investment and Loans Receivable, note 4	904,061	831,627
Loans to Band Members	5,056	40,630
	1,763,188	1,723,307
Property, Plant and Equipment, note 6	3,019,750	2,969,713
	\$ 4,782,938	\$ 4,693,020
<b>LIABILITIES</b>		
Accounts payable	\$ 269,051	\$ 192,360
Replacement Reserve, note 9	149,196	158,146
Long Term Debt, note 7	1,391,412	1,528,978
	1,809,659	1,879,484
<b>NET ASSETS</b>		
Restricted, note 10	26,158	119,402
Unrestricted, schedule 8	832,063	706,918
	858,221	826,320
Net Assets Invested in Property, Plant and Equipment, note 8	2,115,058	1,987,216
	2,973,279	2,813,536
	\$ 4,782,938	\$ 4,693,020

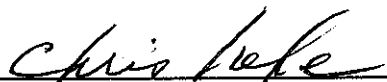
See accompanying notes to the summary financial statements.

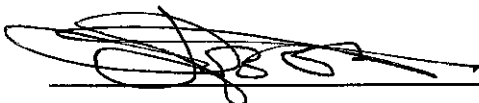
**BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, note 1**

**ECONOMIC DEPENDENCE, note 2**

**OTTAWA TRUST MONEYS, note 5**

Approved by Chief/Council:





**GADICKE & MINICHELLO**

CHARTERED ACCOUNTANTS

**LOWER KOOTENAY INDIAN BAND**  
**SUMMARY STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2008**

	2008		2007
	Budget	Actual	Actual
<b>REVENUE</b>			
Indian and Northern Affairs	\$ 1,333,030	\$ 1,318,372	\$ 1,414,919
Previous Years Indian and Northern Affairs Recoveries	-	(16,777)	-
Health and Welfare Canada	143,203	143,203	122,570
Province of BC	102,252	104,002	103,252
Finance Canada	-	26,278	-
Ottawa Trust funds received	-	2,600	2,477
Community Futures	40,000	40,000	-
Grants Received	67,946	82,946	49,046
Rental Revenues	333,500	351,876	324,268
Local Revenues	64,000	50,014	35,938
Tribal Council Programs	93,894	83,761	72,620
Interest Revenues	14,500	8,272	41,042
C.M.H.C. Subsidy Contributions	59,100	50,553	63,002
Administrative Fees - First Nation Owned Entities	89,400	93,085	88,470
Miscellaneous	84,330	67,439	75,053
First Nation Education Steering Committee	5,358	5,358	21,332
Limited Partnership Income	-	73,802	198,410
Recovery of loan previously written off	-	93,036	93,036
	2,430,513	2,577,820	2,705,435
<b>EXPENDITURES</b>			
Administration	100,005	101,599	94,537
Business enterprise expense	-	-	3,519
Capital projects	-	130,594	98,991
Chief and council	22,600	22,538	23,553
Office supplies and sundry	32,489	32,429	21,479
Equipment lease and purchases	114,917	68,147	135,448
Fire protection	5,500	4,662	5,531
Insurance	45,620	43,836	33,899
Interest on long term debt	54,000	83,720	92,890
Local education agreement	228,154	228,154	226,182
Maintenance	175,749	130,725	110,837
Miscellaneous	36,000	23,803	4,707
Mortgage payments-principal	78,000	77,803	81,172
Ottawa Trust funds expended	-	43,543	-
Professional fees	137,992	111,161	135,482
Replacement reserve allocation	26,119	25,577	26,119
Social assistance payments	195,000	210,673	200,857
Student tuition fees and support	140,628	134,296	116,841
Telecommunications	9,450	9,921	9,887
Training and travel	68,664	55,186	73,559
Utilities	29,050	28,367	31,690
Wages and benefits	920,258	893,941	868,285
Bad debts	-	85,243	100
	2,420,195	2,545,918	2,395,565
<b>EXCESS OF REVENUE OVER EXPENSES</b>			
<b>FOR THE YEAR</b>	10,318	31,902	309,870
<b>NET ASSETS, BEGINNING OF YEAR</b>	826,320	826,320	516,450
<b>NET ASSETS, END OF YEAR</b>	\$ 836,638	\$ 858,222	\$ 826,320

**GADICKE & MINICHELLO**

CHARTERED ACCOUNTANTS

# LOWER KOOTENAY INDIAN BAND

## SUMMARY STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2008

	2008	2007
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Indian and Northern Affairs funding received	\$ 1,276,095	\$ 1,293,412
Health and Welfare Canada funding received	143,203	122,570
Administration Fee received	93,085	88,470
Canada Mortgage & Housing Subsidy contributions	50,553	63,002
Capital Funding	25,500	121,507
First Nation Education Steering Committee	5,358	21,332
Grants received	82,946	49,046
Interest revenue received	8,272	41,042
Local revenue received	50,014	35,938
Miscellaneous Revenues received	98,510	114,515
Ottawa Trust Funds	2,600	2,477
Province of BC	104,002	103,252
Rental income received	351,876	324,268
Tribal Council programs funding received	83,761	72,620
Payments for operating expenses	(2,040,189)	(1,987,140)
Net change in replacement reserve cash balance	(10)	(10)
	335,576	466,301
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term debt	(137,566)	(137,270)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(207,472)	(245,455)
Proceeds from disposal of property, plant and equipment	-	9,900
Investments advances	-	(25,000)
	(207,472)	(260,555)
<b>INCREASE (DECREASE) IN CASH</b>	(9,462)	68,476
<b>CASH, BEGINNING OF YEAR</b>	451,293	382,817
<b>CASH, END OF YEAR</b>	\$ 441,831	\$ 451,293
<b>REPRESENTED BY:</b>		
Cash and term deposits	\$ 421,498	\$ 430,971
Cash, restricted	20,333	20,322
	\$ 441,831	\$ 451,293

\*During the year the Band received \$10,872 interest income and paid \$83,720 interest on loans.

# LOWER KOOTENAY INDIAN BAND

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2008

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#### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These Summary Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, which encompasses the following principles:

##### a) Fund Accounting

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

- The Operating Fund which reports the general activities of the Lower Kootenay Indian Band Administration.
- The Property, Plant and Equipment Assets Fund which reports the physical assets of the Lower Kootenay Indian Band, together with their related financing.
- The Trust Fund which reports on trust funds owned by the Lower Kootenay Indian Band and held by third parties.

##### b) Reporting Entity and Principles of Financial Reporting

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

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

- Lower Kootenay Indian Band Operating Fund
- Lower Kootenay Indian Band Trusts Funds
- Lower Kootenay Indian Band Property, Plant and Equipment Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Incorporated business entities, which are owned or controlled by the Lower Kootenay Indian Band Council and which are not dependent on the Band for their continuing operations, are included in the summary financial statements using the modified equity method. In these financial statements the operations of the Lower Kootenay Guide Outfitters Ltd. and Lower Kootenay Forest Products Ltd are included.

Lower Kootenay Indian Band has a 20% beneficial interest in the Ktunaxa/Kinbasket Development Corporation where they hold one common share without par value.

##### c) Property, Plant and Equipment Acquired After March 31, 1995

Property, equipment and infrastructure expenditures incurred after March 31, 1995 are valued at acquisition cost and recorded in the Property, Plant and Equipment Fund. Expenditures incurred previous to April 1, 1995 are not reflected in the Property, Plant and Equipment Fund as the cost of these assets can not be reasonably determined. The acquisition costs of property, plant and equipment and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenditures are also recorded as an addition to assets of the Property, Plant and Equipment Fund with a corresponding increase in Net Assets Invested in Property, Plant and Equipment.



**LOWER KOOTENAY INDIAN BAND**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2008**

**d) Amortization**

Property, Plant and Equipment are amortized annually with a corresponding reduction in Net Assets Invested in Property, Plant and Equipment. Property, Plant and Equipment are amortized over their expected useful life using the straight line method at the following rates:

General housing	5%
Buildings and improvements	4%
Infrastructure	4%
Major Renovations	4%
General equipment	20%
Computer equipment	30%
Automotive	30%

In the year of acquisition, 50% of the normal amortization is recorded.

**Social Housing**

Social Housing assets acquired under CMHC sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in related long term debt, as required for CMHC reporting purposes.

**e) Revenue Recognition**

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

**f) Measurement Uncertainty**

These financial statements have been prepared in accordance with Canadian generally accepted accounting practices. In preparing these financial statements management has made estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

**2. ECONOMIC DEPENDENCE**

The Lower Kootenay Indian Band receives a major portion of its revenues pursuant to a funding arrangement with Indian and Northern Affairs Canada.

**3. ACCOUNTS RECEIVABLE**

	2008	2007
CMHC Subsidy	\$ 4,224	\$ 5,222
Government Grants	181,043	47,568
Health and Welfare Canada	765	16,973
Land Leases	11,381	94,854
Miscellaneous	4,517	4,769
Property Taxes	41,973	68,524
Rent Receivable	39,474	24,023
	<b>\$ 283,377</b>	<b>\$ 261,933</b>

**LOWER KOOTENAY INDIAN BAND**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2008**

**4. INVESTMENT AND LOANS RECEIVABLE**

	2008	2007
Investment, at cost		
Lower Kootenay Forest Products Ltd.	\$ 1	\$ 289
Lower Kootenay Guide Outfitters Ltd.	37,932	37,932
All Nations Trust Company	60,000	60,000
Lower Kootenay Limited Partnership	296,429	230,126
Lower Kootenay Development Corporation	1	(32)
Okanagan Nation Alliance	3,000	3,000
Lower Kootenay Forage Products	33,020	33,020
Lower Kootenay Wood Fiber	-	471
Loans receivable		
Lower Kootenay Guide Outfitters Ltd.	437,648	431,504
Lower Kootenay Forest Products Ltd	11,893	29,430
Lower Kootenay Development Corporation	24,137	5,887
	<b>\$ 904,061</b>	<b>\$ 831,627</b>

**5. OTTAWA TRUST MONEYS**

The Ottawa Trust Accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

**6. PROPERTY, PLANT AND EQUIPMENT**

	Cost	Accumulated Amortization	Net 2008	Net 2007
Land	\$ 289,364	\$ -	\$ 289,364	\$ 256,160
Automotive	101,680	84,255	17,425	-
Buildings and Renovations	423,603	89,211	334,392	321,684
Computers	54,491	53,311	1,180	3,041
Dyke Upgrade	232,231	50,091	182,140	107,363
Equipment	168,011	137,475	30,536	45,237
Housing	3,144,980	1,297,387	1,847,593	1,914,517
Landfill	806	193	613	645
Physical Development	17,671	7,448	10,223	10,930
Reservoir	14,395	3,455	10,940	11,516
Water systems	463,699	168,355	295,344	298,620
	<b>\$ 4,910,931</b>	<b>\$ 1,891,181</b>	<b>\$ 3,019,750</b>	<b>\$ 2,969,713</b>

**LOWER KOOTENAY INDIAN BAND**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2008**

**7. LONG TERM DEBT**

	2008	2007
<b>CANADIAN IMPERIAL BANK OF COMMERCE</b>		
Mortgage secured by Indian and Northern Affairs, repayable \$720 monthly, including interest at 6.55%	\$ -	\$ 1,428
Mortgage secured by Indian and Northern Affairs, repayable \$981 bi-weekly including interest at 6.75%	156,412	163,501
<b>BANK OF NOVA SCOTIA</b>		
Mortgage secured by Indian and Northern Affairs, repayable \$1,867 monthly including interest at 6.05%	61,396	79,540
Mortgage secured by Indian and Northern Affairs, repayable \$2,565 monthly including interest at 5.05%	157,376	179,682
<b>CANADA MORTGAGE AND HOUSING CORPORATION</b>		
Mortgages secured by Indian and Northern Affairs, various mortgage loans bearing interest at varying rates, repayable in monthly installments including interest aggregating \$4,418	539,010	567,846
<b>PEACE HILLS TRUST</b>		
Mortgage secured by Indian and Northern Affairs, repayable \$7,753 monthly including interest at 6.5%	477,218	536,981
	<b>\$ 1,391,412</b>	<b>\$ 1,528,978</b>

Scheduled principal reduction over the next 5 years and beyond is estimated as follows:

2009	\$ 142,733
2010	151,181
2011	160,144
2012	146,738
2013	155,288
2014 and beyond	635,328
	<b>\$ 1,391,412</b>

**8. NET ASSETS INVESTED IN PROPERTY, PLANT AND EQUIPMENT**

	2008	2007
Balance beginning of year	\$ 1,987,216	\$ 1,834,218
Additions:		
Principal reduction of mortgages	77,803	81,172
Investment in property, plant and equipment	207,473	245,455
	285,276	326,627
Deductions:		
Amortization of property, plant and equipment	(157,434)	(173,229)
Proceeds on disposal property, plant and equipment	-	9,500
Net book value of disposed property	-	(9,900)
	(157,434)	(173,629)
Balance end of year	\$ 2,115,058	\$ 1,987,216

**GADICKE & MINICHELLO**

CHARTERED ACCOUNTANTS

**LOWER KOOTENAY INDIAN BAND**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2008**

**9. REPLACEMENT RESERVE**

Under the terms of the agreement with the Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited in the amount of \$25,577 (2007 - \$26,119) annually plus interest. 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 Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time. The funds in the account may only be used as approved by the Canada Mortgage and Housing Corporation. At year-end, the funds in the reserve consisted of the following:

	2008		2007	
Cash	\$	20,333	\$	20,322
Due from Operating Fund		128,864		137,824
	\$	149,197	\$	158,146

**10. RESTRICTED NET ASSETS**

	Ottawa Trust	Unexpended Capital Financing	Total 2008	Total 2007
Opening Balance	\$ 46,697	\$ 72,705	\$ 119,402	\$ 94,409
Interest Earned	2,600	-	2,600	2,477
Capital Funding	-	34,750	34,750	121,507
Expenditures	-	(130,594)	(130,594)	(98,991)
	\$ 49,297	\$ (23,139)	\$ 26,158	\$ 119,402

# LOWER KOOTENAY INDIAN BAND

## Schedule 1 - Statement of Operations - Administration

FOR THE YEAR ENDED MARCH 31, 2008

				2008		2007
	Administration	Employee Benefits	Indian Registry	Budget	Actual	Actual
<b>REVENUE</b>						
Indian and Northern Affairs	\$ 160,944	\$ 30,334	\$ 1,762	\$ 193,040	\$ 193,040	\$ 200,587
Internal Administration Fees	93,085	-	-	89,400	93,085	88,470
Interest Revenue	46	-	-	2,000	46	5,225
Other Revenues	10,742	-	-	1,000	10,742	12,900
	255,837	30,334	1,762	285,440	296,913	307,182
<b>EXPENDITURE</b>						
Computer software	2,025	-	-	3,000	2,025	761
Employee Benefits	-	58,684	-	48,400	58,684	45,761
Equipment purchases	-	-	-	3,000	-	2,880
Equipment leases	6,637	-	-	6,500	6,637	6,434
Equipment repairs and maintenance	3,243	-	-	4,000	3,243	2,115
Indian registry costs	-	-	1,762	1,762	1,762	1,736
Materials and supplies	868	-	-	1,000	868	928
Office and sundry supplies	7,028	-	-	7,700	7,028	7,620
Ottawa Trust Funds expended	43,543	-	-	53,786	43,543	-
General consulting	705	-	-	-	705	-
Professional fees-audit and accounting	9,500	-	-	9,500	9,500	9,700
Telecommunications	9,921	-	-	9,000	9,921	9,718
Wages and payroll costs	155,279	-	-	167,978	155,279	161,334
Council-Honouraria	22,200	-	-	21,600	22,200	21,750
Council-travel	1,214	-	-	2,000	1,214	4,037
	262,163	58,684	1,762	339,226	322,609	274,774
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	(6,326)	(28,350)	-	(53,786)	(25,696)	32,408
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	349,589	(16,070)	-	-	333,519	301,111
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	\$ 343,263	\$ (44,420)	\$ -	-	\$ 307,823	\$ 333,519

**GADICKE & MINICHELLO**

CHARTERED ACCOUNTANTS

**LOWER KOOTENAY INDIAN BAND**  
**Schedule 2 - Statement of Operations - Education**  
**FOR THE YEAR ENDED MARCH 31, 2008**

	Band Employees Benefits	Tuition Agreement	Enhanced Teacher Salary	All other Education Programs	2008		2007 Actual
					Budget	Actual	
<b>REVENUE</b>							
Indian and Northern Affairs Canada	20,602	\$ 228,154	\$ 2,866	\$ 408,590	\$ 660,212	\$ 660,212	\$ 685,688
Tribal Council	-	-	-	17,243	17,243	17,243	12,720
Grants and other revenues	-	-	-	74,037	73,406	74,037	56,744
First Nation Education Steering Committee	-	-	-	5,358	5,358	5,358	5,856
Previous years recoveries and reimbursements ; Independent School funding	-	-	-	8,284	8,284	8,284	4,822
	20,602	228,154	2,866	513,512	764,503	765,134	765,830
<b>EXPENDITURE</b>							
Administration and miscellaneous	-	-	-	23,125	24,500	23,125	18,301
Books and supplies	-	-	-	21,921	24,950	21,921	21,131
Building upgrades	-	-	-	-	-	-	-
Enhanced teacher salary	-	-	2,866	-	2,500	2,866	1,000
Equipment rent and purchases	-	-	-	1,602	4,665	1,602	12,172
Feasibility study	-	-	-	-	-	-	-
Local Education Agreement	-	228,154	-	-	228,154	228,154	226,182
Repairs and maintenance	-	-	-	29,012	29,935	29,012	26,167
Staff travel	-	-	-	7,154	5,600	7,154	11,758
Student financial assistance	-	-	-	98,623	101,028	98,623	77,093
Student transportation	-	-	-	8,192	13,950	8,192	12,633
Tuition Fees	-	-	-	13,939	15,000	13,939	18,196
Wages and benefits	23,490	-	-	288,738	318,650	312,228	289,480
Workshops and field trips	-	-	-	12,087	20,575	12,087	21,928
Utilities	-	-	-	5,301	6,300	5,301	4,270
	23,490	228,154	2,866	509,694	795,807	764,204	740,311
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	(2,888)	-	-	3,818	(31,304)	930	25,519
<b>NET ASSETS, BEGINNING OF YEAR</b>	-	-	-	186,235	211,754	211,754	186,235
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	(2,888)	\$ -	\$ -	\$ 190,053	\$ 180,450	\$ 212,684	\$ 211,754

**LOWER KOOTENAY INDIAN BAND**  
**Schedule 3 - Statement of Operations - Social Housing**  
**FOR THE YEAR ENDED MARCH 31, 2008**

	2008		2007
	Budget	Actual	Actual
<b>REVENUE</b>			
Rental Income	\$ 201,000	\$ 198,714	\$ 195,631
C.M.H.C. Subsidy	59,100	50,553	63,002
Interest Income	-	-	220
	260,100	249,267	258,853
<b>EXPENDITURE</b>			
Insurance	14,720	14,714	11,032
Maintenance	86,035	47,659	42,807
Snow removal and garbage pickup	31,600	18,854	24,339
Administration fees	15,650	17,733	15,342
Mortgage payments-principal	78,000	77,803	81,172
Mortgage payments-interest	54,000	47,810	55,952
Professional fees	2,100	2,100	2,000
Replacement reserve, allocation for the year	26,119	25,577	26,119
	308,224	252,250	258,763
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>			
<b>FOR THE YEAR</b>	(48,124)	(2,983)	90
<b>NET DEFICIT, BEGINNING OF YEAR</b>	-	(89,649)	(89,739)
<b>NET DEFICIT, END OF YEAR</b>	\$ (48,124)	\$ (92,632)	\$ (89,649)

**LOWER KOOTENAY INDIAN BAND**  
**Schedule 4 - Statement of Operations - Social Development**  
**FOR THE YEAR ENDED MARCH 31, 2008**

	Basic Needs	Child out of parental home	Employment and training	Special Needs	In Home Care	National Child Benefit	Prevention Projects	Service Delivery	Community Services	2008		2007
										Budget	Actual	
<b>REVENUE</b>												
Indian and Northern Affairs Canada	\$ 120,000	\$ 75,000	\$ 7,038	\$ 5,356	\$ 13,892	\$ 27,019	\$ 2,993	\$ 42,829	\$ -	\$ 294,127	\$ 294,127	\$ 305,422
Recoveries Indian and Northern Affairs	(193)	(1,450)	-	-	-	-	-	-	-	-	(1,643)	-
	119,807	73,550	7,038	5,356	13,892	27,019	2,993	42,829	-	294,127	292,484	305,422
<b>EXPENDITURE</b>												
Community Drop-in Centre utilities	-	-	-	-	-	-	-	-	-	-	-	-
Facilitators and consultants	-	-	7,038	-	-	-	2,993	-	-	10,031	10,031	12,333
Guardian financial assistance	-	69,675	-	-	-	-	-	-	-	75,000	69,675	76,051
Rent payments	46,638	-	-	-	-	-	-	-	-	39,500	46,638	42,599
Special Needs	-	-	-	5,656	-	-	-	-	-	5,356	5,656	5,241
Support payments	68,765	-	-	-	-	-	-	-	-	60,000	68,765	58,171
Travel	-	-	-	-	-	-	-	2,005	-	1,769	2,005	1,681
Utility payments	25,595	-	-	-	-	-	-	-	-	20,500	25,595	24,031
Wages and benefits	-	-	-	-	13,937	9,040	-	40,822	-	81,971	63,799	78,991
Youth Activities	-	-	-	-	-	18,000	-	-	-	-	18,000	-
	140,998	69,675	7,038	5,656	13,937	27,040	2,993	42,827	-	294,127	310,641	299,111
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	(21,191)	3,875	-	(300)	(45)	(21)	-	2	-	-	(17,680)	6,311
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	(16,487)	(4,601)	(47)	114	2,305	23	(34)	(7,823)	(1,011)	(21,251)	(21,251)	(27,561)
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	\$ (37,678)	\$ (726)	\$ (47)	\$ (186)	\$ 2,260	\$ 2	\$ (34)	\$ (7,821)	\$ (1,011)	\$ (21,251)	\$ (38,931)	\$ (21,251)



**LOWER KOOTENAY INDIAN BAND**  
**Schedule 5 - Statement of Operations - Health Programs**  
**FOR THE YEAR ENDED MARCH 31, 2008**

	Health Programs	Head-Start Program	Home Care Nursing	Aboriginal Family Centre	2008 Budget	2008 Actual	2007 Actual
<b>REVENUE</b>							
Health Canada	\$ 105,370	\$ -	\$ -	\$ -	\$ 105,370	\$ 105,370	\$ 105,570
Health Canada-Patient Transportation	17,000	-	-	-	17,000	17,000	17,000
Interior Health Authority	20,833	-	-	-	20,833	20,833	-
Interior Aboriginal Strategic Trust Fund	-	-	-	-	-	-	-
Ktunaxa/Kinbasket Tribal Council	-	1,667	30,000	-	35,000	31,667	55,000
Other Revenue	3,762	-	-	-	5,500	3,762	7,085
	146,965	1,667	30,000	-	183,703	178,632	184,655
<b>EXPENDITURES</b>							
Administration overhead charges	12,085	-	-	-	10,540	12,085	5,400
Bank charges	69	-	-	-	110	69	105
Building rent and utilities	-	-	-	-	-	-	3,700
Healthy Elders program supplies	-	-	-	-	-	-	-
Materials and supplies	4,236	-	-	2,900	5,000	7,136	4,554
Mental health professional fees	2,520	-	-	-	13,360	2,520	6,793
Patient transportation	9,526	-	-	-	15,455	9,526	11,926
Renovations	-	-	-	-	-	-	110
Training	2,817	-	-	-	2,000	2,817	952
Travel	1,340	-	2,600	-	3,960	3,941	4,143
Wages and benefits	79,450	4,625	19,252	-	117,133	103,328	126,973
Workshops	8,581	-	-	-	11,600	8,581	8,785
	120,624	4,625	21,852	2,900	179,158	150,003	173,442
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	26,341	(2,958)	8,148	(2,900)	4,545	28,629	11,213
<b>NET ASSETS, BEGINNING OF YEAR</b>	55,385	1,902	4,709	5,261	66,260	67,257	56,044
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	\$ 81,726	\$ (1,056)	\$ 12,857	\$ 2,361	\$ 70,805	\$ 95,886	\$ 67,257

**LOWER KOOTENAY INDIAN BAND**  
**Schedule 6 - Statement of Operations - Infrastructure and Land Management**  
**FOR THE YEAR ENDED MARCH 31, 2008**

	Land Management	Operations & Maintenance	Taxation	Land Leases	2008 Budget	2008 Actual	2007 Actual
<b>REVENUE</b>							
Indian and Northern Affairs Canada	\$ 30,697	\$ 88,868	\$ -	\$ -	\$ 119,565	\$ 119,565	\$ 112,879
Province of BC-Forest & Range	-	-	-	102,252	102,252	102,252	102,252
Land taxes	-	-	31,472	-	40,000	31,472	35,938
Land rent	-	-	-	171,704	156,500	171,704	115,228
Interest	-	-	965	7,261	12,500	8,226	34,981
Other Revenues	-	-	7,000	23,635	20,000	30,635	13,859
Recovery of loan previously written off	-	-	-	93,036	-	93,036	-
	30,697	88,868	39,437	397,888	450,817	556,890	415,137
<b>EXPENDITURE</b>							
Administration	-	-	14,661	61,000	77,560	75,661	67,945
Business enterprise expenses	-	-	-	-	-	-	3,519
Environmental Assessment	-	-	-	-	-	-	-
Equipment purchases and maintenance	-	-	5,987	49,386	100,752	55,373	113,963
Fire protection	-	3,162	1,500	-	5,500	4,662	5,531
Insurance	-	15,750	-	10,075	28,000	25,824	19,985
Interest on long term debt	-	-	-	35,910	-	35,910	36,938
Land lease improvements	-	-	14,222	-	15,440	14,222	11,198
Legal and consulting fees	-	-	1,600	53,826	59,000	55,426	80,250
Maintenance-Community Buildings	-	43,337	-	-	40,700	43,337	45,529
-Electrical	-	367	-	-	-	367	-
-Roads	-	15,136	-	-	6,000	15,136	5,295
-Water systems	-	17,289	-	-	19,000	17,289	11,362
Miscellaneous	-	-	-	24,051	36,000	24,051	5,089
Municipal services	-	2,347	-	-	714	2,347	2,787
Sanitation-garbage collection	-	1,202	-	-	1,000	1,202	1,179
Site buildup	-	-	-	-	-	-	-
Travel	-	-	1,604	1,129	6,000	2,733	6,091
Wages and benefits	30,697	-	-	16,950	53,697	47,647	80,576
Bad debts	-	-	30,780	54,463	-	85,243	(93,036)
	30,697	98,590	70,354	306,790	449,363	506,430	404,208
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	-	(9,722)	(30,917)	91,098	1,454	50,460	10,934
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	115,475	105,343	164,964	(347,910)	-	37,872	26,938
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	\$ 115,475	\$ 95,621	\$ 134,047	\$ (256,812)	\$ 1,454	\$ 88,332	\$ 37,872

**LOWER KOOTENAY INDIAN BAND**  
**Schedule 7 - Statement of Operations - Economic Development**  
**FOR THE YEAR ENDED MARCH 31, 2008**

	Training & Misc Programs	CEDO Planning & Operations	Pine Beetle Project	Frog Project	First Nations Goods & Services Tax	2008		2007	
						Budget	Actual	Budget	Actual
<b>REVENUE</b>									
INAC	\$ -	\$ 10,794	\$ -	\$ -	\$ -	\$ 10,794	\$ 10,794	\$ 10,794	\$ 10,794
Finance Canada	-	-	-	-	26,278	-	26,278	-	-
Ktunaxa Nation Council	12,000	-	-	18,250	-	37,050	30,250	-	-
First Nation Education Steering Committee	2,601	-	-	-	-	2,601	2,601	18,127	18,127
Community Futures	-	-	42,500	-	-	-	42,500	15,000	15,000
Natural Resources Canada	-	-	-	501	-	30,501	501	9,000	9,000
University of British Columbia	14,424	-	-	-	-	13,085	14,424	-	-
	29,025	10,794	42,500	18,751	26,278	94,031	127,348	52,921	52,921

**EXPENDITURE**

Administration	-	-	-	-	-	-	-	-	-
Business plan	-	-	-	-	-	-	-	-	-
Capital purchases	-	-	-	-	-	-	-	-	-
Consulting fees	-	-	30,379	-	-	-	30,379	15,000	15,000
FNGST payouts	-	-	-	-	559	-	559	-	-
Field technicians	-	-	-	500	-	501	500	8,647	8,647
Legal fees	-	-	-	-	-	-	-	-	-
Legal researcher	-	-	-	-	-	-	-	-	-
Materials and supplies	223	-	12,202	1,636	-	-	14,061	-	-
Travel	116	-	-	-	-	-	116	355	355
Tree planting and survival	-	-	-	-	-	-	-	-	-
Wages and benefits	30,155	10,794	-	23,101	-	50,445	64,050	28,921	28,921
	30,494	10,794	42,581	25,237	559	50,946	109,665	52,923	52,923

<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	(1,469)	-	(81)	(6,486)	25,719	43,085	17,683	(2)	(2)
<b>NET DEFICIT, BEGINNING OF YEAR</b>	(2,725)	(28,269)	-	(2)	-	-	(30,994)	(30,992)	(30,992)
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	\$ (4,194)	\$ (28,269)	\$ (81)	\$ (6,488)	\$ 25,719	\$ 43,085	\$ (13,311)	\$ (30,994)	\$ (30,994)

**LOWER KOOTENAY INDIAN BAND**  
**Schedule 8 - Summary of Operations by Schedule**  
**FOR THE YEAR ENDED MARCH 31, 2008**

	Sch 1	Sch 2	Sch 3	Sch 4	Sch 5	Sch 6	Sch 7	Limited Partnership	2008	2007
<b>REVENUE</b>										
Indian and Northern Affairs	\$ 193,040	\$ 660,212	\$ -	\$ 292,484	\$ -	\$ 119,565	\$ 10,794	\$ -	\$ 1,276,095	\$ 1,315,375
Other Income	103,873	104,922	249,267	-	178,632	437,325	116,554	95,798	1,286,371	1,180,514
	296,913	765,134	249,267	292,484	178,632	556,890	127,348	95,798	2,562,466	2,495,889
<b>EXPENSES</b>										
Equipment Expense	8,662	1,602	-	-	-	55,373	-	-	65,637	136,210
Insurance	-	-	14,714	-	-	25,824	-	-	40,538	31,017
Office and Sundry	7,028	23,125	17,733	-	12,154	99,712	-	-	159,752	119,803
Other Expenses	69,587	390,070	151,190	236,334	32,001	123,886	14,177	-	1,017,245	772,636
Professional Fees	9,500	-	2,100	-	2,520	55,426	31,438	21,996	122,980	129,864
Repairs and Maintenance	3,243	29,012	66,513	-	-	98,562	-	-	197,330	178,420
Telephone and Utilities	9,921	5,301	-	-	-	-	-	-	15,222	17,688
Wages and Benefits	214,668	315,094	-	73,830	103,328	47,647	64,050	-	818,617	825,369
	322,609	764,204	252,250	310,164	150,003	506,430	109,665	21,996	2,437,321	2,211,007
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>										
	(25,696)	930	(2,983)	(17,680)	28,629	50,460	17,683	73,802	125,145	284,882
<b>UNRESTRICTED NET ASSETS (DEFICIT) BEGINNING OF YEAR</b>										
	333,519	211,754	(89,649)	(21,251)	67,257	37,872	(30,994)	198,410	706,918	422,036
<b>UNRESTRICTED NET ASSETS (DEFICIT), END OF YEAR</b>										
	\$ 307,823	\$ 212,684	\$ (92,632)	\$ (38,931)	\$ 95,886	\$ 88,332	\$ (13,311)	\$ 272,212	\$ 832,063	\$ 706,918

# LOWER KOOTENAY INDIAN BAND

## Changes in Deferred Revenue of Capital Projects FOR THE YEAR ENDED MARCH 31, 2008

	Project #8872	Project #8522	Project #7586	Project #8215	Project #3274	TOTALS 2008	TOTALS 2007
<b>BALANCE BEGINNING OF YEAR</b>	\$ -	\$ 55,594	\$ (9,792)	\$ 15,134	\$ 11,768	\$ 72,704	\$ 50,188
Funds Received-INAC	16,000	-	-	-	9,500	25,500	121,507
Funds Received-Province of BC	1,750	-	-	-	-	1,750	-
Funds Received-Regional District	7,500	-	-	-	-	7,500	-
Expenditures during the year	(27,021)	(55,397)	-	(14,973)	(33,203)	(130,594)	(98,991)
<b>RESTRICTED NET ASSETS (DEFICIT), END OF YEAR</b>	\$ (1,771)	\$ 197	\$ (9,792)	\$ 161	\$ (11,935)	\$ (23,140)	\$ 72,704

## Changes in Ottawa Trust Fund FOR THE YEAR ENDED MARCH 31, 2008

	2008	2007
<b>BALANCE BEGINNING OF YEAR</b>	\$ 46,697	\$ 44,220
Interest Earned	2,600	2,477
Transferred to Other Funds	-	-
<b>RESTRICTED NET ASSETS, END OF YEAR</b>	\$ 49,297	\$ 46,697

# LOWER KOOTENAY INDIAN BAND

## Statement of Receipt and Expenditure of Indian Moneys

FOR THE YEAR ENDED MARCH 31, 2008

### REVENUE TRUST MONEY

Band Council Resolution			Receipt and Expenditure of Funds			
Date and number of Band Council Resolution	Date funds released to Band	Purpose for release of funds	Unexpended Prior years withdrawals from Trust funds Beginning of year	Amount Received from Trust Funds	Actual Amount Spent during the year	Unexpended withdrawals from Trust Funds- End of Year
Sept. 20/05 #2005-9	Nov 15/05	Building repairs	\$ 53,786	\$ -	\$ 25,329	\$ 28,457

### Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration Elected or Appointed Officials

FOR THE YEAR ENDED MARCH 31, 2008

Name of Individual	Position Title	Number of Months	Salary and Honouraria	Travel Expenses	Other Remuneration	Total
Chris Luke	Chief	12	\$ 5,400	\$ 273	\$ -	\$ 5,673
Joe Pierre	Councillor	12	57,332	877	-	58,209
Arlene Teasley	Councillor	12	36,800	-	-	36,800
Jason Louie	Councillor	12	38,098	40	-	38,138
Anne Jimmie	Councillor	12	4,200	25	-	4,225
			\$ 141,830	\$ 1,215	\$ -	\$ 143,045

**GADICKE & MINICHELLO**

CHARTERED ACCOUNTANTS

**LOWER KOOTENAY INDIAN BAND**  
**SCHEDULE OF FINANCIAL POSITION FOR BUSINESS ENTERPRISES**

**AS AT MARCH 31, 2008**

**LOWER KOOTENAY GUIDE OUTFITTERS LTD.**

	2008	2007
<b>ASSETS</b>		
Cash	\$ 79	\$ 79
Property, Plant and Equipment	443,903	466,924
	<b>\$ 443,982</b>	<b>\$ 467,003</b>
<b>LIABILITIES - Due to Lower Kootenay Indian Band</b>	<b>\$ 437,648</b>	<b>\$ 431,504</b>
<b>SHARE CAPITAL AND CONTRIBUTED SURPLUS</b>	226,437	226,433
<b>DEFICIT</b>	(220,103)	(190,937)
	6,334	35,496
	<b>\$ 443,982</b>	<b>\$ 467,000</b>
<b>REVENUE</b>	<b>\$ 8,870</b>	<b>\$ -</b>
<b>EXPENSES</b>	38,036	3,809
<b>NET LOSS FOR THE YEAR</b>	<b>\$ (29,166)</b>	<b>\$ (3,809)</b>

# LOWER KOOTENAY INDIAN BAND

## SCHEDULE OF FINANCIAL POSITION FOR BUSINESS ENTERPRISES

AS AT MARCH 31, 2008

### LOWER KOOTENAY FOREST PRODUCTS LTD.

	2008	2007
<b>ASSETS</b>		
Current		
Cash	\$ 392	\$ 33,459
<b>LIABILITIES</b>		
Current		
Accounts Payable	\$ 399	\$ 1,314
Due to Related Parties	11,893	31,293
	12,292	32,607
<b>SHARE CAPITAL</b>	1	1
<b>RETAINED EARNINGS (DEFICIT)</b>	(11,901)	851
	\$ 392	\$ 33,459
<b>REVENUE</b>	\$ 45	\$ 44,506
<b>EXPENSES</b>	12,798	13,939
<b>NET INCOME (LOSS)</b>	\$ (12,753)	\$ 30,567
<b>LOWER KOOTENAY INDIAN BAND</b>		
<b>50% INTEREST OF INCOME (LOSS)</b>	\$ (6,377)	\$ 10,393



**LOWER KOOTENAY INDIAN BAND**  
**SCHEDULE OF FINANCIAL POSITION FOR BUSINESS ENTERPRISES**

**AS AT MARCH 31, 2008**

**LOWER KOOTENAY DEVELOPMENT LIMITED PARTNERSHIP**

	2008	2007
<b>ASSETS</b>		
Current		
Cash	\$ 158,623	\$ 163,779
Accounts Receivable	1,465	1,367
Investments	136,360	115,000
	<b>\$ 296,448</b>	<b>\$ 280,146</b>
<b>LIABILITIES</b>		
Current		
Accounts payable	\$ -	\$ 4,500
<b>PARTNERS' EQUITY</b>		
Partners' accounts		
Lower Kootenay Development Corporation	27	20
Lower Kootenay Band	296,421	230,126
	<b>296,448</b>	<b>230,146</b>
	<b>\$ 296,448</b>	<b>\$ 234,646</b>
<b>REVENUE</b>	<b>\$ 95,798</b>	<b>\$ 205,884</b>
<b>EXPENSES</b>	<b>21,996</b>	<b>7,474</b>
<b>NET INCOME FOR THE YEAR</b>	<b>\$ 73,802</b>	<b>\$ 198,410</b>

**GADICKE & MINICHELLO**



CHARTERED ACCOUNTANTS

# LOWER KOOTENAY INDIAN BAND

## SCHEDULE OF FINANCIAL POSITION FOR BUSINESS ENTERPRISES

AS AT MARCH 31, 2008

### LOWER KOOTENAY DEVELOPMENT CORPORATION

	2008	2007
<b>ASSETS</b>		
Current		
Cash	\$ 24,288	\$ 10,225
Accounts Receivable	663	111
	\$ 24,951	\$ 10,336
<b>LIABILITIES</b>		
Current		
Accounts payable	\$ 6,002	\$ 4,500
Due to Shareholder	24,115	5,866
	30,117	10,366
<b>SHARE CAPITAL AND DEFICIT</b>		
Share Capital	1	1
Deficit	(5,167)	(31)
	(5,166)	(30)
	\$ 24,951	\$ 10,336
<b>REVENUE</b>	\$ 50,111	\$ 33,809
<b>EXPENSES</b>	55,246	33,841
<b>NET LOSS FOR THE YEAR</b>	\$ (5,135)	\$ (32)

**GADICKE & MINICHELLO**

CHARTERED ACCOUNTANTS

# LOWER KOOTENAY INDIAN BAND

## AUDITORS' DERIVATIVE REPORT

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### FOR THE SCHEDULE OF FEDERAL GOVERNMENT FUNDING

To the Members of the Lower Kootenay Indian Band,

We have audited the summary financial statements of the Lower Kootenay Indian Band as at March 31, 2008 and for the year then ended and reported thereon under date of November 13, 2008.

A schedule of Federal Government Funding is required to be presented to the membership of the Lower Kootenay Indian Band pursuant to the funding agreement between Indian and Northern Affairs Canada and the Lower Kootenay Indian Band. The schedule has been compiled from information provided by the management of the Lower Kootenay Indian Band.

For the purpose of compiling the attached schedule, Lower Kootenay Indian Band has used the following interpretations in conjunction with the instructions provided by Indian and Northern Affairs Canada Year-end Reporting Handbook for First Nations Supplement Regarding Schedule of Federal Government Funding dated November 2003:

- Where a program receives federal government funding and other sources of funding, the federal government funding is assumed to be expended before any other source of funding;
- Where amounts are transferred internally between programs that each receive federal government funding, such amounts are recorded in the schedule as a transfer;
- Where amounts are transferred from a program that receives federal government funding to a program that does not receive federal government funding, such amounts are recorded in the schedule as expended, if expended;
- Where federal government funding has been received in the year and allocated by the Lower Kootenay Indian Band to cover amounts expended in previous fiscal periods, such previous expenditures are recorded in the schedule as funding expended.

For the purposes of understanding our involvement with this schedule, please note that:

- We have audited and separately reported on the summary financial statements;
- Our audit was conducted for the purpose of forming an opinion on the summary financial statements taken as a whole;
- The attached schedule is presented for the purpose of forming an opinion for the Membership and the Department of Indian Affairs and does not form part of the summary financial statements; and
- The attached schedule has been subjected to the auditing procedures applied to the audit of the summary financial statements taken as a whole.

However, no procedures have been carried out on this schedule in addition to those necessary to form an opinion on the summary financial statements.

This report is to be used solely to satisfy the Indian and Northern Affairs Canada funding requirements and should not be referred to or used for any other purpose.

Creston, B. C.  
November 13, 2008

*Gadicke + Minichiello*  
CHARTERED ACCOUNTANTS

**GADICKE & MINICHELLO**

CHARTERED ACCOUNTANTS