

**LOWER KOOTENAY INDIAN BAND**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED MARCH 31, 2010**

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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 Director of Financial and Corporate Services on behalf of Council.

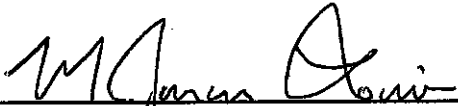
The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook. Financial statements are not precise since they include certain amounts 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 Council Members reviews the Lower Kootenay Indian Band's financial statements and provides their approval. The Council 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 Council takes into consideration the audit findings when approving the financial statements for issuance to the Members. The Council also considers for review 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.

  
\_\_\_\_\_  
Chief/Councilor

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



## 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, 2010 and for the year then ended:

- Consolidated Statement of Financial Position
- Consolidated Statement of Operations
- Consolidated Statement of Change in Net Financial Assets
- Consolidated 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, 2010 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.  
March 15, 2011

*Gadicke & Minichiello*  
CHARTERED ACCOUNTANTS

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# LOWER KOOTENAY INDIAN BAND

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2010

	2010	2009 As Restated
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,231,675	\$ 882,458
Term Deposits	2,986	2,898
Replacement Reserve, note 9	162,060	149,077
Accounts Receivable, note 3	382,272	415,603
Investment and Loans Receivable, note 4	978,952	981,372
Loans to Band Members	-	4,551
	<u>2,757,945</u>	<u>2,435,959</u>
<b>LIABILITIES</b>		
Accounts payable	498,142	273,543
Prepaid Land Lease	67,500	-
Replacement Reserve, note 9	162,060	149,077
Long Term Debt, note 7	1,197,300	1,249,042
	<u>1,925,002</u>	<u>1,671,662</u>
<b>NET FINANCIAL ASSETS</b>	<u>832,943</u>	<u>764,297</u>
<b>NON-FINANCIAL ASSETS</b>		
Property, Plant and Equipment, note 6	6,104,931	5,272,510
Prepaid Expenses	4,687	257
	<u>6,109,618</u>	<u>5,272,767</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 6,942,561</u>	<u>\$ 6,037,064</u>
<b>Represented by:</b>		
Restricted, note 10	5,550	34,718
Unrestricted, schedule 9	1,579,776	1,565,531
	<u>1,585,326</u>	<u>1,600,249</u>
Net Assets Invested in Property, Plant and Equipment, note 8	<u>5,357,235</u>	<u>4,436,815</u>
	<u>\$ 6,942,561</u>	<u>\$ 6,037,064</u>

See accompanying notes to the summary financial statements.

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

**ECONOMIC DEPENDENCE, note 2**

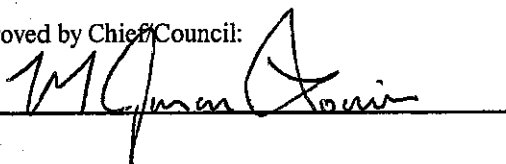
**OTTAWA TRUST MONEYS, note 5**

**CAPITAL MANAGEMENT, note 11**

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**PRIOR PERIOD ADJUSTMENTS, note 13**

Approved by Chief Council:



**GADICKE & MINICHELLO**



CHARTERED ACCOUNTANTS

**LOWER KOOTENAY INDIAN BAND**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	2010		2009
	Budget	Actual	As Restated Actual
<b>REVENUE</b>			
Indian and Northern Affairs	\$ 2,219,998	\$ 2,178,045	\$ 1,566,108
Previous Years Indian and Northern Affairs Recoveries	-	(7,619)	-
Health and Welfare Canada	135,447	131,347	147,360
Province of BC	260,568	288,818	110,772
Finance Canada	-	157,431	151,704
Investment in property, plant and equipment	-	1,211,682	213,528
Ottawa Trust funds received	-	2,610	2,519
Community Futures	99,905	99,905	98,545
Grants Received	241,797	254,007	81,015
Rental Revenues	477,000	541,374	351,304
Local Revenues	47,625	47,186	50,882
Tribal Council Programs	60,648	84,295	79,639
Interest Revenues	5,600	15,207	6,226
C.M.H.C. Subsidy Contributions	49,000	49,474	50,384
Administrative Fees - First Nation Owned Entities	132,546	143,478	104,272
Miscellaneous	138,514	145,403	90,209
First Nation Education Steering Committee	6,015	6,746	4,665
Limited Partnership Income	-	42,365	124,846
Recovery of loan previously written off	-	120,143	93,036
	<b>3,874,663</b>	<b>5,511,897</b>	<b>3,327,014</b>
<b>EXPENDITURES</b>			
Band Government	335,080	387,750	305,730
Capital Projects	-	844,945	158,441
Community Infrastructure	401,927	780,795	335,806
Economic Development	511,520	615,494	182,637
Education	813,168	837,574	703,946
Health	176,786	200,407	163,279
Limited Partnership expense	-	19,625	2,964
Ottawa Trust fund expenditures	-	3,024	-
Social Assistance	297,672	305,174	305,237
Social Housing	246,000	320,350	222,921
Amortization	75,000	291,262	243,618
	<b>2,857,153</b>	<b>4,606,400</b>	<b>2,624,579</b>
<b>ANNUAL SURPLUS</b>	<b>1,017,510</b>	<b>905,497</b>	<b>702,435</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>-</b>	<b>6,037,064</b>	<b>5,334,629</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 1,017,510</b>	<b>\$ 6,942,561</b>	<b>\$ 6,037,064</b>

**LOWER KOOTENAY INDIAN BAND**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	2010 Actual	2009 As Restated Actual
<b>ANNUAL SURPLUS</b>	\$ 905,497	\$ 702,435
Acquisition of property, plant and equipment	(1,123,684)	(213,527)
Amortization of property, plant and equipment	291,262	243,618
	<b>73,075</b>	<b>732,526</b>
Acquisitions of prepaid asset	(4,429)	(257)
Increase in Net Financial Assets	68,646	732,269
Net Financial Assets at beginning of year	764,297	32,028
Net Financial Assets at end of year	\$ 832,943	\$ 764,297



**LOWER KOOTENAY INDIAN BAND**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	2010	2009 As Restated
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Indian and Northern Affairs funding received	\$ 1,384,235	\$ 1,403,397
Health and Welfare Canada funding received	131,347	147,360
Administration Fee received	143,478	104,272
Canada Mortgage & Housing Subsidy contributions	49,474	50,384
Capital Funding	786,191	162,711
First Nation Education Steering Committee	6,746	4,665
First Nations GST received	157,431	151,704
Grants received	353,912	179,560
Interest revenue received	15,207	6,226
Local revenue received	47,186	50,882
Miscellaneous Revenues received	145,403	86,265
Ottawa Trust Funds	2,610	2,519
Province of BC	288,818	110,772
Rental income received	541,374	351,304
Tribal Council programs funding received	84,295	79,639
Payments for operating expenses	(2,643,053)	(2,084,896)
Net change in replacement reserve cash balance	(45,034)	(40,021)
	<b>1,449,620</b>	<b>766,743</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term debt	(51,742)	(142,371)
St Eugene's Project bad debt recovery	120,143	93,036
	<b>68,401</b>	<b>(49,335)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,123,682)	(213,529)
<b>INCREASE (DECREASE) IN CASH</b>	<b>394,339</b>	<b>503,879</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>945,710</b>	<b>441,831</b>
<b>CASH, END OF YEAR</b>	<b>\$ 1,340,049</b>	<b>\$ 945,710</b>
<b>REPRESENTED BY:</b>		
Cash and term deposits	\$ 1,234,661	\$ 885,356
Cash, restricted	105,388	60,354
	<b>\$ 1,340,049</b>	<b>\$ 945,710</b>

\*During the year the Band received \$17,818 interest income and paid \$53,612 interest on loans.



# LOWER KOOTENAY INDIAN BAND

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2010

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

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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., Lower Kootenay Forest Products Ltd, Lower Kootenay Development Corporation and Lower Kootenay Development Limited Partnership 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) **Financial Instruments**

The Band's financial instruments consist of cash, accounts receivables, accrued liabilities, accounts payables and long term debt. It is management's opinion that the company is not exposed to significant interest, liquidity or credit risks arising from the financial instruments. The fair value of these financial instruments approximate their carrying value due to the immediate or short term maturity of these instruments.

**LOWER KOOTENAY INDIAN BAND**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**

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**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**

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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**

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	2010	2009
CMHC Subsidy	\$ 4,040	\$ 3,079
Government Grants	287,929	285,588
Health and Welfare Canada	-	2,383
Land Leases	39,988	32,677
Miscellaneous	35,203	10,307
Property Taxes	7,021	40,646
Rent Receivable	8,091	40,923
	<b>\$ 382,272</b>	<b>\$ 415,603</b>

**LOWER KOOTENAY INDIAN BAND**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**

**4. INVESTMENT AND LOANS RECEIVABLE**

	2010	2009
Investment, at cost		
Lower Kootenay Guide Outfitters Ltd.	\$ 2,103	\$ 6,320
All Nations Trust Company	60,000	60,000
Lower Kootenay Limited Partnership	435,770	418,311
Lower Kootenay Development Corporation	1	1
Lower Kootenay Forage Products	33,020	33,020
Loans receivable		
Lower Kootenay Guide Outfitters Ltd.	437,321	439,983
Lower Kootenay Development Corporation	10,737	23,737
	<b>\$ 978,952</b>	<b>\$ 981,372</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 2010	Net 2009
Land	\$ 298,842	\$ -	\$ 298,842	\$ 289,429
Automotive	101,681	98,264	3,417	10,250
Buildings and Renovations	2,485,773	1,125,897	1,359,876	1,269,714
Computers	88,281	57,296	30,985	4,622
Dyke Upgrade	878,077	97,774	780,303	175,618
Equipment	207,503	166,706	40,797	38,455
Granite Sculptures	75,000	3,375	71,625	-
Housing	3,024,807	1,406,919	1,617,888	1,700,951
Landfill	806	382	424	456
Physical Development	140,645	15,713	124,932	97,402
Reservoir	14,395	6,450	7,945	8,520
Road and Bridges	964,512	437,409	527,103	545,459
Water systems	1,916,795	676,001	1,240,794	1,131,634
	<b>\$ 10,197,117</b>	<b>\$ 4,092,186</b>	<b>\$ 6,104,931</b>	<b>\$ 5,272,510</b>

**LOWER KOOTENAY INDIAN BAND**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**

**7. LONG TERM DEBT**

	2010	2009
<b>CANADIAN IMPERIAL BANK OF COMMERCE</b>		
Mortgage secured by Indian and Northern Affairs, repayable in \$981 bi-weekly including interest at 6.75%	\$ 140,745	\$ 148,838
<b>BANK OF NOVA SCOTIA</b>		
Mortgage secured by Indian and Northern Affairs, repayable in \$1,867 monthly including interest at 6.05%	21,697	42,138
Mortgage secured by Indian and Northern Affairs, repayable in \$2,565 monthly including interest at 5.05%	109,842	136,448
<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 instalments including interest aggregating \$4,418	475,412	508,272
<b>PEACE HILLS TRUST</b>		
Mortgage secured by Indian and Northern Affairs, repayable in \$7,753 monthly including interest at 6.5%	322,104	413,346
<b>MODERN GAMES CANADA LTD</b>		
Settlement repayable in \$5,000 annual instalments until 2012 then instalments increase to \$10,000. Interest in the amount of \$7,500 payable April 2, 2021	127,500	-
	<b>\$ 1,197,300</b>	<b>\$ 1,249,042</b>

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

2011	\$ 169,059
2012	154,674
2013	167,413
2014	173,192
2015	60,988
2016 and beyond	471,974
	<b>\$ 1,197,300</b>

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

	2010	2009
Balance beginning of year	\$ 4,436,815	\$ 4,466,905
<b>Additions:</b>		
Principal reduction of mortgages	88,000	78,499
Investment in property, plant and equipment	1,123,682	135,029
	1,211,682	213,528
<b>Deductions:</b>		
Amortization of property, plant and equipment	(291,262)	(243,618)
Balance end of year	<b>\$ 5,357,235</b>	<b>\$ 4,436,815</b>

**LOWER KOOTENAY INDIAN BAND**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**

**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 \$25,527 (2009 - \$25,527) 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:

	2010		2009	
Cash	\$	105,388	\$	60,354
Due from Operating Fund		56,672		88,723
	\$	162,060	\$	149,077

**10. RESTRICTED NET ASSETS**

	Ottawa Trust	Unexpended Capital Financing	Total 2010	Total 2009
Opening Balance	\$ 51,816	\$ (17,098)	\$ 34,718	\$ 26,158
Interest Earned	2,610	-	2,610	2,519
Capital Funding	-	818,879	818,879	162,711
Capital Funding Recovery	-	(2,688)	(2,688)	-
Reclassification of unexpended financing	-	-	-	1,771
Expenditures	(3,024)	(844,945)	(847,969)	(158,441)
	\$ 51,402	\$ (45,852)	\$ 5,550	\$ 34,718

**11. CAPITAL MANAGEMENT**

The capital management objectives of the Band are to maintain adequate capital resources to support its working capital needs, business and growth strategy, and build long term members' value.

**12. FINANCIAL INSTRUMENTS**

The Band is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the balance sheet date, December 31, 2010.

**Credit Risk**

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Band's credit risk is primarily attributable to cash and receivables. Management manages cash default risk by dealing with large financial institutions with good credit ratings and manages receivable credit risk through standard reference checks.

**Liquidity Risk**

The Band's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. All of the Band's financial liabilities have contractual maturities of less than 120 days and are subject to normal trade terms.

**LOWER KOOTENAY INDIAN BAND**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**

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**12. FINANCIAL INSTRUMENTS, cont**

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes on market interest rates. The Band is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Given the current composition of long term debt, fixed rate instruments subject the Band to a fair value risk while the floating rate instruments subject it to a cash flow risk.

**13. PRIOR PERIOD ADJUSTMENTS**

The Band has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook which requires the Band to record and amortize their property, plant and equipment on their financial statements. These adjustments are as follows:

**Adjustments to 2009 Opening Accumulated Surplus**

Opening accumulated surplus, as previously reported	\$ 2,973,280
Net book value of property, plant and equipment recorded	<u>2,361,349</u>
<b>Opening accumulated surplus, as restated</b>	<b><u>\$ 5,334,629</u></b>

**Adjustments to 2009 Annual Surplus**

Annual surplus, as previously reported	\$ 854,582
Increase in amortization expense	<u>(152,147)</u>
<b>Annual surplus, as restated</b>	<b><u>\$ 702,435</u></b>

**Adjustment to Property, Plant and Equipment**

Net book value, as previously stated	\$ 3,063,308
Add: Net book value resulting from adjustment to opening accumulated surplus	2,361,349
Less: Increase in accumulated amortization	<u>(152,147)</u>
<b>Property, plant and equipment, as restated</b>	<b><u>\$ 5,272,510</u></b>



## NOTICE TO READER

On the basis of information provided by management, we have compiled the financial information of various programs of the Lower Kootenay Indian Band as at March 31, 2010.

We have not performed an audit or a review engagement in respect of these schedules and, accordingly, we express no assurance thereon.

Readers are cautioned that these schedules may not be appropriate for their purposes.

Creston, British Columbia  
March 15, 2011

*Gadicke + Minichiello*  
CHARTERED ACCOUNTANTS



**LOWER KOOTENAY INDIAN BAND**  
**Schedule 1 - Statement of Operations - Administration**  
(Unaudited - See Notice to Reader)  
**FOR THE YEAR ENDED MARCH 31, 2010**

	2010				2009	
	Administration	Employee Benefits	Indian Registry	Capacity Initiative	Budget	Actual
<b>REVENUE</b>						
Indian and Northern Affairs	\$ 168,360	\$ 29,234	\$ 1,575	\$ 75,000	\$ 197,935	\$ 274,169
Internal Administration Fees	143,478	-	-	-	132,546	143,478
Interest Revenue	40	-	-	-	100	40
Other Revenues	7,490	-	-	-	4,600	7,490
	<b>319,368</b>	<b>29,234</b>	<b>1,575</b>	<b>75,000</b>	<b>335,181</b>	<b>425,177</b>
						<b>387,109</b>
<b>EXPENDITURE</b>						
Computer software	2,690	-	-	-	3,771	2,690
Employee Benefits	-	42,994	-	-	46,180	42,994
Equipment leases	9,266	-	-	-	6,500	9,266
Equipment repairs and maintenance	280	-	-	-	1,000	280
Indian registry costs	-	-	1,575	-	1,575	1,575
Materials and supplies	2,511	-	-	928	1,000	3,438
Office and sundry supplies	9,597	-	-	3,401	6,750	12,998
General consulting	471	-	-	27,675	-	28,146
Professional fees-audit and accounting	20,000	-	-	-	9,000	20,000
Telecommunications	10,260	-	-	-	9,500	10,260
Wages and payroll costs	148,439	-	-	43,116	191,204	191,556
Council-Honouraria	51,750	-	-	-	50,600	51,750
Council-travel	12,797	-	-	-	8,000	12,797
	<b>268,061</b>	<b>42,994</b>	<b>1,575</b>	<b>75,120</b>	<b>335,080</b>	<b>387,750</b>
						<b>305,729</b>
<b>LESS (DEFICIENCY) OF REVENUE</b>						
<b>OVER EXPENSES FOR THE YEAR</b>	51,307	(13,760)	-	(120)	101	37,427
						<b>81,380</b>
<b>ASSETS (DEFICIT), BEGINNING OF YEAR</b>	446,961	(57,730)	-	(28)	-	389,203
						<b>307,823</b>
<b>ASSETS (DEFICIT), END OF YEAR</b>	\$ 498,268	\$ (71,490)	\$ -	\$ (148)	\$ 101	\$ 426,630
						<b>\$ 389,203</b>

**GADICK & MINICHIELLO**



**LOWER KOOTENAY INDIAN BAND**  
**Schedule 2 - Statement of Operations - Education**  
**(Unaudited - See Notice to Reader)**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	Band Employees Benefits	Tuition Agreement	Enhanced Teacher Salary	All other Education Programs	2010		2009 Actual
					Budget	Actual	
<b>REVENUE</b>							
Indian and Northern Affairs Canada	\$ 23,919	\$ 229,691	\$ 2,531	\$ 360,076	\$ 633,335	\$ 616,217	\$ 647,041
Tribal Council	-	-	-	16,956	16,956	16,956	17,226
Grants and other revenues	-	-	-	81,427	60,658	81,427	80,124
First Nation Education Steering Committee	-	-	-	6,746	6,015	6,746	4,665
Previous years recoveries and reimbursements; Independent School funding	-	-	-	95,400	95,400	95,400	7,582
	23,919	229,691	2,531	560,605	812,364	816,746	756,638
<b>EXPENDITURE</b>							
Administration and miscellaneous	-	-	-	58,995	50,576	58,995	16,968
Books and supplies	-	-	-	18,644	18,250	18,644	24,645
Building upgrades	-	-	-	-	-	-	-
Enhanced teacher salary	-	-	2,520	-	2,500	2,520	2,505
Equipment rent and purchases	-	-	-	3,777	5,000	3,777	4,294
Feasibility study	-	-	-	-	-	-	-
Local Education Agreement	-	229,689	-	-	235,392	229,689	232,735
Repairs and maintenance	-	-	-	34,619	32,560	34,619	25,611
Staff travel	-	-	-	7,916	7,000	7,916	3,174
Student financial assistance	-	-	-	58,768	55,800	58,768	35,212
Student transportation	-	-	-	41,133	34,300	41,133	9,571
Tuition Fees	-	-	-	21,683	22,000	21,683	5,739
Wages and benefits	27,261	-	-	306,494	324,700	333,755	320,026
Workshops and field trips	-	-	-	22,168	18,800	22,168	18,795
Utilities	-	-	-	3,907	6,290	3,907	4,671
	27,261	229,689	2,520	578,104	813,168	837,574	703,946
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	(3,342)	2	11	(17,499)	(804)	(20,828)	52,692
<b>NET ASSETS, BEGINNING OF YEAR</b>	(3,023)	(1)	(28)	268,428	-	265,376	212,684
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	\$ (6,365)	\$ 1	\$ (17)	\$ 250,929	\$ (804)	\$ 244,548	\$ 265,376

**LOWER KOOTENAY INDIAN BAND**  
**Schedule 3 - Statement of Operations - Social Housing**  
**(Unaudited - See Notice to Reader)**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	2010		2009
	Budget	Actual	Actual
<b>REVENUE</b>			
Rental Income	\$ 197,000	\$ 192,457	\$ 190,758
C.M.H.C. Subsidy	49,000	49,474	50,384
I.N.A.C. Renovation Funding	46,772	49,868	-
	<u>292,772</u>	<u>291,799</u>	<u>241,142</u>
<b>EXPENDITURE</b>			
Insurance	20,500	16,437	21,305
INAC Renovation funding expenditures	46,772	49,868	-
Maintenance	53,923	33,163	25,145
Snow removal and garbage pickup	11,500	10,766	11,060
Administration fees	15,650	16,982	16,937
Bad debts	-	44,986	-
Mortgage payments-principal	75,000	88,000	78,499
Mortgage payments-interest	40,000	32,421	42,248
Professional fees	3,900	2,200	2,200
Replacement reserve, allocation for the year	25,527	25,527	25,527
	<u>246,000</u>	<u>320,350</u>	<u>222,921</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>			
<b>FOR THE YEAR</b>	46,772	(28,551)	18,221
<b>NET DEFICIT, BEGINNING OF YEAR</b>	-	(74,409)	(92,630)
<b>NET DEFICIT, END OF YEAR</b>	\$ 46,772	\$ (102,960)	\$ (74,409)

**LOWER KOOTENAY INDIAN BAND**  
**Schedule 4 - Statement of Operations - Social Development**  
**(Unaudited - See Notice to Reader)**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	Basic Needs	Child out of parental home	Employment and training	Special Needs	In Home Care	National Child Benefit	Prevention Projects	Service Delivery	Community Services	2010		2009 Actual
										Budget	Actual	
<b>REVENUE</b>												
Indian and Northern Affairs Canada	\$ 142,800	\$ 56,500	\$ 7,222	\$ 5,286	\$ 9,500	\$ 27,797	\$ 2,993	\$ 43,048	\$ -	\$ 297,672	\$ 295,146	\$ 318,603
Recoveries Indian and Northern Affairs	3,456	3,202	(30)	(695)	(6,700)	-	-	-	-	-	(767)	-
	146,256	59,702	7,192	4,591	2,800	27,797	2,993	43,048	-	297,672	294,379	318,603
<b>EXPENDITURE</b>												
Facilitators and consultants	-	-	7,561	-	-	-	2,994	-	-	10,215	10,555	9,268
Guardian financial assistance	-	55,172	-	-	-	-	-	-	-	56,500	55,172	74,450
Rent payments	36,284	-	-	-	-	-	-	-	-	40,075	36,284	43,087
Special Needs	-	-	-	5,310	-	-	-	-	-	5,286	5,310	5,369
Support payments	97,375	-	-	-	-	-	-	-	-	85,160	97,375	67,437
Travel	-	-	-	-	-	-	-	1,200	-	1,200	1,200	4,247
Utility payments	18,444	-	-	-	-	-	-	-	-	17,565	18,444	23,765
Wages and benefits	-	-	-	-	8,700	30,286	-	41,848	-	81,671	80,834	65,728
Youth Activities	-	-	-	-	-	-	-	-	-	-	-	11,886
	152,103	55,172	7,561	5,310	8,700	30,286	2,994	43,048	-	297,672	305,174	305,237
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	(5,847)	4,530	(369)	(719)	(5,900)	(2,489)	(1)	-	-	-	(10,795)	13,366
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	(23,281)	(1,477)	(17)	(191)	8,960	(41)	(37)	(8,470)	(1,011)	-	(25,565)	(38,931)
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	\$ (29,128)	\$ 3,053	\$ (386)	\$ (910)	\$ 3,060	\$ (2,530)	\$ (38)	\$ (8,470)	\$ (1,011)	\$ -	\$ (36,360)	\$ (25,565)

**LOWER KOOTENAY INDIAN BAND**  
**Schedule 5 - Statement of Operations - Health Programs**  
**(Unaudited - See Notice to Reader)**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	Health Programs	Home Care Nursing	Aboriginal Family Centre	2010 Budget	2010 Actual	2009 Actual
<b>REVENUE</b>						
Health Canada	\$ 111,619	\$ -	\$ -	\$ 111,619	\$ 111,619	\$ 105,360
Health Canada-Patient Transportation	19,728	-	-	19,728	19,728	17,000
Interior Health Authority	-	-	-	4,100	-	25,000
Interior Aboriginal Strategic Trust Fund	-	-	-	-	-	-
Ktunaxa/Kinbasket Tribal Council	-	40,400	-	36,000	40,400	30,000
Other Revenue	9,235	-	-	1,000	9,235	2,580
	140,582	40,400	-	172,447	180,982	179,940
<b>EXPENDITURES</b>						
Administration overhead charges	24,845	-	-	12,345	24,845	23,276
Bank charges	222	-	-	70	222	69
Building rent and utilities	-	-	-	-	-	690
Fund provider reimbursement	11,456	-	-	-	11,456	4,524
Materials and supplies	13,992	-	-	10,500	13,992	11,368
Mental health professional fees	4,320	-	-	2,500	4,320	977
Patient transportation	-	-	-	18,183	-	-
Training	2,898	-	-	2,000	2,898	886
Travel	2,704	2,970	-	5,600	5,675	4,451
Wages and benefits	84,927	33,919	-	107,288	118,846	101,860
Workshops	18,153	-	-	18,300	18,153	15,178
	163,517	36,889	-	176,786	200,407	163,279
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	(22,935)	3,511	-	(4,339)	(19,425)	16,661
<b>NET ASSETS, BEGINNING OF YEAR</b>	96,883	15,811	911	46,912	113,605	96,944
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	\$ 73,948	\$ 19,322	\$ 911	\$ 42,573	\$ 94,180	\$ 113,605

**LOWER KOOTENAY INDIAN BAND**  
**Schedule 6 - Statement of Operations - Infrastructure and Land Management**  
(Unaudited - See Notice to Reader)  
**FOR THE YEAR ENDED MARCH 31, 2010**

	Land Management	Taxation	Land Leases	2010 Budget	2010 Actual	2009 Actual
<b>REVENUE</b>						
Indian and Northern Affairs Canada	\$ 30,601	\$ -	\$ -	\$ 143,822	\$ 30,601	\$ 30,702
Province of BC-Forest & Range	-	-	102,252	102,252	102,252	110,772
Equipment rent	-	-	28,000	-	28,000	300
Land taxes	-	47,186	-	47,625	47,186	50,882
Land rent	-	-	320,917	280,000	320,917	160,246
Interest	-	1,506	13,661	5,500	15,167	6,181
Other Revenues	-	-	31,262	20,000	31,262	26,422
Recovery of loan previously written off	-	-	120,143	-	120,143	93,036
	30,601	48,692	616,235	599,199	695,528	478,541
<b>EXPENDITURE</b>						
Administration	-	12,014	85,000	100,820	97,014	71,131
Business enterprise expenses	-	-	5,572	-	5,572	28,401
Equipment purchases and maintenance	-	-	200,840	116,980	200,840	25,236
Fire protection	-	7,277	-	7,000	7,277	2,500
Insurance	-	-	13,070	13,100	13,070	22,902
Interest on long term debt	-	-	21,192	-	21,192	28,810
Land lease improvements	-	213	-	13,575	213	7,429
Legal and consulting fees	-	5,200	56,191	55,250	61,391	25,636
Maintenance-Community Buildings	-	-	-	-	-	-
-Electrical	-	-	-	-	-	-
-Roads	-	-	-	-	-	-
-Water systems	-	-	-	-	-	-
Miscellaneous	-	-	15,758	11,000	15,758	5,515
Municipal services	-	-	-	-	-	-
Sanitation-garbage collection	-	-	-	-	-	-
Settlement	-	-	127,500	-	127,500	-
Travel	-	1,540	8,523	8,500	10,063	1,462
Wages and benefits	30,702	-	29,830	75,702	60,532	33,078
Bad debts	-	30,780	16,213	-	46,993	670
	30,702	57,024	579,689	401,927	667,415	252,770
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	(101)	(8,332)	36,546	197,272	28,113	225,771
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	-	158,434	69,547	-	227,981	2,210
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	\$ (101)	\$ 150,102	\$ 106,093	\$ 197,272	\$ 256,094	\$ 227,981

# LOWER KOOTENAY INDIAN BAND

## Schedule 7 - Statement of Operations - Economic Development

(Unaudited - See Notice to Reader)  
FOR THE YEAR ENDED MARCH 31, 2010

	Training & Misc Programs	CEDO Planning & Operations	Pine Beetle Project	Job Opportunities Program	First Nations Goods & Services Tax	2010		2009	
						Budget	Actual	Budget	Actual
<b>REVENUE</b>									
INAC	\$ -	\$ 10,944	\$ -	\$ -	\$ -	\$ 10,944	\$ 10,944	\$ 10,944	\$ 10,794
Finance Canada	-	-	-	-	157,431	-	157,431	157,431	151,704
Kinaxa Nation Council	4,557	-	-	-	-	4,600	4,557	4,557	28,358
First Nation Education Steering Committee	3,092	-	-	-	-	3,092	3,092	3,092	2,055
Community Futures	-	-	99,905	-	-	-	99,905	99,905	98,545
First Nations Emergency Services	-	-	-	-	-	-	-	-	8,000
Natural Resources Canada	23,526	-	-	-	-	32,000	23,526	23,526	18,900
Provincial Grants	152,662	-	-	158,316	-	309,021	310,978	310,978	-
Miscellaneous	-	-	-	-	-	-	-	-	2,173
University of British Columbia	15,948	-	-	-	-	15,948	15,948	15,948	17,070
	199,785	10,944	99,905	158,316	157,431	359,657	626,381	626,381	337,599

### EXPENDITURE

Administration	-	-	-	-	-	2,000	-	-	-
Consulting fees	198,684	-	10,354	9,790	15,000	192,495	233,828	233,828	26,905
FNGST payouts	-	-	-	-	113,204	-	113,204	113,204	2,367
Field technicians	-	-	-	-	-	-	-	-	18,847
Legal fees	-	-	-	-	-	-	-	-	-
Legal researcher	-	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	33,250	-	33,250	33,250	33,250	7,651
Travel	12,216	-	-	-	-	16,948	12,216	12,216	17,052
Tree planting and survival	-	-	89,781	-	-	89,915	89,781	89,781	81,612
Wages and benefits	6,995	10,944	-	115,276	-	176,912	133,215	133,215	28,203
	217,895	10,944	100,135	158,316	128,204	511,520	615,494	615,494	182,637

### EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR

	(18,110)	-	(230)	-	29,227	(151,863)	10,887	10,887	154,962
<b>NET DEFICIT, BEGINNING OF YEAR</b>	(12,341)	(28,269)	6,609	-	174,595	-	140,594	140,594	(14,368)
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	\$ (30,451)	\$ (28,269)	\$ 6,379	\$ -	\$ 203,822	\$ (151,863)	\$ 151,481	\$ 151,481	\$ 140,594

**LOWER KOOTENAY INDIAN BAND**  
**Schedule 8 - Statement of Operations and Maintenance**  
**(Unaudited - See Notice to Reader)**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	2010		2009
	Budget	Actual	Actual
<b>INAC REVENUE</b>			
Roads and Bridges	\$ 14,088	\$ 14,088	\$ 13,932
Safe Water Operation	6,240	6,240	-
Water Systems	36,178	36,178	48,692
Landfill Review	10,000	9,000	-
Municipal Services	18,913	18,913	18,241
Community Building	14,054	14,054	13,870
Fire Protection	3,300	3,300	3,300
Electrical Systems	3,820	3,820	3,785
Fuel Relief	6,628	6,628	20,246
INAC Recovery of Funds	-	(4,164)	-
	<b>113,221</b>	<b>108,057</b>	<b>122,066</b>
<b>EXPENDITURE</b>			
Fire Protection	4,500	-	4,414
Roads and Bridges	8,000	3,738	12,178
Sanitation Systems	1,000	-	1,349
Landfill Review Consultants	10,000	9,757	-
Water Systems	10,000	20,627	14,228
Community Buildings	20,200	27,492	25,061
Salaries and Benefits	53,000	43,598	17,470
Municipal Services	8,000	8,168	8,336
	<b>114,700</b>	<b>113,380</b>	<b>83,036</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>			
<b>FOR THE YEAR</b>	(1,479)	(5,323)	39,030
<b>NET DEFICIT, BEGINNING OF YEAR</b>	-	134,652	95,622
<b>NET DEFICIT, END OF YEAR</b>	\$ (1,479)	\$ 129,329	\$ 134,652

**LOWER KOOTENAY INDIAN BAND**  
**Schedule 9 - Summary of Operations by Schedule**  
(Unaudited - See Notice to Reader)  
**FOR THE YEAR ENDED MARCH 31, 2010**

	Sch 1	Sch 2	Sch 3	Sch 4	Sch 5	Sch 6	Sch 7	Sch 8	Limited Partnership	2010	2009
<b>REVENUE</b>											
Indian and Northern Affairs	\$ 274,169	\$ 616,217	\$ 49,868	\$ 294,379	\$ -	\$ 30,601	\$ 10,944	\$ 108,057	\$ -	\$ 1,384,235	\$ 1,403,397
Other Income	151,008	200,529	241,931	-	180,982	664,927	615,437	-	42,365	2,097,179	1,543,087
	425,177	816,746	291,799	294,379	180,982	695,528	626,381	108,057	42,365	3,481,414	2,946,484
<b>EXPENSES</b>											
Equipment Expense	11,956	3,777	-	-	-	200,840	-	-	-	216,573	38,777
Insurance	-	-	16,437	-	-	13,070	-	-	-	29,507	44,207
Office and Sundry	12,998	58,995	16,982	-	25,067	112,772	-	-	-	226,814	141,953
Other Expenses	69,560	400,001	190,934	213,785	52,174	83,820	135,247	-	-	1,145,521	944,412
Professional Fees	20,000	-	2,200	-	4,320	61,391	347,032	9,757	19,625	464,325	89,396
Repairs & Maintenance	280	34,619	93,797	-	-	134,990	-	60,025	-	323,711	140,058
Telephone and Utilities	10,260	3,907	-	-	-	-	-	-	-	14,167	15,023
Wages and Benefits	262,696	336,275	-	91,389	118,846	60,532	133,215	43,598	-	1,046,551	808,693
	387,750	837,574	320,350	305,174	200,407	667,415	615,494	113,380	19,625	3,467,169	2,222,519
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	37,427	(20,828)	(28,551)	(10,795)	(19,425)	28,113	10,887	(5,323)	22,740	14,245	723,965
<b>UNRESTRICTED NET ASSETS (DEFICIT) BEGINNING OF YEAR</b>	389,203	265,376	(74,409)	(25,565)	113,605	227,981	140,394	134,652	394,094	1,565,531	841,566
<b>UNRESTRICTED NET ASSETS (DEFICIT), END OF YEAR</b>	\$ 426,630	\$ 244,548	\$ (102,960)	\$ (36,360)	\$ 94,180	\$ 256,094	\$ 151,481	\$ 129,329	\$ 416,834	\$ 1,579,776	\$ 1,565,531



**LOWER KOOTENAY INDIAN BAND**  
**Changes in Deferred Revenue of Capital Projects**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	Project #9095	Project #8872	Project #8522	Project #7586	Project #8215	Project #3274	Project #9246	TOTALS 2010	TOTALS 2009
<b>CAPITAL FUNDING</b>									
Funds Received-INAC	\$ 33,322	\$ 265,318	\$ 392,169	\$ -	\$ 89,570	\$ 8,500	\$ -	\$ 788,879	\$ 162,711
Funds Recovered -INAC	-	-	(197)	-	-	(2,491)	-	(2,688)	-
Funds Received-Province of BC	-	28,250	-	-	-	-	-	28,250	-
Funds Received-Regional District	-	1,750	-	-	-	-	-	1,750	-
Transferred to other funds	-	-	-	-	-	-	-	-	1,771
	33,322	295,318	391,972	-	89,570	6,009	-	816,191	164,482
<b>CAPITAL COSTS INCURRED</b>									
Professional Fees	35,088	300,396	25,201	-	156,786	8,678	-	526,149	157,422
Wages and Salaries	-	-	66,831	-	-	-	-	66,831	-
Materials and Supplies	-	-	141,333	-	-	-	581	141,914	1,019
Licenses and permits	-	-	-	-	-	735	-	735	-
Equipment Rental	-	-	109,316	-	-	-	-	109,316	-
	35,088	300,396	342,681	-	156,786	9,413	581	844,945	158,441
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	(1,766)	(5,078)	49,291	-	(67,216)	(3,404)	(581)	(28,754)	6,041
<b>BALANCE BEGINNING OF YEAR</b>	(3,066)	-	(2,571)	(9,792)	161	2,491	(4,322)	(17,099)	(23,140)
<b>RESTRICTED NET ASSETS (DEFICIT), END OF YEAR</b>	\$ (4,832)	\$ -	\$ 46,720	\$ (9,792)	\$ (67,055)	\$ (913)	\$ (4,903)	\$ (45,853)	\$ (17,099)

**LOWER KOOTENAY INDIAN BAND**  
**Changes in Ottawa Trust Fund**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	2010	2009
BALANCE BEGINNING OF YEAR	\$ 51,815	\$ 49,296
Interest Earned	2,610	2,519
<b>RESTRICTED NET ASSETS, END OF YEAR</b>	<b>\$ 54,425</b>	<b>\$ 51,815</b>

# LOWER KOOTENAY INDIAN BAND

## Statement of Receipt and Expenditure of Indian Moneys

FOR THE YEAR ENDED MARCH 31, 2010

### 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	\$ 28,457	\$ -	\$ 3,024	\$ 25,433

## REVIEW ENGAGEMENT REPORT

To the Members of the Lower Kootenay Indian Band,

At the request of the Lower Kootenay Indian Band, we have reviewed the Schedule of Salaries, Honouraria, Travel Expenses and Other Remuneration of Elected or Appointed Officials and Unelected Senior Officials of the Lower Kootenay Indian Band as at March 31, 2010. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Band.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these schedules.

Based on our review, nothing has come to our attention that causes us to believe that these schedules are not, in all material respects, in accordance with generally accepted accounting principles.

Creston, British Columbia  
March 15, 2011

*Gadicke & Minichiello*  
CHARTERED ACCOUNTANTS



# LOWER KOOTENAY INDIAN BAND

## Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration

### Elected or Appointed Officials

FOR THE YEAR ENDED MARCH 31, 2010

Name of Individual	Position Title	Number of Months	Council Salary and Honouraria	Travel Expenses	Other Remuneration	Total
Chris Luke	Chief	12	\$ 11,350	\$ 2,960	\$ -	\$ 14,310
Sandra Luke	Councillor	12	10,675	1,391	-	12,066
Jason Louie	Councillor	12	9,350	163	42,945	52,458
Mary Basil	Councillor	12	9,650	974	-	10,624
Carol Louie	Councillor	12	10,725	1,619	-	12,344
			\$ 51,750	\$ 7,107	\$ 42,945	\$ 101,802

### Unelected Senior Officials

FOR THE YEAR ENDED MARCH 31, 2010

Position Title	Number of Months	Salary and Honouraria	Other Remuneration	Total	Travel Expenses
Band Manager	12	\$ 52,205	\$ -	\$ 52,205	\$ 5,690
Development Services Director	12	50,500	-	50,500	235
Education Executive Director	12	54,847	-	54,847	2,384
Finance & Corp Services Director	12	50,218	-	50,218	1,706
Social Services Director	12	41,891	-	41,891	1,200



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

**AS AT MARCH 31, 2010**

**LOWER KOOTENAY GUIDE OUTFITTERS LTD.**

	2010	2009
<b>ASSETS</b>		
Cash	\$ 371	\$ 7,250
Property, Plant and Equipment	439,353	439,353
	\$ 439,724	\$ 446,603
<b>LIABILITIES</b>		
Accounts Payable	\$ 300	\$ 300
Due to Lower Kootenay Indian Band	437,321	439,982
	437,621	440,282
<b>SHARE CAPITAL AND CONTRIBUTED SURPLUS</b>	226,435	226,437
<b>DEFICIT</b>	(224,332)	(220,116)
	2,103	6,321
	\$ 439,724	\$ 446,603
<b>REVENUE</b>	\$ -	\$ 8,000
<b>EXPENSES</b>	4,217	8,012
<b>NET LOSS FOR THE YEAR</b>	\$ (4,217)	\$ (12)

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

**AS AT MARCH 31, 2010**

**LOWER KOOTENAY FOREST PRODUCTS LTD.**

	2010	2009
<b>ASSETS</b>		
Current		
Cash	\$ -	\$ -
<b>LIABILITIES</b>		
Due to Related Parties	\$ 13,145	\$ 12,204
<b>SHARE CAPITAL</b>		
<b>DEFICIT</b>	1 (13,146)	1 (12,205)
	\$ -	\$ -
<b>REVENUE</b>	\$ -	\$ -
<b>EXPENSES</b>	941	303
<b>NET LOSS</b>	\$ (941)	\$ (303)
<b>LOWER KOOTENAY INDIAN BAND</b>		
<b>50% INTEREST OF LOSS</b>	\$ (471)	\$ (152)

**GADICKE & MINICHELLO**



CHARTERED ACCOUNTANTS

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

**AS AT MARCH 31, 2010**

**LOWER KOOTENAY DEVELOPMENT LIMITED PARTNERSHIP**

	2010	2009
<b>ASSETS</b>		
Current		
Cash	\$ 198,028	\$ 161,331
Accounts Receivable	13,392	793
Investments	196,111	227,427
Due from related parties	28,780	28,780
	<b>\$ 436,311</b>	<b>\$ 418,331</b>
<b>LIABILITIES</b>		
Current		
Accounts payable	\$ 500	\$ -
<b>PARTNERS' EQUITY</b>		
Partners' accounts		
Lower Kootenay Development Corporation	41	40
Lower Kootenay Band	435,770	418,291
	<b>435,811</b>	<b>418,331</b>
	<b>\$ 436,311</b>	<b>\$ 418,331</b>
<b>REVENUE</b>	<b>\$ 42,365</b>	<b>\$ 124,846</b>
<b>EXPENSES</b>	<b>19,625</b>	<b>2,964</b>
<b>NET INCOME FOR THE YEAR</b>	<b>\$ 22,740</b>	<b>\$ 121,882</b>





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

**AS AT MARCH 31, 2010**

**LOWER KOOTENAY DEVELOPMENT CORPORATION**

	2010	2009
<b>ASSETS</b>		
Current		
Cash	\$ 15,809	\$ 31,249
Accounts Receivable	209	752
	<b>\$ 16,018</b>	<b>\$ 32,001</b>
<b>LIABILITIES</b>		
Current		
Accounts payable	\$ 6,000	\$ -
Due to Shareholder	10,736	23,736
Due to Related parties	28,740	28,753
	<b>45,476</b>	<b>52,489</b>
<b>SHARE CAPITAL AND DEFICIT</b>		
Share Capital	1	1
Deficit	(29,459)	(29,981)
	<b>(29,458)</b>	<b>(29,980)</b>
	<b>\$ 16,018</b>	<b>\$ 22,509</b>
<b>REVENUE</b>	<b>\$ 43,128</b>	<b>\$ 36,759</b>
<b>EXPENSES</b>	<b>42,606</b>	<b>61,574</b>
<b>NET INCOME (LOSS) FOR THE YEAR</b>	<b>\$ 522</b>	<b>\$ (24,815)</b>

## **LOWER KOOTENAY INDIAN BAND AUDITORS' DERIVATIVE REPORT 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, 2010 and for the year then ended and reported thereon under date of March 30, 2011.

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 February 2010:

- 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.

March 30, 2011

*Gadicke & Minichiello*  
CHARTERED ACCOUNTANTS

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KASLO OFFICE: Box 610 424 Front Street Kaslo, B.C. Canada V0G 1M0 Ph: 250-353-7742 Fax: 250-353-7743 gad\_min@netidea.com

# LOWER KOOTENAY INDIAN BAND

## Schedule of Federal Government Funding

**FOR THE YEAR ENDED MARCH 31, 2010**

Federally Funded Programs & Services directly funded by the Government of Canada	Federal Funding Received	Unexpended Funding beg of year	Adjustments (Recoveries)	Total Funding Available	Funding Expended	Unexpended Funding end of year
<b>Indian &amp; Northern Affairs</b>						
Elementary - Secondary Education	\$ 502,178	\$ -	\$ -	\$ 502,178	\$ 502,178	\$ -
Post-Secondary Education	90,120	47,536	-	137,656	99,689	37,967
Economic Development	10,944	-	-	10,944	10,944	-
Indian Government Support	168,360	-	-	168,360	168,360	-
Band Employee Benefits	53,153	-	-	53,153	53,153	-
Land & Trust Services	30,601	-	-	30,601	30,601	-
Indian Registry Administration	1,575	-	-	1,575	1,575	-
Community Infrastructure	112,221	113,809	(4,164)	221,866	113,380	108,486
Negotiation Preparedness	75,000	-	-	75,000	75,000	-
Social Assistance & Support	295,146	13,366	(767)	307,745	305,174	2,571
Capital Projects	788,879	4,270	(2,688)	790,461	790,461	-
Housing Renovations	49,868	-	-	49,868	49,868	-
	2,178,045	178,981	(7,619)	2,349,407	2,200,383	149,024
<b>Health Canada</b>						
Community Health Service, Addictions & Non Insured Health Benefits	131,347	5,952	-	137,299	137,299	-
<b>CMHC</b>						
Non Profit On-Reserve Housing	49,474	-	-	49,474	49,474	-
<b>TOTAL FEDERAL FUNDING</b>	<b>\$ 2,358,866</b>	<b>\$ 184,933</b>	<b>\$ (7,619)</b>	<b>\$ 2,536,180</b>	<b>\$ 2,387,156</b>	<b>\$ 149,024</b>