

LOWER KOOTENAY INDIAN BAND
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2012



Gadicke & Carr
CHARTERED ACCOUNTANTS

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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.

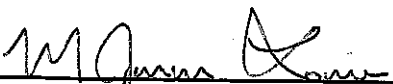
The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook. Financial statements are not precise since they include certain amounts 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 & Carr in accordance with Canadian generally accepted auditing standards on behalf of the members. Gadicke & Carr have full and free access to the Finance Committee.



Chief/Councilor



Chief Operating Officer



INDEPENDENT AUDITOR'S REPORT

To the Members
Lower Kootenay Indian Band

We have audited the following financial statements of Lower Kootenay Indian Band, as at March 31, 2012 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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lower Kootenay Indian Band as at March 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Creston, B. C.
January 16, 2014

Gadicke & Carr
CHARTERED ACCOUNTANTS



LOWER KOOTENAY INDIAN BAND


CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2012

	2012	2011
FINANCIAL ASSETS		
Cash	\$ 1,588,127	\$ 1,406,855
Replacement Reserve, note 11	103,720	168,850
Accounts Receivable, note 4	295,928	142,392
Investment and Loans Receivable, note 5	1,361,994	1,205,806
Work In Progress	28,793	23,443
	3,378,562	2,947,346
LIABILITIES		
Accounts payable	96,037	191,702
Prepaid Land Lease	74,283	89,201
Deferred Revenue	6,821	10,666
Replacement Reserve, note 11	103,720	168,850
Long Term Debt, note 9	864,658	1,011,286
	1,145,519	1,471,705
NET FINANCIAL ASSETS	2,233,043	1,475,641
NON-FINANCIAL ASSETS		
Property, Plant and Equipment, note 8	5,611,266	5,809,615
Prepaid Expenses	68,645	6,674
	5,679,911	5,816,289
ACCUMULATED SURPLUS	\$ 7,912,954	\$ 7,291,930
Represented by:		
Restricted, note 12	\$ (41,280)	\$ (17,526)
Unrestricted, schedule 9	2,928,875	2,155,949
	2,887,595	2,138,423
Net Assets Invested in Property, Plant and Equipment, note 10	5,025,359	5,153,507
	\$ 7,912,954	\$ 7,291,930

See accompanying notes to the summary financial statements.

Approved by Chief/Council:







LOWER KOOTENAY INDIAN BAND
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2012

	2012		2011
	Budget	Actual	Actual
REVENUE			
Aboriginal Affairs and Northern Development Canada	\$ 266,250	\$ 1,587,433	\$ 1,303,183
Aboriginal Affairs and Northern Development Canada Recoveries	-	(39,644)	-
Health Canada	137,481	137,487	146,137
Province of BC	2,600	156,102	111,467
Finance Canada	-	170,086	172,025
Investment in property, plant and equipment	-	277,622	132,319
Ottawa Trust funds received	-	2,222	2,541
Grants Received	-	642,287	129,118
Rental Revenues	-	338,660	370,148
Local Revenues	-	49,308	48,474
Tribal Council Programs	23,000	77,127	34,496
Interest Revenues	-	28,140	25,646
C.M.H.C. Subsidy Contributions	-	40,080	54,685
Administrative Fees - First Nation Owned Entities	-	91,800	94,521
Miscellaneous	-	192,772	221,925
First Nation Education Steering Committee	-	18,187	19,585
Business Enterprise Income	-	195,639	423,102
Recovery of loan previously written off	-	98,036	118,036
	429,331	4,063,344	3,407,408
EXPENDITURES			
Band Government	-	559,990	406,061
Capital Projects	-	197,239	25,616
Community Infrastructure	-	456,196	437,381
Economic Development	-	105,199	64,262
Education	-	979,912	914,294
Health	165,501	107,549	146,675
Business Enterprise expense	-	42,898	210,743
Social Assistance	273,050	355,141	276,252
Social Housing	(46,772)	232,426	240,708
Amortization	-	405,770	336,047
	391,779	3,442,320	3,058,039
ANNUAL SURPLUS	37,552	621,024	349,369
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	7,291,930	6,942,561
ACCUMULATED SURPLUS, END OF YEAR	\$ 37,552	\$ 7,912,954	\$ 7,291,930



LOWER KOOTENAY INDIAN BAND
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
ANNUAL SURPLUS	\$ 621,024	\$ 349,369
Acquisition of property, plant and equipment	(207,421)	(40,731)
Amortization of property, plant and equipment	405,770	336,047
	819,373	644,685
Acquisitions of prepaid asset	(68,645)	(6,674)
Use of prepaid asset	6,674	4,687
	(61,971)	(1,987)
Increase in Net Financial Assets	757,402	642,698
Net Financial Assets at beginning of year	1,475,641	832,943
Net Financial Assets at end of year	\$ 2,233,043	\$ 1,475,641



LOWER KOOTENAY INDIAN BAND
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES		
Aboriginal Affairs and Northern Development Canada funding received	\$ 1,402,026	\$ 1,303,183
Health and Welfare Canada funding received	137,487	146,137
Administration Fee received	91,800	94,521
Canada Mortgage & Housing Subsidy contributions	40,080	54,685
Capital Funding	145,763	-
First Nation Education Steering Committee	18,187	19,585
First Nations GST received	170,086	172,025
Grants received	642,287	129,118
Interest revenue received	28,140	25,646
Local revenue received	49,308	48,474
Miscellaneous Revenues received	192,772	221,925
Business Enterprise Income	195,639	423,102
Ottawa Trust Funds	2,222	2,541
Province of BC	156,102	111,467
Rental income received	338,660	370,148
Tribal Council programs funding received	77,127	34,496
Payments for operating expenses	(3,300,304)	(2,856,068)
Net change in replacement reserve cash balance	24,951	(10,041)
	412,333	290,944
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term debt	(146,627)	(186,014)
St Eugene's Project bad debt recovery	98,036	118,036
	(48,591)	(67,978)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(207,421)	(40,732)
INCREASE IN CASH	156,321	182,234
CASH, BEGINNING OF YEAR	1,522,283	1,340,049
CASH, END OF YEAR	\$ 1,678,604	\$ 1,522,283
REPRESENTED BY:		
Cash, unrestricted	\$ 1,588,127	\$ 1,406,855
Cash, restricted	90,477	115,428
	\$ 1,678,604	\$ 1,522,283



LOWER KOOTENAY INDIAN BAND

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2012

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) Basis of Accounting

These financial statements have been prepared in accordance with generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

b) 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.

c) Reporting Entity

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.

d) Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Organizations consolidated in Lower Kootenay Indian Band's financial statements include:

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

Organizations accounted for on a modified equity basis include:

- Lower Kootenay Guide Outfitters Ltd.
- Lower Kootenay Forest Products Ltd
- Lower Kootenay Development Corporation
- Lower Kootenay Development Limited Partnership

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

e) Asset Classification

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

f) Cash

Cash includes cash on hand and balances with banks net of bank overdraft

LOWER KOOTENAY INDIAN BAND

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2012

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, cont

g) Short term Investments

Short term investments include guaranteed investment certificates maturing at various times during the next fiscal year. These investments are recorded at cost.

h) 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.

i) Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond on year and which are intended to be used on an ongoing basis for producing goods and delivering services.

Tangible Capital Assets are amortized annually with a corresponding reduction in Net Assets Invested in Tangible Capital Assets. Tangible Capital Assets 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.

j) Net Financial Assets

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

k) Revenue Recognition

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue. Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

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.

l) Measurement Uncertainty

In preparing the financial statements for the government of Lower Kootenay Indian Band, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

LOWER KOOTENAY INDIAN BAND
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

2. ECONOMIC DEPENDENCE

The Lower Kootenay Indian Band receives a major portion of its revenues from Aboriginal Affairs and Northern Development Canada and Health Canada. The nature and extent of this revenue is of such significance that the Lower Kootenay Indian Band is economically dependent on this source of revenue.

3. BUDGETARY INFORMATION

Annual budgets were prepared and approved for the Social Housing Department, Social Development department and the Health department. All other Lower Kootenay Indian Band departments did not prepare a budget and therefore is not presented in these statements.

4. ACCOUNTS RECEIVABLE

	2012	2011
CMHC Subsidy	\$ -	\$ 4,505
Government Grants	203,412	78,138
Land Leases (net of allowance for doubtful accounts)	43,947	1,750
Miscellaneous	40,393	50,339
Property Taxes (net of allowance for doubtful accounts)	7,490	6,134
Rent Receivable (net of allowance for doubtful accounts)	686	1,526
	\$ 295,928	\$ 142,392

5. INVESTMENT AND LOANS RECEIVABLE

	2012	2011
Investment, at cost		
All Nations Trust Company	\$ 60,000	\$ 60,000
Lower Kootenay Limited Partnership	813,437	634,132
Lower Kootenay Development Corporation	(22,980)	3,581
Lower Kootenay Forage Products	33,020	33,020
Loans receivable		
Lower Kootenay Guide Outfitters Ltd.	441,239	439,336
Lower Kootenay Development Corporation	37,278	35,737
	\$ 1,361,994	\$ 1,205,806

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

The commercial government business enterprises that are included in the Lower Kootenay Indian Band reporting entity, as described in note 1d to these financial statements includes:

- Lower Kootenay Guide Outfitters Ltd (LKGO)
- Lower Kootenay Forest Products Ltd (LKFP)
- Lower Kootenay Development Limited Partnership (LKDLP)
- Lower Kootenay Development Corporation (LKDC)



LOWER KOOTENAY INDIAN BAND
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES, cont

The following table presents condensed financial information for these commercial enterprises.

	LKGO	LKFP	LKDLP	LKDC	2012	2011
Cash	\$ 2,186	\$ -	\$ 306,523	\$ 61,624	\$ 370,333	\$ 230,296
Accounts Receivable	-	-	33,883	-	33,883	141,004
Prepays	-	-	-	7,400	7,400	-
Investments	-	-	411,494	-	411,494	302,648
Due from Related Parties	-	-	78,718	-	78,718	78,780
Tangible Capital Assets	439,353	-	-	-	439,353	439,353
Total Assets	\$ 441,539	\$ -	\$ 830,618	\$ 69,024	\$ 1,341,181	\$ 1,192,081
Accounts Payable	\$ 300	\$ -	\$ 1,000	\$ -	\$ 1,300	\$ 16,209
Government Remittance	-	-	16,103	5,490	21,593	13,766
Due to Related Parties	443,508	14,097	-	115,995	573,600	568,791
Total Liabilities	443,808	14,097	17,103	121,485	596,493	598,766
Equity	(2,269)	(14,097)	813,515	(52,461)	744,688	593,315
Total Liabilities and Equity	\$ 441,539	\$ -	\$ 830,618	\$ 69,024	\$ 1,341,181	\$ 1,192,081
Revenue	\$ 2,000	\$ -	\$ 185,872	\$ 9,767	\$ 197,639	\$ 423,123
Expenses	2,888	475	6,548	36,350	46,261	214,704
Net Income (loss)	\$ (888)	\$ (475)	\$ 179,324	\$ (26,583)	\$ 151,378	\$ 208,419

7. 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.

	2012	2011
BALANCE BEGINNING OF YEAR	\$ 53,943	\$ 51,402
Interest Earned	2,222	2,541
RESTRICTED NET ASSETS, END OF YEAR	\$ 56,165	\$ 53,943



LOWER KOOTENAY INDIAN BAND
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

8. PROPERTY, PLANT AND EQUIPMENT

	COST			
	Opening Balance	Additions	Disposals	Closing Balance
Land	\$ 298,842	\$ -	\$ -	\$ 298,842
Automotive	101,681	-	-	101,681
Buildings and Renovations	2,485,773	119,362	-	2,605,135
Computers	92,512	5,511	-	98,023
Dyke Upgrade	878,077	1,187	-	879,264
Equipment	218,800	-	-	218,800
Granite Sculptures	75,000	-	-	75,000
Housing	3,024,807	-	-	3,024,807
Landfill	806	-	-	806
Physical Development	141,830	-	-	141,830
Reservoir	14,395	1,333	-	15,728
Road and Bridges	964,512	-	-	964,512
Water systems	1,940,814	80,028	-	2,020,842
	\$ 10,237,849	\$ 207,421	\$ -	\$ 10,445,270

	ACCUMULATED AMORTIZATION			
	Opening Balance	Amortization	Adjustments	Closing Balance
Land	\$ -	\$ -	\$ -	\$ -
Automotive	101,681	-	-	101,681
Buildings and Renovations	1,194,306	103,215	-	1,297,521
Computers	61,683	11,789	-	73,472
Dyke Upgrade	171,482	35,147	-	206,629
Equipment	177,557	12,754	-	190,311
Granite Sculptures	10,875	750	-	11,625
Housing	1,488,709	120,992	-	1,609,701
Landfill	414	32	-	447
Physical Development	23,445	5,673	-	29,118
Reservoir	7,026	576	-	7,602
Road and Bridges	455,765	36,712	-	492,477
Water systems	735,291	78,129	-	813,420
	\$ 4,428,234	\$ 405,769	\$ -	\$ 4,834,004



LOWER KOOTENAY INDIAN BAND
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

8. PROPERTY, PLANT AND EQUIPMENT, cont

	Cost	Accumulated Amortization	Net Book Value	
			2012	2011
Land	\$ 298,842	\$ -	\$ 298,842	\$ 298,842
Automotive	101,681	101,681	-	-
Buildings and Renovations	2,605,135	1,297,521	1,307,614	1,291,467
Computers	98,023	73,472	24,551	30,829
Dyke Upgrade	879,264	206,629	672,635	706,595
Equipment	218,800	190,311	28,489	41,243
Granite Sculptures	75,000	11,625	63,375	64,125
Housing	3,024,807	1,609,701	1,415,106	1,536,098
Landfill	806	447	359	392
Physical Development	141,830	29,118	112,712	118,385
Reservoir	15,728	7,602	8,126	7,369
Road and Bridges	964,512	492,477	472,035	508,747
Water systems	2,020,842	813,420	1,207,422	1,205,523
	\$ 10,445,270	\$ 4,834,004	\$ 5,611,266	\$ 5,809,615

9. LONG TERM DEBT

	2012	2011
CANADIAN IMPERIAL BANK OF COMMERCE Mortgage secured by Aboriginal Affairs and Northern Development Canada, repayable in \$681 bi-weekly including interest at 6.75%	\$ 123,567	\$ 132,098
BANK OF NOVA SCOTIA Mortgage secured by Aboriginal Affairs and Northern Development Canada, repayable in \$2,438 monthly including interest at 2.14%	55,003	82,664
CANADA MORTGAGE AND HOUSING CORPORATION Mortgages secured by Aboriginal Affairs and Northern Development Canada, various mortgage loans bearing interest at varying rates, repayable in monthly instalments including interest aggregating \$4,255	407,336	441,346
PEACE HILLS TRUST Mortgage secured by Aboriginal Affairs and Northern Development Canada, repayable in \$7,150 monthly including interest at 6.5%	181,252	252,678
MODERN GAMES CANADA LTD 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	97,500	102,500
	\$ 864,658	\$ 1,011,286

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

2013	\$ 162,604
2014	167,036
2015	79,874
2016	64,630
2017	65,010
2018 and beyond	325,504
	<u>\$ 864,658</u>

LOWER KOOTENAY INDIAN BAND
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

10. NET ASSETS INVESTED IN PROPERTY, PLANT AND EQUIPMENT

	2012	2011
Balance beginning of year	\$ 5,153,507	\$ 5,357,235
Additions:		
Principal reduction of mortgages	70,201	91,587
Investment in property, plant and equipment	207,421	40,732
	277,622	132,319
Deductions:		
Amortization of property, plant and equipment	(405,770)	(336,047)
Balance end of year	\$ 5,025,359	\$ 5,153,507

11. 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 \$20,937 (2011 - \$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:

	2012	2011
Cash	\$ 90,477	\$ 115,428
Due from Operating Fund	13,243	53,422
	\$ 103,720	\$ 168,850

12. RESTRICTED NET ASSETS

	Ottawa Trust	Unexpended Capital Financing	Total 2012	Total 2011
Opening Balance	\$ 53,943	\$ (71,469)	\$ (17,526)	\$ 5,549
Interest Earned	2,222	-	2,222	2,541
Capital Funding	-	210,907	210,907	-
Capital Funding Recovery	-	(39,644)	(39,644)	-
Expenditures	-	(197,239)	(197,239)	(25,616)
	\$ 56,165	\$ (97,445)	\$ (41,280)	\$ (17,526)

13. 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.

LOWER KOOTENAY INDIAN BAND

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2012

14. 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, March 31, 2012.

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.

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.



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, 2012.

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
January 16, 2014

Gadicke & Carr
CHARTERED ACCOUNTANTS

LOWER KOOTENAY INDIAN BAND
Schedule 1 - Statement of Operations - Administration
(Unaudited - See Notice to Reader)
FOR THE YEAR ENDED MARCH 31, 2012

	2012			2011		
	Administration	Employee Benefits	Indian Registry	Capacity Initiative	Budget	Actual
REVENUE						
AANDC	\$ 161,394	\$ 35,934	\$ 1,626	\$ -	\$ 198,954	\$ 215,081
Internal Administration Fees	91,800	-	-	-	91,800	94,521
Interest Revenue	658	-	-	-	658	22
Other Revenues	6,400	-	-	-	6,400	38,600
	260,252	35,934	1,626	-	297,812	348,224
EXPENDITURE						
Computer software	1,311	-	-	-	1,311	905
Council-Honouraria	31,000	-	-	-	31,000	20,450
Council-travel	7,621	-	-	-	7,621	1,761
Employee Benefits	-	53,672	-	-	53,672	60,817
Equipment leases	8,868	-	-	-	8,868	9,081
Equipment purchases	579	-	-	-	579	-
Equipment repairs and maintenance	1,041	-	-	-	1,041	683
General consulting	8,034	-	-	-	8,034	9,596
Indian registry costs	-	-	1,626	-	1,626	1,575
Materials and supplies	5,054	-	-	-	5,054	1,688
Office and sundry supplies	25,671	-	-	-	25,671	18,033
Professional Fees-Legal	116,894	-	-	-	116,894	-
Professional development	28,709	-	-	-	28,709	-
Professional fees-audit and accounting	47,417	-	-	-	47,417	29,213
Telecommunications	10,728	-	-	-	10,728	10,176
Wages and payroll costs	211,767	-	-	-	211,767	242,082
	504,694	53,672	1,626	-	559,992	406,060
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	(244,442)	(17,738)	-	-	(262,180)	(57,836)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	478,970	(105,413)	-	(4,763)	368,794	426,630
NET ASSETS (DEFICIT), END OF YEAR	\$ 234,528	\$ (123,151)	\$ -	\$ (4,763)	\$ 106,614	\$ 368,794



LOWER KOOTENAY INDIAN BAND
Schedule 2 - Statement of Operations - Education
(Unaudited - See Notice to Reader)
FOR THE YEAR ENDED MARCH 31, 2012

	Band Employees Benefits	Tuition Agreement	Enhanced Teacher Salary	All other Education Programs	2012		2011 Actual
					Budget	Actual	
REVENUE							
Aboriginal Affairs and Northern Development Canada	\$ 30,602	\$ 229,925	\$ 2,550	\$ 408,064	\$ -	\$ 671,141	\$ 676,461
Tribal Council	-	-	-	19,850	-	19,850	16,496
Grants and other revenues	-	-	-	156,802	-	156,802	155,293
First Nation Education Steering Committee	-	-	-	-	-	-	19,585
Previous years recoveries and reimbursements; Independent School funding	-	-	-	124,908	-	124,908	123,060
	30,602	229,925	2,550	709,624	-	972,701	990,895
EXPENDITURE							
Administration and miscellaneous	-	-	-	85,693	-	85,693	39,261
Books and supplies	-	-	-	35,626	-	35,626	40,561
Cultural School	-	-	-	8,992	-	8,992	16,590
Enhanced teacher salary	-	-	8,510	-	-	8,510	2,013
Equipment rent and purchases	-	-	-	17,187	-	17,187	10,789
Local Education Agreement	-	234,050	-	-	-	234,050	248,124
Repairs and maintenance	-	-	-	54,591	-	54,591	44,484
Staff travel	-	-	-	7,866	-	7,866	6,166
Student financial assistance	-	-	-	54,288	-	54,288	51,624
Student transportation	-	-	-	38,067	-	38,067	33,689
Tuition Fees	-	-	-	30,982	-	30,982	26,983
Utilities	-	-	-	5,418	-	5,418	8,798
Wages and benefits	29,321	-	-	339,697	-	369,020	357,234
Workshops and field trips	-	-	-	29,622	-	29,622	27,978
	29,321	234,050	8,510	708,029	-	979,912	914,294
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	1,281	(4,125)	(5,960)	1,595	-	(7,211)	76,601
NET ASSETS (DEFICIT), BEGINNING OF YEAR	(11,750)	1	(18)	332,919	-	321,149	244,548
NET ASSETS (DEFICIT), END OF YEAR	\$ (10,469)	\$ (4,124)	\$ (5,978)	\$ 334,514	\$ -	\$ 313,938	\$ 321,149



LOWER KOOTENAY INDIAN BAND

Schedule 3 - Statement of Operations - Social Housing

(Unaudited - See Notice to Reader)

FOR THE YEAR ENDED MARCH 31, 2012

	2012		2011
	Budget	Actual	Actual
REVENUE			
Rental Income	\$ -	\$ 165,284	\$ 184,269
C.M.H.C. Subsidy	-	40,080	54,685
Interest Income	-	484	189
	-	205,848	239,143
EXPENDITURE			
Administration fees	-	18,110	17,965
Bad debts (recovery)	-	3,038	(1,530)
AANDC Renovation funding expenditures	46,772	-	-
Insurance	-	23,583	18,365
Maintenance	(46,772)	56,946	44,871
Mortgage payments-interest	-	23,336	28,209
Mortgage payments-principal	-	70,202	91,587
Professional fees	-	6,663	3,865
Replacement reserve, allocation for the year	-	20,937	25,527
Snow removal and garbage pickup	-	9,611	11,849
	(46,772)	232,426	240,708
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	46,772	(26,578)	(1,565)
NET DEFICIT, BEGINNING OF YEAR	-	(104,525)	(102,960)
NET DEFICIT, END OF YEAR	\$ 46,772	\$ (131,103)	\$ (104,525)



LOWER KOOTENAY INDIAN BAND
Schedule 4 - Statement of Operations - Social Development
(Unaudited - See Notice to Reader)
FOR THE YEAR ENDED MARCH 31, 2012

	Basic Needs	Child out of parental home	Employment and training	Special Needs	In Home Care	National Child Benefit	Prevention Projects	Service Delivery	Community Services	2012		2011
										Budget	Actual	
REVENUE												
AAANDC	\$ 171,208	\$ 50,553	\$ 7,176	\$ 5,237	\$ 12,592	\$ 29,696	\$ 2,993	\$ 43,078	\$ -	\$ 266,250	\$ 322,533	\$ 269,759
Other income						258					258	
	171,208	50,553	7,176	5,237	12,592	29,954	2,993	43,078	-	266,250	322,791	269,759
EXPENDITURE												
Bank charges and interest	218	-	-	-	-	-	-	-	-	-	218	-
Facilitators and consultants	-	-	7,176	-	-	-	2,993	-	-	9,793	10,169	9,442
Guardian financial assistance	-	47,605	-	-	-	-	-	-	-	50,553	47,605	49,764
Rent payments	53,368	-	-	-	-	-	-	-	-	35,000	53,368	36,365
Special Needs	-	-	-	4,435	-	-	-	-	-	5,237	4,435	5,558
Support payments	105,711	-	-	-	-	-	-	-	-	64,101	105,711	68,473
Utility payments	41,889	-	-	-	-	-	-	-	-	23,000	41,889	23,561
Wages and benefits	-	-	-	-	12,000	28,502	-	51,244	-	85,366	91,746	83,089
	201,186	47,605	7,176	4,435	12,000	28,502	2,993	51,244	-	273,050	355,141	276,252
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	(29,978)	2,948	-	802	592	1,452	-	(8,166)	-	(6,800)	(32,350)	(6,493)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	(35,527)	3,289	(417)	(1,214)	3,246	(3,101)	353	(8,470)	(1,011)	-	(42,852)	(36,360)
NET ASSETS (DEFICIT), END OF YEAR	\$ (65,505)	\$ 6,237	\$ (417)	\$ (412)	\$ 3,838	\$ (1,649)	\$ 353	\$ (16,636)	\$ (1,011)	\$ (6,800)	\$ (75,202)	\$ (42,853)



LOWER KOOTENAY INDIAN BAND
Schedule 5 - Statement of Operations - Health Programs
(Unaudited - See Notice to Reader)
FOR THE YEAR ENDED MARCH 31, 2012

	Health Programs		Home Care		Aboriginal Family Centre		2012		2011	
			Nursing				Budget	Actual	Actual	Actual
REVENUE										
Health Canada	\$ 116,619	\$ -	-	\$ -	-	-	\$ 116,619	\$ 116,619	\$ 111,619	
Health Canada-Patient Transportation	20,868	-	-	-	-	-	20,862	20,868	20,862	
Health Canada-Patient Transportation previous years	-	-	-	-	-	-	-	-	13,656	
Kunaxa/Kinbasket Tribal Council	-	20,000	-	-	-	-	20,000	20,000	15,000	
Other Revenue	18,000	-	-	-	-	-	3,000	18,000	3,023	
Province of British Columbia	2,600	-	-	-	-	-	2,600	2,600	9,215	
	158,087	20,000	20,000	-	-	-	163,081	178,087	173,375	
EXPENDITURES										
Administration overhead charges	10,742	-	-	-	-	-	7,721	10,742	13,521	
Bank charges	232	-	-	-	-	-	220	232	78	
Fund provider reimbursement	7,151	-	-	-	-	-	-	7,151	4,495	
Materials and supplies	8,433	-	-	-	-	-	6,619	8,433	7,151	
Mental health professional fees	5,654	-	-	-	-	-	2,000	5,654	6,142	
Patient transportation	13,717	-	-	-	-	-	18,141	13,717	13,646	
Prenatal nutrition	-	-	-	-	-	-	800	-	-	
Training	-	-	-	-	-	-	1,000	-	3,790	
Travel	1,003	1,439	-	-	-	-	4,000	2,442	4,533	
Wages and benefits	29,249	27,280	-	-	-	-	116,800	56,527	74,105	
Workshops	2,651	-	-	-	-	-	8,200	2,651	19,214	
	78,832	28,719	-	-	-	-	165,501	107,549	146,675	
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	79,255	(8,719)	-	-	-	-	(2,420)	70,538	26,700	
NET ASSETS, BEGINNING OF YEAR	114,998	4,971	911	911	911	911	42,573	120,880	94,180	
NET ASSETS (DEFICIT), END OF YEAR	\$ 194,253	\$ (3,748)	\$ 911	\$ 911	\$ 911	\$ 40,153	\$ 191,418	\$ 120,880	\$ 120,880	



LOWER KOOTENAY INDIAN BAND
Schedule 6 - Statement of Operations - Infrastructure and Land Management
(Unaudited - See Notice to Reader)
FOR THE YEAR ENDED MARCH 31, 2012

	Land Management		Taxation	Land Leases	2012		2011	
	\$	30,905			Budget	Actual	Budget	Actual
REVENUE								
AANDC	\$	30,905	\$	\$	\$	30,905	\$	30,706
Province of BC-Forest & Range	-	-	-	128,002	-	128,002	-	102,252
Equipment rent	-	-	-	300	-	300	-	375
Land taxes	-	-	49,308	-	-	49,308	-	48,474
Land rent	-	-	-	173,076	-	173,076	-	185,504
Interest	-	-	-	11,998	-	11,998	-	25,411
Recovery of loan previously written off	-	-	-	98,036	-	98,036	-	118,036
		30,905	49,308	411,412	-	491,625	-	510,758
EXPENDITURE								
Administration	-	-	6,062	61,050	-	67,112	-	66,063
Business enterprise expenses	-	-	-	888	-	888	-	3,961
Equipment purchases and maintenance	-	-	-	62,143	-	62,143	-	13,092
Fire protection	-	-	-	-	-	-	-	7,827
Insurance	-	-	-	15,209	-	15,209	-	18,007
Interest on long term debt	-	-	-	14,374	-	14,374	-	16,374
Land lease improvements	-	-	245	-	-	245	-	246
Legal and consulting fees	-	-	-	64,532	-	64,532	-	44,019
Miscellaneous	-	-	-	27,880	-	27,880	-	13,248
Travel	-	-	1,293	9,241	-	10,535	-	5,347
Wages and benefits	-	-	-	38,612	-	38,612	-	51,537
Bad debts	-	-	-	-	-	-	-	40,425
		-	7,600	293,929	-	301,530	-	280,146
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR		30,905	41,708	117,483	-	190,095	-	230,612
NET ASSETS (DEFICIT), BEGINNING OF YEAR		(101)	177,587	309,220	-	486,706	-	256,094
NET ASSETS (DEFICIT), END OF YEAR	\$	30,804	\$ 219,295	\$ 426,703	\$	676,801	\$	486,706



LOWER KOOTENAY INDIAN BAND
Schedule 7 - Statement of Operations - Economic Development
(Unaudited - See Notice to Reader)
FOR THE YEAR ENDED MARCH 31, 2012

	Training & Misc Programs	CEDO Planning & Operations	Pine Beetle Project	First Nations Goods & Services Tax	2012		2011	
					Budget	Actual	Budget	Actual
REVENUE								
AANDC	\$ -	\$ 11,105	\$ -	\$ -	\$ -	\$ 11,105	\$ 11,105	\$ 11,105
Finance Canada	-	-	-	170,086	-	170,086	172,025	172,025
Ktunaxa Nation Council	31,250	-	-	-	-	31,250	7,401	7,401
First Nation Education Steering Committee	250,267	-	-	-	-	250,267	-	-
CPC Funding	317,639	-	-	-	-	317,639	-	-
Provincial Grants	-	-	-	-	-	-	-	26,690
	599,156	11,105	-	170,086	-	780,347	217,221	217,221
EXPENDITURE								
Consulting fees	-	-	-	-	-	-	-	29,653
FNGST payouts	-	-	-	16,411	-	16,411	28,837	28,837
Materials and supplies	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	2,772
Wages and benefits	88,788	-	-	-	-	88,788	3,000	3,000
	88,788	-	-	16,411	-	105,199	64,262	64,262
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	510,368	11,105	-	153,675	-	675,148	152,959	152,959
NET ASSETS (DEFICIT), BEGINNING OF YEAR	(28,785)	(20,164)	6,379	347,010	-	304,440	151,481	151,481
NET ASSETS (DEFICIT), END OF YEAR	\$ 481,583	\$ (9,059)	\$ 6,379	\$ 500,685	\$ -	\$ 979,588	\$ 304,440	\$ 304,440



LOWER KOOTENAY INDIAN BAND

Schedule 8 - Statement of Operations and Maintenance

(Unaudited - See Notice to Reader)

FOR THE YEAR ENDED MARCH 31, 2012

	2012		2011
	Budget	Actual	Actual
AANDC REVENUE			
Roads and Bridges	\$ -	\$ 14,706	\$ 14,335
Safe Water Operation	-	7,800	7,800
Water Systems	-	106,186	36,773
Landfill Review	-	-	13,500
Municipal Services	-	18,205	6,223
Community Building	-	13,206	14,265
Fire Protection	-	3,300	3,300
Electrical Systems	-	3,985	3,875
	-	167,388	100,071
EXPENDITURE			
Community Buildings	-	32,642	20,865
Fire Protection	-	7,902	940
Landfill Review Consultants	-	-	13,693
Municipal Services	-	23,012	33,557
Roads and Bridges	-	1,178	2,040
Salaries and Benefits	-	62,188	64,314
Sanitation Systems	-	407	16
Water Systems	-	27,337	21,810
	-	154,666	157,235
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	-	12,722	(57,164)
NET ASSETS, BEGINNING OF YEAR	-	72,165	129,329
NET ASSETS, END OF YEAR	\$ -	\$ 84,887	\$ 72,165



LOWER KOOTENAY INDIAN BAND
Schedule 9 - Summary of Operations by Schedule
(Unaudited - See Notice to Reader)
FOR THE YEAR ENDED MARCH 31, 2012

	Sch 1	Sch 2	Sch 3	Sch 4	Sch 5	Sch 6	Sch 7	Sch 8	Business Enterprises	2012	2011
REVENUE											
AANDC	\$ 198,954	\$ 671,141	\$ -	\$ 322,533	\$ -	\$ 30,905	\$ 11,105	\$ 167,388	\$ -	\$ 1,402,026	\$ 1,303,183
Other Income	98,858	301,560	205,848	258	178,087	460,720	769,242	-	195,639	2,210,212	1,969,365
	297,812	972,701	205,848	322,791	178,087	491,625	780,347	167,388	195,639	3,612,238	3,272,548
EXPENSES											
Equipment Expense	10,758	26,179	-	-	-	62,143	-	-	-	99,080	50,457
Insurance	-	-	23,583	-	-	15,209	-	-	-	38,792	36,372
Office and Sundry	25,671	85,693	18,110	-	10,974	94,992	-	-	-	235,440	168,169
Other Expenses	45,301	430,501	117,513	253,008	34,394	25,797	-	-	-	906,514	909,821
Professional Fees	193,020	-	6,663	-	5,654	64,532	16,411	-	42,898	329,178	366,165
Repairs & Maintenance	1,041	54,591	66,557	-	-	245	-	92,478	-	214,912	189,188
Telephone and Utilities	10,728	5,418	-	218	-	-	-	-	-	16,364	18,974
Wages and Benefits	273,473	377,530	-	101,915	56,527	38,612	88,788	62,188	-	999,033	957,229
	559,992	979,912	232,426	355,141	107,549	301,530	105,199	154,666	42,898	2,839,313	2,696,375
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	(262,180)	(7,211)	(26,578)	(32,350)	70,538	190,095	675,148	12,722	152,741	772,925	576,173
UNRESTRICTED NET ASSETS (DEFICIT), BEGINNING OF YEAR	368,794	321,149	(104,525)	(42,852)	120,880	486,706	304,440	72,165	629,193	2,155,950	1,579,776
UNRESTRICTED NET ASSETS (DEFICIT), END OF YEAR	\$ 106,614	\$ 313,938	\$ (131,103)	\$ (75,202)	\$ 191,418	\$ 676,801	\$ 979,588	\$ 84,887	\$ 781,934	\$ 2,928,875	\$ 2,155,949



LOWER KOOTENAY INDIAN BAND
Changes in Deferred Revenue of Capital Projects
FOR THE YEAR ENDED MARCH 31, 2012

	Project #9095	Project #8872	Project #8522	Project #7586	Project #8215	Project #3274	Project #9246	Project #8715	Project	Project	TOTALS 2012	TOTALS 2011
CAPITAL FUNDING												
Funds Received-AAANDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,407	10,000	25,000	\$ 185,407	\$ -
Funds Recovered -AAANDC	-	-	(39,644)	-	-	-	-	-	-	-	(39,644)	-
Funds Received-Province of BC	-	-	-	-	-	-	-	-	-	25,500	25,500	-
	-	-	(39,644)	-	-	-	-	150,407	10,000	50,500	171,263	-
CAPITAL COSTS INCURRED												
Professional Fees	-	-	1,187	-	44,106	-	-	108,661	10,000	33,285	197,239	25,616
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	-	-	(40,831)	-	(44,106)	-	-	41,746	-	17,215	(25,976)	(25,616)
BALANCE BEGINNING OF YEAR	(6,017)	(5,078)	46,720	(9,792)	(91,486)	(913)	(4,903)	-	-	-	(71,469)	(45,853)
RESTRICTED NET ASSETS (DEFICIT), END OF YEAR	\$ (6,017)	\$ (5,078)	\$ 5,889	\$ (9,792)	\$ (135,592)	\$ (913)	\$ (4,903)	\$ 41,746	-	17,215	\$ (97,445)	\$ (71,469)



LOWER KOOTENAY INDIAN BAND
Statement of Receipt and Expenditure of Indian Moneys
FOR THE YEAR ENDED MARCH 31, 2012

REVENUE TRUST MONEY

Band Council Resolution

Receipt and Expenditure of Funds

Date and number of Band Council Resolution	Date funds released to Band Council	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	\$ -	\$ -	\$ 28,457





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, 2012. 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
January 16, 2014

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, 2012

Name of Individual	Position Title	Number of Months	Council Salary and Honouraria	Travel Expenses	Other Remuneration	Total
Anne Jimmie	Councillor	9	\$ 6,600	\$ 1,196	\$ 30,042	\$ 37,838
Arlene Basil	Councillor	9	7,725	1,792	-	9,517
Mary Basil	Councillor	12	6,600	1,461	-	8,061
Sandra Luke	Councillor	12	3,100	1,652	-	4,752
Jason Louie	Chief	12	6,975	4,030	64,476	75,481
			\$ 31,000	\$ 10,131	\$ 94,518	\$ 135,649

Unelected Senior Officials

FOR THE YEAR ENDED MARCH 31, 2012

Position Title	Number of Months	Salary and Honouraria	Other Remuneration	Total	Travel Expenses
Chief Operating Officer	12	\$ 71,630	\$ 8,776	\$ 80,406	\$ 4,542
Development Services Director	9	\$ 63,000	\$ -	\$ 63,000	\$ -
Education Executive Director	12	\$ 72,642	\$ 15,353	\$ 87,995	\$ 1,668
Finance & Corp Services Director	7	\$ 32,478	\$ 1,519	\$ 33,997	\$ -
Social Services Director	12	\$ 40,250	\$ 2,267	\$ 42,517	\$ -



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, 2012 and for the year then ended and reported thereon under date of January 16, 2014.

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 Aboriginal Affairs and Northern Development 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 Aboriginal Affairs and Northern Development 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 Aboriginal Affairs and Northern Development Canada funding requirements and should not be referred to or used for any other purpose.

Creston, B. C.
January 16, 2014

Gadicke & Carr
CHARTERED ACCOUNTANTS



Schedule of Federal Government Funding

FOR THE YEAR ENDED MARCH 31, 2012

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
Indian & Northern Affairs						
Elementary - Secondary Education	\$ 542,327	\$ -	\$ -	\$ 542,327	\$ 542,327	\$ -
Post-Secondary Education	98,212	35,373	-	133,585	103,280	30,305
Economic Development	11,105	8,105	-	19,210	-	19,210
Indian Government Support	161,394	-	-	161,394	161,394	-
Band Employee Benefits	66,536	-	-	66,536	66,536	-
Land & Trust Services	30,905	-	-	30,905	-	30,905
Indian Registry Administration	1,626	-	-	1,626	1,626	-
Community Infrastructure	167,388	51,322	-	218,710	154,666	64,044
Social Assistance & Support	322,533	-	-	322,533	322,533	-
Capital Projects	185,407	-	(39,644)	145,763	145,763	-
	1,587,433	94,800	(39,644)	1,642,589	1,498,125	144,464
Health Canada						
Community Health Service, Addictions & Non Insured Health Benefits	137,487	22,620	-	160,107	78,832	81,275
CMHC						
Non Profit On-Reserve Housing	40,080	-	-	40,080	40,080	-
TOTAL FEDERAL FUNDING	\$ 1,765,000	\$ 117,420	\$ (39,644)	\$ 1,842,776	\$ 1,617,037	\$ 225,739

