

**LOWER KOOTENAY INDIAN BAND**  
**CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended March 31, 2014

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## Management's Responsibility for Financial Reporting

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the 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 costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The Lower Kootenay Indian Band is responsible for ensuring that the management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

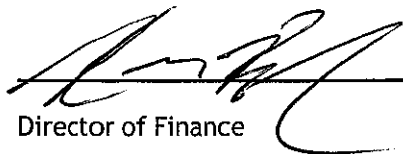
Chief and Council, composed of Band members, reviews the Lower Kootenay Indian Band's financial statements and recommends their approval. The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters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

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



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Director of Operations



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Director of Finance



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35 - 10th Avenue S  
Cranbrook BC V1C 2M9 Canada

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## Independent Auditor's Report

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To the Members of the  
Lower Kootenay Indian Band

We have audited the accompanying consolidated financial statements of the Lower Kootenay Indian Band, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of financial activity, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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



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## Independent Auditor's Report (continued)

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### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Lower Kootenay Indian Band as at March 31, 2014, and the results of its operations, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Emphasis of Matter

We draw attention to Note 23 in the consolidated financial statements which describes the prior period adjustments required for the year.

*BDO Canada LLP*

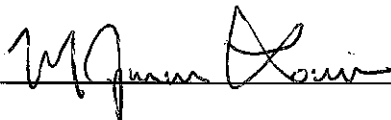
Chartered Accountants

Cranbrook, British Columbia  
June 24, 2014

**LOWER KOOTENAY INDIAN BAND**  
**Consolidated Statement of Financial Position**

March 31	2014	2013
		(Notes 22&23)
<b>Financial Assets</b>		
Cash (Note 2)	\$ 738,469	\$ 986,990
Restricted cash (Note 3)	90,523	90,523
Temporary investments (Note 2) (Note 4)	644,186	637,254
Accounts receivable (Note 5)	769,261	329,376
Due from related entities (Note 6)	480,819	498,397
Long term investments (Note 7)	60,022	60,022
Investment in business partnerships and enterprises (Note 8)	1,493,010	1,149,348
Ottawa Trust Funds (Note 16)	62,481	60,405
	<b>4,338,771</b>	<b>3,812,315</b>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 11)	558,569	426,467
Deferred revenue (Note 9)	165,424	164,677
Long term debt (Note 10)	523,703	750,864
	<b>1,247,696</b>	<b>1,342,008</b>
<b>Net Financial Assets</b>	<b>3,091,075</b>	<b>2,470,307</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 12)	<b>6,799,207</b>	<b>5,379,150</b>
<b>Accumulated Surplus (Note 13)</b>	<b>\$ 9,890,282</b>	<b>\$ 7,849,457</b>

Approved on behalf of the Band Council

 Chief

 Councillor

## LOWER KOOTENAY INDIAN BAND

### Consolidated Statement of Financial Activity

For the year ended March 31	<i>Budget</i>	2014	2013
			(Notes 22 & 23)
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada \$	3,306,794	\$ 3,322,946	\$ 1,415,235
First Nation Education Steering Committee Funding	49,735	67,113	106,006
Health Canada	328,387	165,509	147,021
Province of British Columbia	421,000	429,463	273,669
Rental income	150,000	146,583	143,893
Other income	379,574	1,009,272	683,062
Income from business partnerships and enterprises	35,000	351,941	261,554
CMHC subsidy revenue	-	45,932	29,526
	<u>4,670,490</u>	<u>5,538,759</u>	<u>3,059,966</u>
<b>Expenses (Note 17)</b>			
Administration	538,483	671,206	670,762
Social Development	325,004	325,004	339,460
Health	172,887	263,798	130,909
Education	1,019,438	1,080,296	875,494
Social Housing	85,324	238,082	191,521
Infrastructure and Land Management	285,016	374,429	274,435
Economic Development	33,976	31,419	316,519
Operations and Maintenance	148,498	131,115	138,630
Capital Fund	1,930,576	382,585	362,088
	<u>4,539,202</u>	<u>3,497,934</u>	<u>3,299,818</u>
<b>Annual surplus (deficit)</b>	<u>131,288</u>	<u>2,040,825</u>	<u>(239,852)</u>
<b>Accumulated surplus</b> , beginning of year, as previously reported	7,718,039	7,718,039	8,014,932
Prior period adjustments (Note 23)	131,418	131,418	74,377
<b>Accumulated surplus</b> , beginning of year, as restated	<u>7,849,457</u>	<u>7,849,457</u>	<u>8,089,309</u>
<b>Accumulated surplus</b> , end of year	<u>\$ 7,980,745</u>	<u>\$ 9,890,282</u>	<u>\$ 7,849,457</u>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

**LOWER KOOTENAY INDIAN BAND**  
**Consolidated Statement of Change in Net Financial Assets**

<b>For the year ended March 31</b>	<i>Budget</i>	<b>2014</b>	<b>2013</b>
			(Notes 22 & 23)
<b>Annual surplus (deficit)</b>	\$ 131,288	\$ 2,040,825	\$ (239,852)
Acquisition of tangible capital assets (Note 12)	-	(1,879,175)	(159,767)
Amortization of tangible capital assets (Note 12)	-	459,118	420,673
Change in prepaid expenses	-	-	61,826
<b>Net change in net financial assets</b>	<b>131,288</b>	<b>620,768</b>	82,880
<b>Net financial assets</b> , beginning of year	2,338,889	2,338,889	2,313,050
Prior period adjustments (Note 23)	131,418	131,418	74,377
<b>Net financial assets</b> , beginning of year, as restated	<b>2,470,307</b>	<b>2,470,307</b>	2,387,427
<b>Net financial assets</b> , end of year	<b>\$ 2,601,595</b>	<b>\$ 3,091,075</b>	\$ 2,470,307

## LOWER KOOTENAY INDIAN BAND

### Consolidated Statement of Cash Flows

For the year ended March 31	2014	2013
		(Notes 22&23)
<b>Cash flows provided by (used in) operating activities</b>		
Cash receipts customers	\$ 5,157,019	\$ 3,051,023
Cash paid to employees and suppliers	<u>(2,955,090)</u>	<u>(2,446,073)</u>
	<u>2,201,929</u>	<u>604,950</u>
<b>Cash flows used in capital activities</b>		
Purchase of tangible capital assets	<u>(1,879,175)</u>	<u>(159,767)</u>
<b>Cash flows used in investing activities</b>		
Investment in business partnership and enterprises	(352,686)	(250,229)
Purchase of short term temporary investments	<u>(6,931)</u>	<u>(7,448)</u>
	<u>(359,617)</u>	<u>(257,677)</u>
<b>Cash flows provided by (used in) financing activities</b>		
Loans and advances with related parties	17,579	15,408
Receipts from long-term debt	-	53,767
Repayment of long-term debt	<u>(227,161)</u>	<u>(167,561)</u>
	<u>(209,582)</u>	<u>(98,386)</u>
<b>Net increase (decrease) in cash</b>	<b>(246,445)</b>	<b>89,120</b>
<b>Cash, beginning of year</b>	<u><b>1,137,918</b></u>	<u><b>1,048,798</b></u>
<b>Cash, end of year</b>	<u><b>\$ 891,473</b></u>	<u><b>\$ 1,137,918</b></u>
<b>Represented by</b>		
Cash	\$ 738,469	\$ 986,990
Ottawa Trust Funds	62,481	60,405
Restricted cash	<u>90,523</u>	<u>90,523</u>
	<u>\$ 891,473</u>	<u>\$ 1,137,918</u>
<b>Supplementary Cash Flow Information:</b>		
Interest paid	\$ (13,685)	\$ (24,452)
Interest received	<u>\$ 2,076</u>	<u>\$ 2,011</u>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.



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## **LOWER KOOTENAY INDIAN BAND**

### **Summary of Consolidated Significant Accounting Policies**

**March 31, 2014**

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<b>Basis of Presentation</b>	It is the policy of the Lower Kootenay Indian Band (the "First Nation") to follow accounting principles generally accepted for First Nations in the Province of British Columbia. They have been prepared using guidelines issued by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. The First Nation provides services such as band government, public works, social development, community health, economic development, land and resources, housing and a community school.
<b>Reporting Entity</b>	The Lower Kootenay Indian Band reporting entity includes the Lower Kootenay Band Council and all related entities which are accountable for the administration of their financial affairs and resources to the First Nation and are either owned or controlled by the First Nation.
<b>Government Business Partnerships and Enterprises</b>	<p>These financial statements consolidate on a modified equity basis the assets, liabilities and results of operations for the following organizations which use accounting principles which lend themselves to consolidation on a modified equity basis with the Lower Kootenay Band:</p> <ul style="list-style-type: none"><li>- Lower Kootenay Development Corporation</li><li>- Lower Kootenay Guide Outfitters Ltd.</li><li>- Lower Kootenay Development Limited Partnership</li><li>- Ktunaxa Holdings Limited Partnership</li></ul>
<b>Long-term Investments</b>	Long-term investments in entities in which the First Nation does not hold a significant influence are recorded at cost. If there has been permanent decline in the value of these investments, it is written down to its net realizable value.
<b>Fund Accounting</b>	<p>The First Nation is segregated into various funds for accounting and financial reporting purposes. Each fund is treated as a separate entity with responsibility for stewardship of the assets allocated to it.</p> <p>The funds and enterprises of the First Nation are as follows:</p> <ul style="list-style-type: none"><li>- Lower Kootenay Indian Band Operations Fund</li><li>- The Property, Plant and Equipment Assets Fund</li><li>- The Trust Fund</li></ul>
<b>Temporary Investments</b>	Temporary investments are stated at the lower of cost and market value.

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## LOWER KOOTENAY INDIAN BAND

### Summary of Consolidated Significant Accounting Policies

**March 31, 2014**

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**Leased Assets** Leases entered into, that transfer substantially all the benefits and risks associated with ownership, are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the First Nation, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

**Government Transfers** Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

**Budget Figures** The budget figures are approved annually by Chief and Council. They have been reallocated to conform to PSAB financial statement presentation. Subsequent amendments have been made by the Chief and Council to reflect changes in the budget as required.

**Tangible Capital Assets** Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded using the declining balance method commencing once the asset is available for productive use as follows. The following rates are used to amortize each category of tangible capital asset:

Buildings	1% - 4%
Community infrastructure	4%
Equipment	20% - 30%
Assets under construction	nil

**Impairment of Long Lived Assets** In the event that facts and circumstances indicate that the First Nation's long lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. The First Nation considers that no circumstances exist that would require such an evaluation.

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## LOWER KOOTENAY INDIAN BAND

### Summary of Consolidated Significant Accounting Policies

**March 31, 2014**

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<b>Revenue Recognition</b>	<p>Government funding is recognized as it becomes receivable under the terms of applicable funding agreements. Revenue received under funding agreements which relates to a subsequent fiscal period is recognized as revenue in the period in which the resources are used for the purpose or purposes specified.</p> <p>Rental revenue is recognized as it becomes receivable under the terms of the rental agreement.</p> <p>Income from partnerships and business enterprises is recognized based on the modified equity pick-up basis.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p> <p>All other revenue is recognized as it is earned.</p>
<b>Deferred Revenue</b>	<p>Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of financial activity in the year in which it is used for the specified purpose.</p>
<b>Financial Instruments</b>	<p>The First Nation recognizes and measures financial assets and financial liabilities on the statement of financial position when it becomes a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a trade date or settlement date basis. All financial instruments are measured at fair value on initial recognition. Financial instruments are subsequently measured at amortized cost as the First Nation has not entered into any derivative contracts and it does not hold any investments in equity instruments quoted on an active market. Since no financial instruments are measured at fair value after initial recognition, a Statement of Remeasurement Gains and Losses has not been presented in these financial statements</p>
<b>Use of Estimates</b>	<p>The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>

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**LOWER KOOTENAY INDIAN BAND**  
Notes to Consolidated Financial Statements

March 31, 2014

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**1. Economic Dependence**

The Lower Kootenay Indian Band receives a major portion of its revenue pursuant to funding arrangements with Aboriginal Affairs and Northern Development Canada ("AANDC"), as detailed by a comprehensive funding agreement.

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**2. Cash and Investment Deposits**

The Lower Kootenay Indian Band maintains all of its cash and investment balances in one financial institution in British Columbia. The Canada Deposit Insurance Corporation (CDIC) insures each of these accounts up to \$100,000. The aggregate funds held in each institution may exceed the CDIC insured limit from time to time and specific funds held by the institution may not be covered by CDIC insurance. Management does not anticipate any material effect on the financial position of the Band as a result of this concentration.

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**3. Restricted Cash**

	<b>2014</b>	<b>2013</b>
Social Housing Operations - Replacement reserve	<b>\$ 90,523</b>	<b>\$ 90,523</b>

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**4. Temporary Investments**

The Band holds guaranteed investment certificates ("GIC's") and a money market fund with the following terms:

	<b>2014</b>	<b>2013</b>
Money market fund, Municipal Finance Authority	<b>\$ 626,701</b>	<b>\$ 619,904</b>
GIC's, interest paid on maturity at 1.58% on July 8, 2016	<b>14,362</b>	<b>14,227</b>
GIC's, interest paid on maturity at 1.30% on April 5, 2016	<b>3,123</b>	<b>3,123</b>
	<b>\$ 644,186</b>	<b>\$ 637,254</b>

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**5. Accounts Receivable**

	<b>2014</b>	<b>2013</b>
Due from AANDC	<b>\$ 526,653</b>	<b>\$ 228,715</b>
Trade accounts receivable	<b>242,608</b>	<b>100,661</b>
Band member receivables	<b>340,033</b>	<b>353,252</b>
Allowance for doubtful accounts	<b>(340,033)</b>	<b>(353,252)</b>
	<b>\$ 769,261</b>	<b>\$ 329,376</b>

**LOWER KOOTENAY INDIAN BAND**  
Notes to Consolidated Financial Statements

March 31, 2014

**6. Due From Related Entities**

	<b>2014</b>	<b>2013</b>
Lower Kootenay Guide Outfitters Ltd.	\$ 444,844	\$ 444,188
Lower Kootenay Development Corporation	35,975	37,277
Lower Kootenay Development Limited Partnership	-	16,932
	<b>\$ 480,819</b>	<b>\$ 498,397</b>

The amounts due from related parties bear no interest and have no fixed terms of repayment. The transactions have occurred in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties).

**7. Long-term Investments**

	<b>2014</b>	<b>2013</b>
		(Note 23) (restated)
All Nations Trust Company, 90,000 Class A common shares, at cost	\$ 60,000	\$ 60,000
Nupqu Development Corporation 20% beneficial interest in one common share, at cost	1	1
SEM Holdings Ltd. 20% beneficial interest in one common share, at cost	20	20
SEM Resort Ltd. 20% of 33% beneficial interest in common shares, at cost	1	1
	<b>\$ 60,022</b>	<b>\$ 60,022</b>

**8. Investment in Business Partnerships and Enterprises**

	<b>2014</b>	<b>2013</b>
Lower Kootenay Development Limited Partnership, 99.99% owned by the First Nation	\$ 1,416,372	\$ 1,063,686
Lower Kootenay Development Corporation, wholly-owned by the First Nation	1	1
Lower Kootenay Guide Outfitters Ltd., wholly-owned by the First Nation	1	1
Ktunaxa Holdings Limited Partnership, 20% owned by the First Nation	76,636	85,660
	<b>\$ 1,493,010</b>	<b>\$ 1,149,348</b>

**LOWER KOOTENAY INDIAN BAND**  
Notes to Consolidated Financial Statements

March 31, 2014

**8. Investment in Business Partnerships and Enterprises (continued)**

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

(a) Summary of Financial Position	2014	2013
Assets		
Cash and short term investments	\$ 675,364	\$ 493,883
Accounts receivable	167,347	58,001
Prepays and other assets	7,400	7,400
Long-term investments	593,247	600,631
Due from related parties	94,989	61,761
Intangible asset	280,000	280,000
Tangible capital assets	117,337	117,337
	<b>1,935,684</b>	1,619,013
Liabilities		
Accounts payable and accrued liabilities	4,580	4,448
Due to related parties	567,556	560,162
	<b>572,136</b>	564,610
Net Assets	<b>\$ 1,363,548</b>	\$ 1,054,403

(b) Summary of Financial Activities	2014	2013
Total Revenues	\$ 378,668	\$ 307,163
Total Expenses	69,523	71,806
	<b>\$ 309,145</b>	\$ 235,357

Included in income from the year as shown above are losses of \$42,796 (2013 - \$26,197) relating to investments in business partnerships and enterprises which are already recorded at a nominal value of \$1 each. These losses are not included in the income from business partnerships and enterprises that is reported on the consolidated statement of financial activities.

**9. Deferred Revenue**

	2014	2013
Deferred revenue is comprised of the following:		
Deferred land leases	\$ 147,424	\$ 161,758
Other	18,000	2,919
	<b>\$ 165,424</b>	\$ 164,677

**LOWER KOOTENAY INDIAN BAND**  
Notes to Consolidated Financial Statements

March 31, 2014

**10. Long-term Debt**

	<b>2014</b>	<b>2013</b>
Lower Kootenay Indian Band Council		
Peach Hills Trust - mortgage repayable in monthly installments of \$7,150 including a fixed rate of interest of 4.75% per annum, maturing June 2014	<b>\$ 22,590</b>	\$ 105,004
Scotiabank - repayable in monthly installments of \$361 interest free, maturing November 2017	<b>16,262</b>	20,598
TD Auto Finance - repayable in monthly installments of \$555 including interest at 1.49% per annum, maturing November 2017	<b>24,289</b>	30,542
Modern Games Canada Ltd. - repayable in annual installments of \$10,000 with interest of \$7,500 payable as the final installment in April 2021	<b>32,500</b>	87,500
Lower Kootenay Indian Band - Social Housing Operations		
All Nations Trust Company - Phase 2 - repaid	-	26,590
All Nations Trust Company - Phase 8 mortgage repayable in monthly instalments of \$1,207 including interest at 3.09% per annum, maturing July 2018.	<b>58,714</b>	71,359
All Nations Trust Company - Phase 10 mortgage repayable in monthly instalments of \$1,228 including interest at 2.37% per annum, maturing July 2021.	<b>99,323</b>	111,585
All Nations Trust Company - Phase 11 mortgage repayable in monthly instalments of \$1,692 including interest at 1.71% per annum, maturing June 2022.	<b>156,370</b>	173,875
All Nations Trust Company - Phase 12 mortgage repayable in monthly instalments of \$1,112 including interest at 2.86% per annum, maturing December 2023.	<b>113,655</b>	123,811
	<b>523,703</b>	750,864

**LOWER KOOTENAY INDIAN BAND**  
Notes to Consolidated Financial Statements

March 31, 2014

**10. Long-term Debt** (continued)

Principal repayments on long-term debt for the next five years and thereafter are as follows, assuming mortgages are renewed on similar terms:

2015	\$ 119,153
2016	65,463
2017	66,899
2018	65,610
2019	49,098
Thereafter	<u>157,480</u>
	<u>\$ 523,703</u>

**11. Accounts Payable and Accrued Liabilities**

Included in accounts payable and accrued liabilities are the following amounts owing to AANDC:

	<u>2014</u>	<u>(Note 23) (restated) 2013</u>
Capital Projects:		
Eco Clean Energy Project	\$ 413	\$ 413
Solar Power Project	4,940	4,940
ACRES 2011	41,746	41,746
Program Funding:		
National Child Benefit	5,668	7,151
Basic Needs 2014	33,284	-
Basic Needs 2013	629	8,247
Child Out of Home	288	-
Special Needs	2,301	2,301
In Home Care	2,181	2,181
Social Assistance Employment and Training	1,896	1,896
Economic Development	19,210	19,210
Safe Water Operating Program	7,800	7,800
Environmental Site Assessment	375	-
	<u>\$ 120,731</u>	<u>\$ 95,885</u>



**LOWER KOOTENAY INDIAN BAND**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**12. Tangible Capital Assets**

	<b>2014</b>					
	Land	Buildings	Community infrastructure	Equipment	Assets under construction	<b>Total</b>
Cost, beginning of year	\$ 298,842	\$ 5,639,128	\$ 4,157,933	\$ 484,973	\$ 52,954	<b>\$ 10,633,830</b>
Additions	-	-	1,875,495	-	3,680	<b>1,879,175</b>
Cost, end of year	298,842	5,639,128	6,033,428	484,973	56,634	<b>12,513,005</b>
Accumulated amortization, beginning of year	-	3,143,824	1,720,457	390,399	-	<b>5,254,680</b>
Amortization	-	228,719	192,890	37,509	-	<b>459,118</b>
Accumulated amortization, end of year	-	3,372,543	1,913,347	427,908	-	<b>5,713,798</b>
Net carrying amount, end of year	<b>\$ 298,842</b>	<b>\$ 2,266,585</b>	<b>\$ 4,120,081</b>	<b>\$ 57,065</b>	<b>\$ 56,634</b>	<b>\$ 6,799,207</b>

**LOWER KOOTENAY INDIAN BAND**  
**Notes to Consolidated Financial Statements**

**March 31, 2014**

**12. Tangible Capital Assets (continued)**

	2013					
	Land	Buildings	Community infrastructure	Equipment	Assets under construction	Total
Cost, beginning of year	\$ 298,842	\$ 5,629,942	\$ 4,096,649	\$ 419,837	\$ 28,793	\$ 10,474,063
Additions	-	9,186	61,284	65,136	24,161	159,767
Cost, end of year	298,842	5,639,128	4,157,933	484,973	52,954	10,633,830
Accumulated amortization, beginning of year	-	2,907,222	1,561,318	365,467	-	4,834,007
Amortization	-	236,602	159,139	24,932	-	420,673
Accumulated amortization, end of year	-	3,143,824	1,720,457	390,399	-	5,254,680
Net carrying amount, end of year	\$ 298,842	\$ 2,495,304	\$ 2,437,476	\$ 94,574	\$ 52,954	\$ 5,379,150

**LOWER KOOTENAY INDIAN BAND**  
Notes to Consolidated Financial Statements

March 31, 2014

**13. Accumulated Surplus**

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

	2014	2013
Equity in investments (Note 7)	\$ 60,022	\$ 60,022
Equity in business partnerships and enterprises (Note 8)	1,493,010	1,149,348
Replacement reserve balance (Note 14)	37,698	72,503
Equity in tangible capital assets (Note 15)	6,308,004	4,715,786
Equity in Ottawa Trust Funds (Note 16)	62,481	60,405
Unrestricted operating equity	1,929,067	1,791,393
	\$ 9,890,282	\$ 7,849,457

**14. Replacement Reserve**

	2014	2013
Balance, beginning of year	\$ 72,503	\$ 103,720
Add:		
Current year allocation	20,504	20,937
Interest	-	45
Less:		
Approved expenditures	32,108	11,723
Maturing units adjustment	23,201	40,476
Balance, end of year	37,698	72,503
Funded balance (Note 2)	90,523	90,523
Overfunded balance	\$ (52,825)	\$ (18,020)

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited annually in the amount of \$20,504. These funds, along with accumulated interest, must be held in separate bank accounts and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation, or as may otherwise be approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal.

**LOWER KOOTENAY INDIAN BAND**  
Notes to Consolidated Financial Statements

March 31, 2014

**15. Equity in Tangible Capital Assets**

	2014	2013
Balance, beginning of the year	\$ 4,715,786	\$ 4,872,898
Add:		
Purchases of tangible capital assets	1,879,175	159,767
Debt repayment	172,161	157,561
	<b>2,051,336</b>	317,328
Less:		
Amortization of tangible capital assets	459,118	420,673
Proceeds from new debt issuance	-	53,767
	<b>459,118</b>	474,440
	<b>\$ 6,308,004</b>	\$ 4,715,786

**16. Equity in Ottawa Trust Funds**

Trust funds on deposit with the Aboriginal Affairs and Northern Development Canada consist of the following:

	Revenue	Capital	2014 Total	2013 Total
Balance, beginning of year	\$ 21,117	\$ 39,288	\$ 60,405	\$ 58,439
Add:				
Interest on trust balances	2,076	-	2,076	1,966
Balance, end of year	\$ 23,193	\$ 39,288	\$ 62,481	\$ 60,405

The Ottawa Trust Funds relate to capital or revenue sources 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.

**LOWER KOOTENAY INDIAN BAND**  
Notes to Consolidated Financial Statements

March 31, 2014

**17. Expenses By Object**

	<i>Budget</i>	<b>2014</b>	2013
Advertising	\$ 200	\$ 6,941	\$ 153
Amortization	-	<b>459,118</b>	420,673
Bad debts	-	<b>7,471</b>	22,895
CMHC approved expenditures	-	<b>32,108</b>	11,723
Consulting	82,000	<b>88,172</b>	91,231
Insurance	40,727	<b>39,800</b>	39,989
Interest on long-term debt	20,000	<b>13,685</b>	24,452
Interest and bank charges	3,450	<b>6,541</b>	4,756
Miscellaneous	21,200	<b>9,030</b>	14,420
Office	63,350	<b>59,326</b>	62,066
Professional fees	55,000	<b>99,908</b>	104,062
Program expenses	2,729,090	<b>955,496</b>	1,017,031
Rent	55,500	<b>55,780</b>	69,201
Repairs and maintenance	111,920	<b>106,731</b>	63,616
Supplies	58,800	<b>50,084</b>	44,829
Telephone and utilities	45,000	<b>32,003</b>	44,152
Training and workshops	24,576	<b>15,993</b>	84,051
Travel	46,495	<b>48,099</b>	60,996
Vehicle	26,000	<b>14,840</b>	16,529
Wages and benefits	1,155,894	<b>1,396,808</b>	1,102,993
<b>Total expenses for the year</b>	<b>\$ 4,539,202</b>	<b>\$ 3,497,934</b>	<b>\$ 3,299,818</b>



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## LOWER KOOTENAY INDIAN BAND

### Notes to Consolidated Financial Statements

March 31, 2014

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#### 18. Segmented Information (continued)

Lower Kootenay Indian Band is First Nation community of over 200 members located in the Creston Valley in south eastern British Columbia. Lower Kootenay Indian Band provides a variety of services to community members, and receives funding from various federal and provincial government agencies to support the delivery of these services. Segmented reporting by program is used to account for the scope and significance of each service.

##### **Administration**

This program includes revenues and expenses relating to governance activities undertaken by Chief and Council, band membership activities, administrative services of the Band, and finance and accounting activities for the band and its business ventures. The operation of the economic development, operations and maintenance and infrastructure and land management activities are also facilitated by this program.

##### **Social Development**

This program includes the revenue and expenses relating to the delivery of social assistance programs to Lower Kootenay Indian Band members, and the delivery of cultural activities in the community. Certain social development activities are funded through agreements with Aboriginal Affairs and Northern Development Canada and have specific eligibility criteria.

##### **Health**

The Health program provides a variety of health services to the community pursuant to a funding agreement with Health Canada and other external funders. The Health program also includes revenues and expenses relating to recreation activities for community members.

##### **Education**

The Education program includes the revenues and expenses relating to the operation and maintenance of the community school located on the reserve lands of the Lower Kootenay Indian Band.

##### **Social Housing Program**

This program includes the revenues and expenses relating to the operation of the Band housing rental units and the provision of various housing services to Lower Kootenay Indian Band members. This program also includes the revenues and expenses relating to the operation of the Band's CMHC Social Housing Units, including individual houses and multi family units.

##### **Capital Fund**

This program includes the revenue and expenses relating to the construction, maintenance and operation of community infrastructure and buildings, and the provision of community services to Lower Kootenay Indian Band members.

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## LOWER KOOTENAY INDIAN BAND

### Notes to Consolidated Financial Statements

March 31, 2014

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#### 19. Financial Instrument Risk Management

The Lower Kootenay Indian Band holds various forms of financial instruments. The nature of these instruments and the Band's operations expose the Band to credit and liquidity risks. The Lower Kootenay Indian Band manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

##### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Band is exposed to credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations and from concentration of transactions carried out with the same counterparty.

##### Liquidity Risk

Liquidity risk is the risk that the Lower Kootenay Indian Band encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Band will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities and long-term debt and commitments.

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#### 20. Contingencies and Commitments

- (a) The First Nation is involved in various ongoing legal claims. In the opinion of management, the overall estimation of loss is not determinable. Management has provided for settlement of one of these claims in the amount of \$98,367 within the financial statements. The value of the other claims have not been provided for in the financial statements. Settlement on unresolved claims, if any, would be expected to be accounted for as a charge to expenses in the period in which the realization is known.
- (b) The First Nation entered into multiple lease agreements for the purpose of leasing office equipment. The leased equipment under operating leases with aggregate minimum payments inclusive of taxes are as follows:

2015	\$	7,260
2016		7,260
2017		7,260
2018		7,260
2019		5,445
		<hr/>
	\$	34,485



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**LOWER KOOTENAY INDIAN BAND**  
**Notes to Consolidated Financial Statements**

March 31, 2014

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**21. Funds Held in Trust**

Funds held in trust and administered by the First Nation are as follows:

	<u>2014</u>	<u>2013</u>
Band members - land settlement	\$ 69,714	\$ 65,861

The First Nation holds and administers the above amount in trust relating to deposits and other cash amounts on hand relating to other parties. At March 31, 2014 the liabilities which relate to these funds held in trust are fully funded.

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**22. Comparative Information**

The comparative amounts presented in the consolidated financial statements have been restated to conform to the current year's presentation. These restatements had no effect on the annual or accumulated surpluses.

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**23. Prior Period Adjustments**

During the year ended March 31, 2014, the First Nation determined that prior period adjustments were required as follows:

**AANDC Revenue**

In the prior year's Schedule of Federal Government funding, it was noted that \$45,725 of unexpended funding for set contribution projects should have been not have been recorded as a liability in the prior year's financial statements. This has been corrected by decreasing the prior year financial liabilities with an offsetting increase to income.

**Long-term Investments**

The prior year's financial statements did not report an investment in Nupqu Development Corporation for \$1, SEM Holdings Ltd. for \$20 and SEM Resort Ltd. for \$1. Long-term investments were increased by \$22 to include the investments and the offset being an increase to the accumulated surplus.

**Investment in Business Partnership and Enterprises**

The prior year's financial statements did not report an investment in Ktunaxa Holdings Limited Partnership for \$85,660. Investment in business partnership and enterprises were increased by \$85,660 to include the investment and an offsetting increase to income for \$11,305 and to opening accumulated surplus for \$74,355.



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Cranbrook BC V1C 2M9 Canada

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## Independent Auditor's Comments on Supplementary Financial Information

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### To the Members of the Lower Kootenay Indian Band

We have audited the consolidated financial statements of Lower Kootenay Indian Band, which comprise of the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of financial activities, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information and have issued our report thereon dated June 24, 2014. The audit was performed to form an opinion on the consolidated financial statements as a whole. The following supplemental financial information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the consolidated financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

The supplementary information is prepared to assist the Chief and Council of Lower Kootenay Indian Band with the decision making process of the First Nation. As a result, the supplementary information may not be suitable for another purpose. Our report is intended solely for the Chief and Council of Lower Kootenay Indian Band and should not be distributed to or used by parties other than the Chief and Council of Lower Kootenay Indian Band.

*BDO Canada LLP*

Chartered Accountants

Cranbrook, British Columbia  
June 24, 2014

**LOWER KOOTENAY INDIAN BAND**  
**Schedules of Individual Program Financial Activity**  
**Administration**  
**(Unaudited)**

**For the year ended March 31**

	<i>Budget</i>	AANDC	Other	<b>Total 2014</b>	Total 2013
<b>Revenue</b>					
Aboriginal Affairs and Northern Development Canada					
Band Support	\$ 113,699	\$ 167,692	\$ -	<b>\$ 167,692</b>	\$ 162,427
Band Employee Benefit Plan	29,670	41,723	-	<b>41,723</b>	50,546
Indian Registry Administration	1,595	1,695	-	<b>1,695</b>	1,565
Other income	49,257	-	240,300	<b>240,281</b>	103,192
Internal administration fees	26,500	-	128,000	<b>128,000</b>	91,800
	<b>220,721</b>	<b>211,110</b>	<b>368,300</b>	<b>579,391</b>	<b>409,530</b>
<b>Expenses</b>					
Advertising	200	-	6,941	<b>6,941</b>	153
Band employee benefit plan	-	41,723	33,832	<b>75,555</b>	69,779
Consulting	10,000	-	5,935	<b>5,935</b>	6,485
Indian registration administration	-	1,695	-	<b>1,695</b>	27
Interest and bank charges	1,850	-	3,623	<b>3,623</b>	3,060
Office and administration	47,750	-	40,999	<b>40,999</b>	48,248
Professional fees	45,000	-	86,569	<b>86,569</b>	87,335
Program expenses	24,105	44,420	-	<b>44,420</b>	67,346
Rent	7,000	-	6,985	<b>6,985</b>	6,823
Repairs and maintenance	3,400	-	3,145	<b>3,145</b>	3,343
Supplies	5,000	-	1,950	<b>1,950</b>	2,038
Travel	17,000	-	13,124	<b>13,124</b>	18,559
Vehicle	16,000	-	5,732	<b>5,732</b>	4,361
Wages and benefits	361,178	123,272	251,261	<b>374,533</b>	353,205
	<b>538,483</b>	<b>211,110</b>	<b>460,096</b>	<b>671,206</b>	<b>670,762</b>
<b>Income (loss) before other items</b>	<b>(317,762)</b>	<b>-</b>	<b>(91,796)</b>	<b>(91,815)</b>	<b>(261,232)</b>
<b>Income from business partnerships and enterprises</b>	<b>35,000</b>	<b>-</b>	<b>351,941</b>	<b>351,941</b>	<b>261,554</b>
<b>Surplus (deficit) for the year</b>	<b>\$ (282,762)</b>	<b>- \$</b>	<b>260,145 \$</b>	<b>260,126 \$</b>	<b>322</b>

**LOWER KOOTENAY INDIAN BAND**  
**Schedules of Individual Program Financial Activity**  
**Social Development**  
**(Unaudited)**

**For the year ended March 31**

	<i>Budget</i>	AANDC	Other	<b>Total 2014</b>	Total 2013
<b>Revenue</b>					
Aboriginal Affairs and Northern Development Canada					
Basic Needs	\$ 212,039	\$ 178,755	-	<b>\$ 178,755</b>	215,719
Child Out of Parental Home Allowance	48,855	48,567	-	<b>48,567</b>	46,682
Service Delivery	43,309	43,309	-	<b>43,309</b>	43,182
National Child Benefit	29,682	29,682	-	<b>29,682</b>	22,794
In Home Care	13,899	13,899	-	<b>13,899</b>	11,000
Social Assistance Employment & Training	-	-	-	-	4,314
Special Needs	5,264	5,264	-	<b>5,264</b>	1,588
Prevention Projects	-	2,142	-	<b>2,142</b>	2,074
	<b>353,048</b>	<b>321,618</b>	<b>-</b>	<b>321,618</b>	<b>347,353</b>
<b>Expenses</b>					
Program expenses	199,932	185,897	-	<b>185,897</b>	175,828
Rent	48,500	48,795	-	<b>48,795</b>	62,378
Telephone and utilities	45,000	32,003	-	<b>32,003</b>	44,152
Training and workshops	5,100	18	-	<b>18</b>	4,314
Travel	-	-	-	-	183
Wages and benefits	62,996	58,291	-	<b>58,291</b>	52,605
	<b>-</b>	<b>325,004</b>	<b>-</b>	<b>325,004</b>	<b>339,460</b>
<b>Surplus (deficit) for the year</b>	<b>\$ -</b>	<b>\$(3,386)</b>	<b>-\$</b>	<b>\$(3,386)</b>	<b>7,893</b>

**LOWER KOOTENAY INDIAN BAND**  
**Social Development - Detailed Schedule of Program Financial Activity**  
**(Unaudited)**

<b>For the year ended March 31, 2014</b>	Basic Needs	Child out of Parental Home	National Child Benefit	In Home Care	Family Violence Protection	Special Needs	Administration and Other	<b>Total</b>
<b>Revenue</b>								
Aboriginal Affairs and Northern Development Canada	\$ 212,039	\$ 48,855	\$ 29,682	\$ 13,899	\$ 2,142	\$ 5,264	\$ 43,309	\$ 355,190
Funding Agency Recoveries	(33,284)	(288)	-	-	-	-	-	(33,572)
	<u>178,755</u>	<u>48,567</u>	<u>29,682</u>	<u>13,899</u>	<u>2,142</u>	<u>5,264</u>	<u>43,309</u>	<u>321,618</u>
<b>Expenses</b>								
Program expenses	97,957	48,567	30,607	-	2,142	6,624	-	185,897
Rent	48,795	-	-	-	-	-	-	48,795
Telephone and utilities	32,003	-	-	-	-	-	-	32,003
Training and workshops	-	-	-	-	-	-	18	18
Wages and benefits	-	-	-	15,000	-	-	43,291	58,291
	<u>178,755</u>	<u>48,567</u>	<u>30,607</u>	<u>15,000</u>	<u>2,142</u>	<u>6,624</u>	<u>43,309</u>	<u>325,004</u>
<b>Surplus (deficit) for the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (925)</b>	<b>\$ (1,101)</b>	<b>\$ -</b>	<b>\$ (1,360)</b>	<b>\$ -</b>	<b>\$ (3,386)</b>

**LOWER KOOTENAY INDIAN BAND**  
**Schedules of Individual Program Financial Activity**  
**Health**  
**(Unaudited)**

**For the year ended March 31**

	<i>Budget</i>	AANDC	Other	<b>Total 2014</b>	Total 2013
<b>Revenue</b>					
Health Canada	\$ 135,937	-	\$ 135,937	<b>\$ 135,937</b>	\$ 121,619
Health Canada - Patient Transportation	20,862	-	20,862	<b>20,862</b>	20,862
Province of British Columbia	14,788	-	8,710	<b>8,710</b>	4,540
Ktunaxa / Kinbasket Tribal Council	3,000	-	3,250	<b>3,250</b>	21,000
Other income	12,000	-	16,200	<b>16,200</b>	12,100
	<u>186,587</u>	-	184,959	<b>184,959</b>	180,121
<b>Expenses</b>					
Administration	16,415	-	18,000	<b>18,000</b>	10,800
Interest and bank charges	250	-	332	<b>332</b>	239
Office	200	-	928	<b>928</b>	7,109
Patient transportation	20,862	-	22,840	<b>22,840</b>	29,126
Program expenses	8,500	-	9,546	<b>9,546</b>	12,312
Professional fees	2,500	-	-	<b>-</b>	-
Supplies	9,500	-	14,213	<b>14,213</b>	10,055
Training and workshops	6,000	-	2,083	<b>2,083</b>	2,599
Travel	2,500	-	3,348	<b>3,348</b>	2,021
Wages and benefits	122,575	-	210,508	<b>210,508</b>	67,448
	<u>189,302</u>	-	281,798	<b>281,798</b>	141,709
<b>Surplus (deficit) for the year</b>	<b>\$ (2,715)</b>	<b>-</b>	<b>\$ (96,839)</b>	<b>(96,839)</b>	<b>\$ 38,412</b>

**LOWER KOOTENAY INDIAN BAND**  
**Schedules of Individual Program Financial Activity**  
**Education**  
**(Unaudited)**

**For the year ended March 31**

	<i>Budget</i>	AANDC	Other	<b>Total 2014</b>	Total 2013
<b>Revenue</b>					
Aboriginal Affairs and Northern Development Canada					
AANDC Funding	\$ 493,963	\$ 521,638	-	<b>\$ 521,638</b>	\$ 430,008
Tuition Agreements -					
Local Education Agreement	245,800	270,954	-	<b>270,954</b>	218,589
Enhanced Teacher Salaries	-	-	-	-	742
Province of British Columbia	200,000	-	207,660	<b>207,660</b>	71,904
First Nations Education Steering Committee	49,735	-	67,113	<b>67,113</b>	106,006
Other income	58,400	-	63,249	<b>63,249</b>	44,481
	<u>1,047,898</u>	<u>792,592</u>	<u>338,022</u>	<b>1,130,614</b>	<u>871,730</u>
<b>Expenses</b>					
Enhanced teacher salaries	-	-	-	-	742
Interest and bank charges	700	-	1,373	<b>1,373</b>	772
Local education agreement	256,800	283,961	-	<b>283,961</b>	227,956
Miscellaneous	6,200	-	5,904	<b>5,904</b>	5,714
Office	15,400	-	15,848	<b>15,848</b>	5,708
Program expenses	145,340	144,523	-	<b>144,523</b>	121,423
Repairs and maintenance	23,450	-	22,193	<b>22,193</b>	21,520
Supplies	34,300	-	20,872	<b>20,872</b>	21,926
Training and workshops	10,500	-	10,916	<b>10,916</b>	45,137
Travel	15,850	-	23,979	<b>23,979</b>	10,513
Wages and benefits	510,898	377,115	173,612	<b>550,727</b>	414,083
	<u>1,019,438</u>	<u>805,599</u>	<u>274,697</u>	<b>1,080,296</b>	<u>875,494</u>
<b>Surplus (deficit) for the year</b>	<b>\$ 28,460</b>	<b>\$ (13,007)</b>	<b>\$ 63,325</b>	<b>\$ 50,318</b>	<b>\$ (3,764)</b>

**LOWER KOOTENAY INDIAN BAND**  
**Schedules of Individual Program Financial Activity**  
**Social Housing**  
**(Unaudited)**

**For the year ended March 31**

	<i>Budget</i>	AANDC	Other	<b>Total 2014</b>	Total 2013
<b>Revenue</b>					
Rental income	\$ 150,000	-	\$ 146,583	<b>\$ 146,583</b>	\$ 143,893
CMHC - subsidy	39,652	-	45,932	<b>45,932</b>	29,526
Other income	-	-	3,054	<b>3,054</b>	1,194
	<u>189,652</u>	-	195,569	<b>195,569</b>	174,613
<b>Expenses</b>					
Administration	16,415	-	20,000	<b>20,000</b>	15,000
Amortization	-	-	79,157	<b>79,157</b>	78,687
Bad debts	-	-	9,771	<b>9,771</b>	8,758
CMHC approved expenditures	-	-	32,108	<b>32,108</b>	11,723
Insurance	17,674	-	17,674	<b>17,674</b>	23,575
Interest on long-term debt	15,000	-	10,298	<b>10,298</b>	14,900
Interest and bank charges	650	-	1,091	<b>1,091</b>	623
Professional fees	2,500	-	8,075	<b>8,075</b>	2,563
Repairs and maintenance	35,000	-	64,459	<b>64,459</b>	33,935
Supplies	10,000	-	13,049	<b>13,049</b>	10,810
Travel	4,500	-	2,400	<b>2,400</b>	5,947
	<u>101,739</u>	-	258,082	<b>258,082</b>	206,521
<b>Income (loss) before other items</b>	<b>87,913</b>	-	(62,513)	<b>(62,513)</b>	(31,908)
<b>Replacement reserve allocation</b>	<b>(20,327)</b>	-	(20,504)	<b>(20,504)</b>	(20,937)
<b>Surplus (deficit) for the year</b>	<b>\$ 67,586</b>	-	\$ (83,017)	<b>\$ (83,017)</b>	\$ (52,845)



**LOWER KOOTENAY INDIAN BAND**  
**Schedules of Individual Program Financial Activity**  
**Infrastructure and Land Management**  
**(Unaudited)**

**For the year ended March 31**

	<i>Budget</i>	AANDC	Other	<b>Total 2014</b>	Total 2013
<b>Revenue</b>					
Aboriginal Affairs and Northern Development Canada - Land Management	\$ 23,179	\$ 30,905	\$ -	<b>\$ 30,905</b>	\$ 30,905
Province of British Columbia	221,000	-	221,803	<b>221,803</b>	186,577
Other income	236,715	-	350,121	<b>350,121</b>	235,793
Bad debt recovery	93,036	-	148,036	<b>148,036</b>	93,036
	<u>573,930</u>	<u>30,905</u>	<u>719,960</u>	<b><u>750,865</u></b>	<u>546,311</u>
<b>Expenses</b>					
Administration	42,915	-	90,000	<b>90,000</b>	66,000
Bad debts (recovery)	-	-	(2,300)	<b>(2,300)</b>	14,138
Consulting	72,000	-	82,238	<b>82,238</b>	84,746
Insurance	23,053	-	22,126	<b>22,126</b>	16,414
Interest on long-term debt	5,000	-	3,386	<b>3,386</b>	9,552
Interest and bank charges	-	-	122	<b>122</b>	63
Miscellaneous	15,000	-	3,126	<b>3,126</b>	8,677
Office	-	-	1,551	<b>1,551</b>	1,001
Professional fees	2,500	-	1,804	<b>1,804</b>	665
Program expenses	84,500	42,551	132,322	<b>174,873</b>	81,589
Repairs and maintenance	40,570	-	14,627	<b>14,627</b>	1,046
Travel	6,645	-	5,248	<b>5,248</b>	23,773
Vehicle	10,000	-	9,108	<b>9,108</b>	12,168
Wages and benefits	25,748	-	58,520	<b>58,520</b>	20,603
	<u>327,931</u>	<u>42,551</u>	<u>421,878</u>	<b><u>464,429</u></b>	<u>340,435</u>
<b>Surplus (deficit) for the year</b>	<b>\$ 245,999</b>	<b>\$ (11,646)</b>	<b>\$ 298,082</b>	<b>\$ 286,436</b>	<b>\$ 205,876</b>

**LOWER KOOTENAY INDIAN BAND**  
**Schedules of Individual Program Financial Activity**  
**Economic Development**  
**(Unaudited)**

**For the year ended March 31**

	<i>Budget</i>	AANDC	Other	<b>Total 2014</b>	Total 2013
<b>Revenue</b>					
Aboriginal Affairs and Northern Development Canada Economic Development Program	\$ -	\$ -	\$ -	\$ -	11,105
KNC, CPC and CVT funding	13,431	-	26,200	<b>26,200</b>	-
FNGST revenue	163,571	-	158,881	<b>158,881</b>	163,922
NRT revenue	-	-	-	-	14,800
	<u>177,002</u>	-	185,081	<b>185,081</b>	189,827
<b>Expenses</b>					
FNGST distributions	22,000	-	15,126	<b>15,126</b>	18,721
IMBA expenses	9,000	-	6,200	<b>6,200</b>	191,501
NRT expenses	-	-	3,459	<b>3,459</b>	15,500
KNC language/culture expense	2,976	-	2,976	<b>2,976</b>	30,000
Wages and benefits	-	-	3,658	<b>3,658</b>	60,797
	<u>33,976</u>	-	31,419	<b>31,419</b>	316,519
<b>Surplus (deficit) for the year</b>	<b>\$ 143,026</b>	<b>\$ -</b>	<b>\$ 153,662</b>	<b>\$ 153,662</b>	<b>\$ (126,692)</b>

**LOWER KOOTENAY INDIAN BAND**  
**Schedules of Individual Program Financial Activity**  
**Operations and Maintenance**  
**(Unaudited)**

**For the year ended March 31**

	<i>Budget</i>	AANDC	Other	<b>Total 2014</b>	Total 2013
<b>Revenue</b>					
Aboriginal Affairs and Northern Development Canada					
Roads and Bridges	\$ 14,245	\$ 14,245	-	\$ 14,245	\$ 13,933
Water Systems	39,847	39,847	-	39,847	38,945
Municipal Services	29,162	29,162	-	29,162	29,055
Safe Water Operations	-	15,600	-	15,600	15,600
Community Buildings	13,503	13,503	-	13,503	13,206
Fire Protection	3,300	3,300	-	3,300	3,300
Electrical Systems	4,102	4,102	-	4,102	4,013
	<u>104,159</u>	<u>119,759</u>	<u>-</u>	<u>119,759</u>	<u>118,052</u>
<b>Expenses</b>					
Program expenses	66,500	65,486	-	65,486	71,128
Repairs and maintenance	9,500	2,307	-	2,307	3,772
Safe water operations expenses	72,498	15,600	-	15,600	15,600
Wages and benefits	-	47,722	-	47,722	48,130
	<u>148,498</u>	<u>131,115</u>	<u>-</u>	<u>131,115</u>	<u>138,630</u>
<b>Surplus (deficit) for the year</b>	<b>\$ (44,339)</b>	<b>\$ (11,356)</b>	<b>-</b>	<b>\$ (11,356)</b>	<b>\$ (20,578)</b>

**LOWER KOOTENAY INDIAN BAND**  
**Schedules of Individual Program Financial Activity**  
**Capital Fund**  
**(Unaudited)**

**For the year ended March 31**

	<i>Budget</i>	AANDC	Other	<b>Total 2014</b>	Total 2013
<b>Revenue</b>					
Aboriginal Affairs and Northern Development Canada	\$ 1,941,681	\$ 1,846,962	-	\$ 1,846,962	\$ 43,943
Province of British Columbia	-	-	-	-	15,188
	<u>1,941,681</u>	<u>1,846,962</u>	<u>-</u>	<u>1,846,962</u>	<u>59,131</u>
<b>Expenses</b>					
Amortization	-	379,961	-	379,961	341,986
Program expenses	1,930,576	2,624	-	2,624	20,102
	<u>1,930,576</u>	<u>382,585</u>	<u>-</u>	<u>382,585</u>	<u>362,088</u>
	11,105	1,464,377	-	1,464,377	(302,957)
<b>Capital expenditures</b>	-	1,867,894	-	1,867,894	-
<b>Surplus (deficit) for the year</b>	<u>\$ 11,105</u>	<u>\$ (403,517)</u>	<u>-</u>	<u>\$ (403,517)</u>	<u>\$ (302,957)</u>

**LOWER KOOTENAY INDIAN BAND**  
**Capital Fund Project Reconciliation**  
**(Unaudited)**

CPMS	Program	March 31, 2013, Opening Surplus (Deficit)	Current Year AANDC Revenue	March 31, 2013 Deferred Revenue	March 31, 2014 Deferred Revenue	Total AANDC Revenue for Current Year	Other Revenues and Transfers	Total Revenues and Transfers	Total Expenses	Excess (Deficiency) of Revenue Over Expenses	March 31, 2014 Ending Surplus (Deficit)
9095	Roads and Drainage	\$ (6,017)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,017)
8872	Flood Plain Management	(5,078)	-	-	-	-	-	-	-	-	(5,078)
8522	IR2 Dike	(1,365)	-	-	-	-	-	-	-	-	(1,365)
8215	Water Improvements / Water over \$1.5M	(42,355)	1,844,337	-	-	1,844,337	-	1,844,337	1,870,519	(26,182)	(68,537)
3274	Additions to Reserve	(12,848)	-	-	-	-	-	-	-	-	(12,848)
-	Eco Clean Energy Project	413	-	-	-	-	-	-	-	-	413
<b>2014</b>		<b>\$ (67,250)</b>	<b>\$ 1,844,337</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,844,337</b>	<b>\$ -</b>	<b>\$ 1,844,337</b>	<b>\$ 1,870,520</b>	<b>\$ (26,182)</b>	<b>\$ (93,432)</b>