

Okanagan Indian Band
Consolidated Financial Statements
March 31, 2014
(See Independent Auditor's Report)

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**CLARK
ROBINSON CO. PM 3:44**

Okanagan Indian Band
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Year Ended March 31, 2014

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Management's Responsibility for Financial Reporting

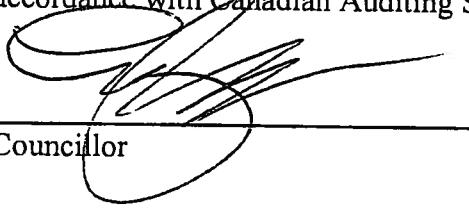
The accompanying financial statements of the Okanagan Indian Band are the responsibility of management and have been approved by the Chief and Council.

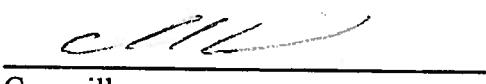
The financial statements of the Okanagan Indian Band have been prepared in accordance with Canadian Public Sector Accounting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Okanagan Indian Band 's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

Chief and Council are responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Following a review of the financial statements and discussions with the auditors, Chief and Council approve the financial statements.

The financial statements have been audited on behalf of the members by Clark, Robinson, CGA's in accordance with Canadian Auditing Standards.


Councillor


Councillor

July 29, 2014
Date

Vernon, B.C.



J. ARTHUR CLARK, C.G.A.^{*}
SHELBY WALL, C.G.A.^{*}
ARNE C. ANDERSON, C.G.A.^{*}
CATHERINE CLARK, C.G.A.
MARIANNE GRANT, C.G.A.^{*}

JACK W. ROBINSON, C.G.A. (d), 1991
**Denotes Professional Corporation*

INDEPENDENT AUDITOR'S REPORT

To the Members of Okanagan Indian Band

We have audited the accompanying consolidated financial statements of Okanagan Indian Band, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of fund balances, operations, cash flow and changes in net financial assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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 qualified audit opinion.

Basis for Qualified Opinion

Amortization of housing assets is provided in an amount equal to the annual principal reduction of the mortgages in accordance with the terms of the agreements with Canada Mortgage and Housing Corporation. Under this method, amortization of housing assets is not in accordance with Canadian Public Sector Accounting Standards. The affect on the consolidated financial statements of this amortization method has not been determined.

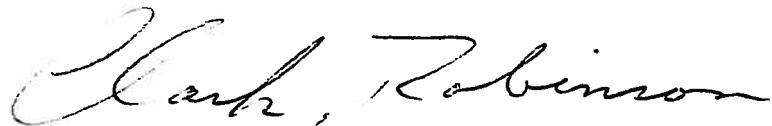
As explained in Note 1 to the consolidated financial statements, certain capital assets have not been recorded in accordance with Canadian Public Sector Accounting Standards. The affect on the consolidated financial statements of not recording these assets has not been determined.

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Qualified Opinion

In our opinion, except for possible effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Okanagan Indian Band as at March 31, 2014, and its financial performance, cash flow and net debt for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in black ink that reads "Clark, Robinson". The signature is fluid and cursive, with "Clark" on the top line and "Robinson" on the bottom line.

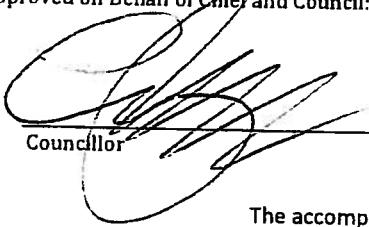
Clark, Robinson
Certified General Accountants

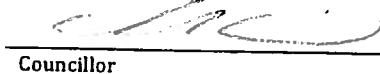
Vernon, British Columbia
July 29, 2014

Okanagan Indian Band
Consolidated Statement of Financial Position
March 31, 2014
(See Independent Auditor's Report)

	2014	2013
Financial assets		
<i>Cash and equivalents (Note 2)</i>	\$ 1,558,098	\$ 3,236,411
<i>Accounts receivable (Note 3)</i>	1,111,919	292,687
<i>Due from Government (Note 4)</i>	965,464	991,783
<i>Inventory for resale (Note 5)</i>	1,599,886	-
<i>Investment in Band-owned entities (Note 6)</i>	3,499,780	3,513,006
<i>Funds held in Ottawa Trust (Note 7)</i>	3,835,996	3,778,868
Total financial assets	<u>12,571,143</u>	<u>11,812,755</u>
Financial liabilities		
<i>Accounts payable (Note 8)</i>	1,431,646	1,178,760
<i>Due to Government (Note 9)</i>	6,447	75,013
<i>Employee benefit obligations (Note 10)</i>	119,448	95,503
<i>Royalties payable (Note 11)</i>	793,430	793,430
<i>Long-term liabilities (Note 12)</i>	-	62,741
<i>Security deposits (Note 13)</i>	17,738	15,262
<i>Long-term debt (Note 14)</i>	6,062,549	5,537,002
Total liabilities	<u>8,431,258</u>	<u>7,757,711</u>
Net financial assets (liabilities)	<u>4,139,886</u>	<u>4,055,045</u>
Non-financial assets		
<i>Tangible capital assets (Note 15)</i>	17,905,929	16,744,016
<i>Inventory of supplies</i>	53	53
<i>Prepaid expenses</i>	116,495	141,180
Total non-financial assets	<u>18,022,477</u>	<u>16,885,249</u>
Accumulated surplus	<u>\$ 22,162,363</u>	<u>\$ 20,940,294</u>
<u>Accumulated surplus, as represented by:</u>		
Unrestricted net assets		
<i>Band accumulated surplus, beginning of year</i>	\$ 868,458	\$ 241,138
<i>Current year surplus (deficit)</i>	<u>(281,900)</u>	<u>1,109,596</u>
<i>Band accumulated surplus, end of year (Note 16)</i>	586,559	868,458
<i>Equity from investments in band-owned entities</i>	3,499,779	3,513,005
Restricted net assets	<u>4,086,338</u>	<u>4,381,464</u>
<i>CMHC housing reserves (Note 17)</i>	993,691	1,112,936
<i>Equity in Ottawa Trust Funds</i>	3,835,996	3,778,868
<i>Restricted capital surplus</i>	39,195	39,195
Equity in tangible capital assets	<u>4,868,882</u>	<u>4,930,999</u>
<i>Equity in tangible capital assets (Note 18)</i>	13,207,143	11,627,831
Contingent Liability (Note 22)	<u>\$ 22,162,363</u>	<u>\$ 20,940,294</u>
Commitments (Note 23)		

Approved on Behalf of Chief and Council:


Councillor


Councillor

The accompanying notes are an integral part of these financial statements
Amounts may not add due to rounding

**CLARK
ROBINSON**

Okanagan Indian Band
Consolidated Statement of Fund Balances
For the Year Ended March 31, 2014
(See Independent Auditor's Report)

Statement	Aboriginal Affairs and Northern Development Canada funding	Other revenue	Interfund transfers	Total revenue and interfund transfers	Current expenditures	Year to date surplus (deficit)	Fund balance, beginning of the year	Funding adjustments, recoveries (rebursements)	Fund balance, end of the year
C1 General Band Revenue	929,455	116,746	314,015	923,128	(609,113)	3,728,956	145,014	3,264,858	
C2 Band Support Funding	490,088	44,686	65,520	709,570	(58,050)	123,223		65,172	
C3 Governance Bylaw Development	-	-	28,391	120,000	120,000		(692)		(692)
C4 Band Employee Benefits	91,609	-	19,515	10,515	19,720	(205)	(17,210)	(17,210)	
C5 Land Claims	-	-	116,962	116,962	261,752	(144,790)	(551,519)	(551,519)	(551,519)
C6 Colonial Specific Claims	-	-	329,329	(329,329)	-		(47,922)	(47,922)	(47,922)
C7 Ottawa Trust Funds	-	-	800	47,000	88,280	18,155	(1,744)		
C8 Indian Registry	14,476	1,935	-	16,411	-	42,366			
C9 Education Ancillary Support	40,180	-	75,645	88,280	69,623	18,657	237,169	40,621	255,826
C10 Education FNESC School Funding	-	-	32,220	(283,466)	422,617	62,313	13,332	100,825	114,157
C11 Education Instructional Services Formula Immersion	673,863	-	-	-	514,928	(92,312)	568,694	476,383	
C12 Education Enhanced Teachers Salaries Band Op	-	-	1	1	-	1	(1)		
C13 Education Comprehensive Ed Support Services	77,116	-	71,784	70,766	77,116	39,583	37,533	(15,586)	21,947
C14 Education Reciprocal Tuition	-	-	-	-	31,679	110,871	76,805		18,676
C15 Education Financial Assistance Allowance	22,880	-	-	22,880	-	4,897	17,983	1,036	19,019
C16 Education Guidance and Counseling	31,490	-	-	31,490	-	33,824	(2,334)	31,472	29,138
C17 Education Private Schools	239,682	-	-	229,682	-	229,682	(7,678)	(2,778)	(2,778)
C18 Education Post Sec Student Support	733,252	-	-	743,252	-	922,415	(179,163)	179,162	
C19 Education Tuition Agreement	1,049,543	-	-	1,049,543	-	1,049,543	(8,245)		(8,245)
C20 Education Student Transportation Services	-	-	-	-	-	361	(361)	361	
C21 Education FNESC Community Funding	4,335	47,000	51,335	51,335	-	23,739	27,597	36,259	63,855
C22 Education Language Nest	4,700	-	4,700	4,700	-	23,867	(19,167)	(4,480)	(23,647)
C23 Education Kekuli Project	14,820	-	14,820	14,820	-	8,771	6,049	(572)	5,477
C24 Education Early Childhood Education	231,041	189,746	420,786	420,786	-	415,659	5,127	333,372	328,499
C25 Education OTDC	-	333,565	(201,630)	131,935	-	135,974	(4,039)	(16,252)	(20,291)
C26 Health Planning and Management	-	114,345	-	114,345	-	191,065	(7,670)	51,699	(25,021)
C27 Health Facilities and Capital Program	-	34,182	-	34,182	-	37,964	(3,782)	(940)	(4,722)
C28 Health QNA Truth and Reconciliation	-	1,500	-	1,500	-	1,778	(278)	26,125	25,847
C29 Health Aboriginal Head Start	-	99,000	-	99,000	-	95,196	3,804	1,812	5,616
C30 Health Prenatal Nutrition	-	25,041	-	25,041	-	8,663	16,378	42	16,420
C31 Health Mental Health Crisis Mgmt	-	46,759	-	46,759	-	27,732	19,027	(30,786)	(11,759)
C32 Health Solvent Abuse Program	-	18,636	-	18,636	-	20,499	(1,863)	9	(1,854)
C33 Health Brighter Futures	-	80,718	-	80,718	-	65,354	15,364	11,332	26,696
C34 Health Native Alcohol and Drug Abuse	-	85,844	-	85,844	-	94,601	(8,757)	(38,651)	(47,407)
C35 Health Aboriginal Diabetes Initiatives	-	31,829	-	31,829	-	17,564	14,265	14,077	14,077
C36 Health Community Injury Illness Prevention	-	257,478	-	257,478	-	232,310	25,167	1,810	2,851
C37 Health Blood Borne Disease and Sexually Trans Infections	-	2,815	-	2,815	-	2,938	(123)	97	26,977
C38 Health Drinking Water Safety	-	42,646	-	42,646	-	42,647	(1)	1,927	(26)
C39 Health FN Home and Community Care	-	251,409	-	251,409	-	308,370	(56,961)	(87,573)	1,926
C40 Health Interior Health	-	4,167	-	4,167	-	4,167	14,077	14,077	(144,534)
C41 Health Non-Insured Health - Medical Transportation	-	47,916	-	47,916	-	40,622	7,294	7,294	18,244
							(6,505)		790

The accompanying notes are an integral part of these financial statements
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Okanagan Indian Band
Consolidated Statement of Fund Balances
For the Year Ended March 31, 2014
(See Independent Auditor's Report)

Statement	Aboriginal Affairs and Northern Development Canada funding	Other revenue	Interfund transfers	Total revenue and interfund transfers	Current expenditure	Year to date surplus (deficit)	Fund balance, beginning of the year	Funding adjustments, recoveries (reimbursements)	Fund balance, end of the year
C42 SA Service Delivery	93,667	75,982	-	93,667	108,753	(15,086)	94,469	-	79,383
C43 SA Centre of Excellence	201,575	-	-	277,557	218,970	56,587	23,530	-	82,117
C44 SA Active Measures	133,550	-	-	133,550	108,814	24,736	52,652	-	77,389
C45 SA Basic Needs	1,123,810	-	-	1,123,810	1,147,507	(23,697)	(72,330)	93,271	(2,755)
C46 SA Child Out of Parental Home	32,112	-	-	32,112	15,813	16,299	(16,299)	-	-
C47 SA Special Needs	42,344	-	-	42,344	38,706	3,638	(3,638)	-	(3,531)
C48 SA for Employment and Training	-	-	-	-	-	-	-	-	-
C49 SA National Child Benefit Reinvestment	131,873	16,667	-	131,873	-	-	(1,506)	-	126
C50 OH Interior Health AHIP 1 Red Rd	-	9,693	-	16,667	16,082	585	0	-	(1,506)
C51 SA Family Support	116,662	-	-	9,693	11,046	(1,353)	38,230	-	585
C52 SA In-Home Care	20,987	-	-	116,662	136,716	(20,054)	(20,426)	20,054	36,877
C53 SA In-Home Care Service Delivery	-	-	-	20,587	20,587	-	-	-	(20,426)
C54 Ministry of Children and Families	-	126,288	-	126,288	126,810	(522)	-	4,150	4,150
C55 OH Administration	-	-	-	164,292	164,292	-	-	-	(2,791)
C56 OH Emergency Preparedness	12,085	-	-	12,685	161,819	2,473	(92,281)	-	(92,1808)
C57 OH Buildings	16,557	78,764	79,584	174,905	449,697	(274,733)	(154,248)	-	(42,041)
C58 OH Roads and Bridges	112,618	-	-	112,618	113,147	(539)	55,017	-	54,488
C59 OH Domestic Water	108,878	-	-	108,878	146,635	(37,757)	37,757	-	0
C60 OH Wastewater Systems	4,637	-	-	4,637	41,072	(36,435)	4,261	-	(32,174)
C61 OH Fire Protection	18,520	8,360	-	26,980	26,980	-	(9,152)	(12,668)	(21,820)
C62 OH Training - Fire Protection	21,000	-	-	21,000	32,784	(11,784)	21,505	-	9,721
C63 OH Emergency Flooding	-	-	-	-	374	(374)	-	-	(374)
C64 OH Community Parks	-	8,600	-	8,600	18,219	(9,619)	(5,504)	-	(15,123)
C65 OH Church and Cemeteries	-	-	-	-	11,290	(11,290)	(7,520)	-	(18,809)
C66 OH Municipal Services	88,272	-	-	88,272	103,802	(15,530)	(8,128)	-	(23,658)
C67 OH Human Services CPMS 80/27 5th Mile Crk Subdivision	-	-	(47,307)	-	-	(47,307)	47,307	-	-
C68 OH Outside Work	-	2,551	-	2,551	2,577	(26)	(1,823)	-	(1,849)
C69 OH Six Mile Subdivision 15 Lot Completion	-	160,649	8,711	169,359	160,648	8,711	-	-	8,711
C70 OH Special Services ACRS	-	-	-	-	-	(51)	51	-	0
C71 OH Special Services Pinus Dam	128,625	8,229	-	136,854	193,339	(56,485)	1,203	-	(55,282)
C72 OH Equipment Lease	-	248	51,000	51,248	62,297	(11,050)	117,329	-	106,280
C73 OH Land Management RLAP	101,267	-	-	101,267	101,267	-	-	-	73,716
C74 OH Land Use Planning	112,809	-	-	112,809	104,987	7,822	76,742	-	84,563
C75 OH Environment Site Assessment	-	-	-	-	-	-	-	-	(1,489)
C76 OH Band Owned Housing	-	172,219	(3,452)	168,766	105,708	63,058	(1,489)	-	(1,489)
C77 OH Six Mile Housing 6 Unit Completion	-	745,419	-	745,419	745,419	-	95,019	-	158,077
C78 CMHC Housing Section 56.1	-	44,488	-	44,488	47,739	(3,251)	(7,736)	-	-
C79 CMHC Housing Section 95	-	540,837	3,452	544,289	470,670	73,619	(148,357)	(148,357)	(10,987)
C80 OH Health Building - Capital	2,280,039	-	-	2,280,039	-	-	(229,087)	101,809	(229,087)
C81 OH Bradley Creek DWS Improvement - Capital	-	-	-	-	-	-	-	(65,357)	(65,357)
C82 OH Other Capital/Projects	-	-	-	-	-	-	-	(11,688)	(11,688)
C83 OH Capital Planning	-	-	-	-	-	-	-	455	455

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Okanagan Indian Band
Consolidated Statement of Fund Balances
For the Year Ended March 31, 2014
(See Independent Auditor's Report)

Statement	Aboriginal Affairs and Northern Development Canada funding	Other revenue	Interfund transfers	Total revenue and interfund transfers	Current expenditures	Year to date surplus (deficit)	Fund balance, beginning of the year	Funding adjustments recoveries (rebursements)	Fund balance, end of the year
C84 OI/H Phase 4 Reno - Capital							21,461		21,461
C85 OI/H Winfield Infrastructure - Capital							(57,664)		(57,664)
C86 OI/H Restricted Capital Surplus							39,195		39,195
C87 OI/H Social Housing Construction Consolidated			349,127	349,127	349,127		(2,539,508)	835,719	(1,703,789)
C88 OI/H Louis Creek Subdivision - Capital			38,596	38,596		38,596	(38,596)		(22,789)
C89 OI/H Social Housing 06/07 - Capital							(22,789)		(22,789)
C90 OI/H Phase 18 - 15 Unit - Capital							(167,785)		(167,785)
C91 OI/H Phase 19 - 5 Unit - Capital							(62,478)		(62,478)
C92 OI/H General Renovations - Capital							(172,951)		(172,951)
C93 OI/H Individual Subsidy - Capital							(415)		(415)
C94 EcDev Program CEDP	162,823	1,264	54,815	218,902	218,865	36	164,645		164,645
C95 OI/H Six Mile Contractor/Manager 2014		80,567		80,567	80,567				164,645
C96 EcDev UXO Project	110,880			110,880	111,435		(555)		
C97 EcDev Management				(3,972)	(3,972)		(3,972)		0,011
C98 EcDev Clean Energy Fund			22,000		22,000	19,714	2,286		
C99 Education Ahor Lang Initiative		66,500		66,500	56,771	9,729			9,729
C100 EcDev Paragon Site Master Plan				62,300	62,300		(200)		(200)
C101 EcDev Swan Lake North Development			140,000	140,000		71,711	68,289		67,123
C102 Education First Peoples Cultural Council							(1,166)		
C103 Education Story of Our Ways		50,000		50,000	649	(649)			(649)
C104 Territorial Stewardship	710,350	66,000	776,350		27,375	22,625			22,625
C105 EcDev N'Kwila Industrial Park					776,327	23	24,193		24,193
C106 EcDev ERA		3,724	19,615	23,339	101,672	(78,334)	(33,956)		(13,956)
C107 TSD BCCT AANDC	75,000			75,000	75,000		(45,425)		(45,425)
Totals	\$ 8,725,062	\$ 6,331,324	\$ 0	\$ 15,056,306	\$ 16,410,555	\$ (1,354,169)	\$ 907,653	\$ 1,072,269	\$ 625,754

The accompanying notes are an integral part of these financial statements
Amounts may not add due to rounding

Okanagan Indian Band
Consolidated Statement of Operations
For the Year Ended March 31, 2014
(See Independent Auditor's Report)

	2014 Budget	2014 Actual	2013 Actual
Revenue			
Federal government transfers for operating	7,936,732	7,993,620	7,768,119
Federal government transfers for capital	2,280,039	2,279,624	1,924,498
Provincial government transfers for operating	1,678,138	1,666,422	3,360,261
Rent	653,178	651,960	656,217
Income from portfolio investments	7,300	7,236	7,269
Other	2,704,925	2,549,060	1,121,329
Total Revenues	15,260,312	15,147,923	14,837,692
Expenses			
Education	3,444,194	3,444,633	3,252,062
Health	1,240,129	1,203,386	1,316,024
Economic development	332,042	312,939	255,938
Housing	229,291	276,963	378,233
Social services	1,928,690	2,065,595	1,924,088
Community services	672,905	785,327	1,336,561
Band Government	2,430,726	2,642,545	1,459,719
Employment programs	340,748	337,604	317,730
Public works	4,796,106	4,750,138	3,002,076
Interest	117,267	122,603	116,966
Land Claims	200,124	261,957	170,319
Amortization	206,000	206,864	198,378
Total Expenses	15,938,223	16,410,555	13,728,096
Annual surplus (deficit)	\$ (677,911)	(1,262,633)	1,109,596
Surplus (deficit) begining of year		907,654	(201,943)
Adjustment for social housing units transferred to inventory		980,733	-
Ending surplus (deficit)	\$ 625,754	\$ 907,654	

The accompanying notes are an integral part of these financial statements

Amounts may not add due to rounding

**CLARK
ROBINSON**

Okanagan Indian Band

**Notes to the Financial Statements
For the Year Ended March 31, 2014
(See Independent Auditor's Report)**

PURPOSE OF THE ORGANIZATION

Okanagan Indian Band (the Band) is part of the Okanagan Nation, which is comprised of seven Indian Bands, including; Lower Similkameen Indian Band, Upper Similkameen Indian Band, Osoyoos Indian Band, Penticton Indian Band, Westbank First Nation, Upper Nicola Indian Band and the Okanagan Indian Band. Okanagan Indian Band is located at the head of Okanagan Lake in Vernon, B.C., and provides various services to its members.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY AND PRINCIPLES OF FINANCIAL REPORTING

These Consolidated Financial Statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

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

These financial statements consolidate the assets, liabilities and result of operations of Eagle Rock Aggregates, a proprietorship of the Band.

All inter-entity balance sheet items have been eliminated, but in order to present the results of operations for each specific fund, transactions between funds have not been eliminated on the statements of revenue and expenditure.

FUND ACCOUNTING

The Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund. The various funds have been summarized for the purpose of presentation in the statement of Operations and Fund Balances. Details of the operations of each fund are set out in the individual statements of Revenue and Expenditure.

PORTFOLIO INVESTMENTS

Portfolio investments are stated at the lower of cost and market value.

INVENTORY

Inventory is stated at the lower of cost and estimated realizable value and consists of financial housing units available for sale and non-financial processed aggregate supplies.

continued...

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Okanagan Indian Band

**Notes to the Financial Statements
For the Year Ended March 31, 2014
(See Independent Auditor's Report)**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

INVESTMENT IN BAND-OWNED ENTITIES

Incorporated business entities, which are owned by the Band are included in the consolidated financial statements using the modified equity method. Under the modified equity method, advances to or from the incorporated businesses are recognized in income in the Band Revenue Fund with a corresponding change in equity in the investment. Changes in retained earnings of the incorporated businesses are reflected in the value of the investment and equity in the investment. These include:

- 631640 B.C. Ltd.
- ERA Aggregates Ltd. (Inactive)
- Okanagan Band Development Corporation
- Okanagan Indian Band Land Holding Company Ltd.
- Okanagan Log Homes Inc. (Inactive)
- Swan Lake Industrial Park Ltd. (Inactive)

FUNDS HELD IN TRUST

Funds held in trust are accounted for on an accrual basis.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost less accumulated amortization except designated reserve lands assigned for social housing units which are recorded at a nominal amount determined by Canada Mortgage and Housing Corporation or the Band.

The acquisition costs of tangible capital assets are charged directly to the appropriate fund. These expenditures are also recorded as an addition to the tangible capital asset account with a corresponding increase in equity in tangible capital assets or a related liability.

Certain tangible capital assets have not been recorded in accordance with Canadian Public Sector Accounting Standards. The Band is developing an inventory of unrecorded tangible capital assets in anticipation of implementing a change to tangible capital asset policies in the future.

continued...

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**Notes to the Financial Statements
For the Year Ended March 31, 2014
(See Independent Auditor's Report)**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

AMORTIZATION

Tangible capital assets recorded at cost are amortized annually on the declining balance basis with a corresponding reduction in equity in tangible capital assets. Tangible capital assets are not amortized until they are available for use. The following describes the amortization basis per tangible capital asset type:

- Buildings - Declining balance basis at 4% and 5%. In the year of acquisition, one half of the normal rate is charged.
- Equipment - Declining balance basis at 20% and 30%. In the year of acquisition one half of the normal rate is charged.
- 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.
- Social housing infrastructure funded by the Band - Declining balance basis at 2%.

In the year of acquisition, one half of the normal rate is charged.

REVENUErecognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relate to a subsequent fiscal period is recorded as revenue in the year of receipt, and is carried as Band accumulated surplus on the statement of financial position. Unexpended resources are budgeted for expenditure in the subsequent year.

Revenue from leases are recognized in the year in which the revenue relates. Lease revenue received in advance is reflected as deferred revenue on the statement of financial position.

RETIREMENT BENEFIT

The Band maintains a defined contribution pension plan. Employee contributions are deducted as a percentage of earnings and the Band matches employee contributions. During the year, the Band contributed \$86,964 (2013 - \$87,063) to the defined contribution pension plan and does not have any other obligations with regard to the pension plan.

continued...

Okanagan Indian Band

Notes to the Financial Statements For the Year Ended March 31, 2014 (See Independent Auditor's Report)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenditures during the reporting period. Assumptions are based on a number of factors, including historical experience, current events, actions that the Band may undertake in the future and other assumptions believed reasonable under the circumstances. Such estimates are periodically reviewed and any necessary adjustments are reported in earnings in the period in which they become known. These estimates are subject to measurement uncertainty and actual results could differ from these estimates. Examples of significant estimates include:

- Valuation of inventory;
- Providing for amortization of tangible capital assets;
- The estimated useful lives of assets;
- The allowance for doubtful accounts; and
- The recoverability of investments in Band-owned entities.

NOTE 2 - CASH AND EQUIVALENTS

Under the terms of agreements with Canada Mortgage and Housing Corporation (CMHC), the Band must set aside funds annually for the repair, maintenance or replacement of assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC, with any interest earned to be credited as revenue to the appropriate housing fund.

The Band has internally restricted certain surpluses in the Band Revenue Fund.

	2014	2013
Externally Restricted:		
CMHC Reserves	\$ 993,691	\$ 1,112,936
Internally Restricted:		
Restricted Band Accumulated Surpluses	71,457	486,735
Unrestricted:		
Operating	302,434	1,603,767
Social Housing	141,618	23,561
Eagle Rock Aggregates	48,898	9,412
	492,950	1,636,740
Total Cash and Equivalents	<u>\$ 1,558,098</u>	<u>\$ 3,236,411</u>
Cash and Equivalents consist of:		
Cash	\$ 480,052	\$ 2,181,708
Marketable Securities (Market Value - \$1,083,260 2013 - \$1,064,405)	<u>1,078,046</u>	<u>1,054,703</u>
	<u>\$ 1,558,098</u>	<u>\$ 3,236,411</u>

Okanagan Indian Band

Notes to the Financial Statements
For the Year Ended March 31, 2014
(See Independent Auditor's Report)

NOTE 3 - ACCOUNTS RECEIVABLE

	2014	2013
Trade Accounts Receivable	\$ 167,167	\$ 508,083
Less Allowance for Doubtful Accounts	<u>(131,366)</u>	<u>(278,043)</u>
Net Trade Accounts Receivable	<u>35,801</u>	<u>230,040</u>
Social Housing Rents Receivable	257,591	312,601
Less Allowance for Doubtful Accounts	<u>(171,468)</u>	<u>(256,505)</u>
Net Social Housing Rents Receivable	<u>86,123</u>	<u>56,096</u>
Band Member Accounts Receivable	27,161	25,954
Less Allowance for Doubtful Accounts	<u>(23,801)</u>	<u>(19,403)</u>
Net Band Member Accounts Receivable	<u>3,360</u>	<u>6,551</u>
Loan Proceeds Receivable	<u>986,635</u>	<u>-</u>
	<u>\$ 1,111,919</u>	<u>\$ 292,687</u>

NOTE 4 - DUE FROM GOVERNMENT

	2014	2013
Federal Government		
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 630,780	\$ 399,415
Canada Mortgage and Housing Corporation (CMHC)	11,117	13,027
Sales Taxes	<u>1,466</u>	<u>-</u>
	<u>643,363</u>	<u>412,442</u>
Provincial Government		
	<u>219,033</u>	<u>523,499</u>
Other Government Organizations		
Okanagan Nation Alliance (ONA)	25,840	34,765
Okanagan Training & Development Council (OTDC)	<u>77,228</u>	<u>21,077</u>
	<u>103,068</u>	<u>55,842</u>
	<u>\$ 965,464</u>	<u>\$ 991,783</u>

Okanagan Indian Band

Notes to the Financial Statements
 For the Year Ended March 31, 2014
(See Independent Auditor's Report)

NOTE 5 - INVENTORY FOR RESALE

Inventory for resale comprises of 6 detached residential housing units and 9 lots.

	2014
Cost	1,806,718
Write-down to estimated realizable value	(206,832)
Estimated realizable value	<u><u>\$ 1,599,886</u></u>

NOTE 6 - INVESTMENT IN BAND OWNED ENTITIES

	Okanagan Indian Band Land Holding Company Ltd.	Okanagan Band Development Corporation	Swan Lake Industrial Park Ltd.	Okanagan Log Homes Inc.	ERA Aggregates Ltd.	Total
Shares	631640 BC Ltd.					
	\$ <u><u>331,864</u></u>	\$ <u><u>1</u></u>	\$ <u><u>120</u></u>	\$ <u><u>100</u></u>	\$ <u><u>120</u></u>	<u><u>\$ 332,217</u></u>
Advances						
Opening Balance	1,502,714	2,167,900	3,929	3,071	(100)	(120)
Advances For Year	<u><u>1,440</u></u>	<u><u>15,000</u></u>	<u><u>(7,858)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,677,394</u></u>
Closing Balance	1,504,154	2,182,900	(3,929)	3,071	(100)	(120)
Retained Earnings (deficit)						
Opening Balance	(492,266)	(5,065)	3,809	(3,083)	-	(496,605)
Net Income (Loss)	<u><u>(25,757)</u></u>	<u><u>-</u></u>	<u><u>3,949</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(21,808)</u></u>
Closing Balance	<u><u>(518,023)</u></u>	<u><u>(5,065)</u></u>	<u><u>7,758</u></u>	<u><u>(3,083)</u></u>	<u><u>-</u></u>	<u><u>(518,413)</u></u>
Total	<u><u>\$ 1,317,995</u></u>	<u><u>\$ 2,177,836</u></u>	<u><u>\$ 3,949</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,499,780</u></u>

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Okanagan Indian Band

Notes to the Financial Statements
 For the Year Ended March 31, 2014
(See Independent Auditor's Report)

NOTE 7 - FUNDS HELD IN OTTAWA TRUST

The Ottawa Trust accounts arise from monies 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 are primarily governed by Sections 63 through 69 of the Indian Act.

	Capital Account	Revenue Account	Total 2014	Total 2013
Balance, Beginning of the Year	\$ 258,964	\$ 3,519,904	\$ 3,778,868	\$ 3,418,335
Receipts During the Year				
Federal Government Interest	-	105,821	105,821	82,918
Province of B.C.	-	4,636	4,636	4,615
Permits and Leases	<u>-</u>	<u>276,000</u>	<u>276,000</u>	<u>273,000</u>
	258,964	3,906,361	4,165,325	3,778,868
Transfer to Okanagan Indian Band (Statement C 7)	<u>-</u>	<u>(329,329)</u>	<u>(329,329)</u>	<u>-</u>
Balance, End of the Year	<u>\$ 258,964</u>	<u>\$ 3,577,032</u>	<u>\$ 3,835,996</u>	<u>\$ 3,778,868</u>

NOTE 8 - ACCOUNTS PAYABLE

	2014	2013
Trade Accounts Payable	\$ 669,340	\$ 601,453
Contract Holdbacks Payable	51,177	-
Social Assistance Payable	3,665	32,247
Education Payable	603,274	455,072
Salaries and Wages Payable	<u>104,190</u>	<u>89,988</u>
	<u>\$ 1,431,646</u>	<u>\$ 1,178,760</u>

NOTE 9 - DUE TO GOVERNMENT

	2014	2013
Federal Government		
Canada Mortgage and Housing Corporation (CMHC)	\$ 6,160	\$ 20,361
Source Deductions	287	36,194
Sales Taxes	<u>-</u>	<u>18,458</u>
	<u>\$ 6,447</u>	<u>\$ 75,013</u>

Okanagan Indian Band

Notes to the Financial Statements
For the Year Ended March 31, 2014
(See Independent Auditor's Report)

NOTE 10 - EMPLOYEE BENEFIT OBLIGATIONS

	2014	2013
Vacation pay and overtime	\$ 118,665	\$ 94,722
Pension contributions	<u>783</u>	<u>781</u>
	<u><u>\$ 119,448</u></u>	<u><u>\$ 95,503</u></u>

The vacation pay and overtime consist of amounts that employees have earned and are entitled to within the next budgetary year.

Pension contributions consist of Band and employee contributions due to Okanagan Indian Band Pension Plan.

NOTE 11 - ROYALTIES PAYABLE

Royalties Payable to Funds Held in Trust, related to the sale of aggregates, are calculated at rates established by Band Council. A formal lease permit for the Eagle Rock Aggregates lands has not been established.

NOTE 12 - LONG-TERM LIABILITIES

	2014	2013
Mandell Pinder LLP	<u>\$ -</u>	<u>\$ 62,741</u>

NOTE 13 - SECURITY DEPOSITS

Security deposits are received from tenants of Band owned and CMHC social housing units.

Okanagan Indian Band

Notes to the Financial Statements

Notes to the Financial Statements March 31, 2014
(See Independent Auditor's Report)

NOTE 14 - LONG-TERM DEBT

	2014	2013
Phase 11 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$2,240 including interest at 2.53% per annum, mortgage term matures December 1, 2017, mortgage matures October 1, 2022 and is secured by ministerial guarantee.	216,140	239,531
Phase 12 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$3,268 including interest at 2.61% per annum, mortgage term matures September 1, 2014, mortgage matures August 1, 2024 and is secured by ministerial guarantee.	357,528	387,041
Phase 13 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$2,026 including interest at 1.80% per annum, mortgage term matures October 1, 2016, mortgage matures July 1, 2026 and is secured by ministerial guarantee.	268,785	288,085
Phase 14 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$1,665 including interest at 1.53% per annum, mortgage term matures December 1, 2017, mortgage matures July 1, 2027 and is secured by ministerial guarantee.	240,863	257,032
Phase 15 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$2,405 including interest at 1.81% per annum, mortgage term matures April 1, 2014, mortgage matures February 1, 2029 and is secured by ministerial guarantee.	377,190	399,032
Phase 16 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$2,431 including interest at 2.69% per annum, mortgage term matures August 1, 2015, mortgage matures July 1, 2025 and is secured by ministerial guarantee.	284,871	306,107
Phase 17 - Canada Mortgage and Housing Corporation Mortgage advances were repaid during the year.	-	<u>347,197</u>
Sub total	<u>1,745,377</u>	<u>2,224,025</u>

Okanagan Indian Band

Notes to the Financial Statements
 For the Year Ended March 31, 2014
(See Independent Auditor's Report)

NOTE 14 - LONG-TERM DEBT (continued)

	2014	2013
Balance Forward:	<u>1,745,377</u>	<u>2,224,025</u>
Phase 18 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$6,556 including interest at 2.17% per annum, mortgage term matures December 1, 2015, mortgage matures November 1, 2035 and is secured by ministerial guarantee.	1,351,687	1,400,586
Phase 19 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$1,930 including interest at 2.11% per annum, mortgage term matures January 1, 2019, mortgage matures November 1, 2033 and is secured by ministerial guarantee.	372,728	386,825
Winfield Infrastructure - Bank of Montreal demand loan bearing monthly interest at prime rate plus 1% per annum and repayable in annual installments of \$50,000 commencing April 30, 2014. The bank has advised that it will not call the loan within the next year.	600,000	600,000
Winfield 15 Units - Bank of Montreal demand loan payable in monthly installments of \$3,134 including interest at prime rate plus 1% per annum payable monthly. The bank has advised that it will not call the loan within the next year.	327,581	351,567
Six Mile Mould Remediation - Bank of Montreal demand loan payable in monthly installments of \$1,594 including interest at prime rate plus 1% per annum payable monthly. The bank has advised that it will not call the loan within the next year.	140,760	153,180
Six Mile Renovation Costs - Bank of Montreal demand loan accrued proceeds to be fully advanced subsequent to year end up to the amount of \$999,000. During construction, monthly interest is payable at prime rate plus 1% per annum. Upon completion, the loan will be repaid in monthly blended instalments over a 20 year period. The bank has advised that it will not call the loan within the next year.	745,419	-
Six Mile Infrastructure Costs - Bank of Montreal demand loan accrued proceeds to be fully advanced subsequent to year end up to the amount of \$352,000. During construction, monthly interest is payable at prime rate plus 1% per annum. Upon completion, the loan will be repaid in monthly blended instalments over a 20 year period. The bank has advised that it will not call the loan within the next year.	160,649	-
Sub total	<u>5,444,201</u>	<u>5,116,183</u>

Okanagan Indian Band

Notes to the Financial Statements
For the Year Ended March 31, 2014
(See Independent Auditor's Report)

NOTE 14 - LONG-TERM DEBT (continued)

	2014	2013
Balance Forward:	<u>5,444,201</u>	<u>5,116,183</u>
Six Mile Management Costs - Bank of Montreal demand loan accrued proceeds to be fully advanced subsequent to year end up to the amount of \$100,000. During construction, monthly interest is payable at prime rate plus 1% per annum. Upon completion, the loan will be repaid in monthly blended instalments over a 20 year period. The bank has advised that it will not call the loan within the next year.	80,567	-
Aboriginal Affairs and Northern Development Canada Native Claims Loan Agreement payable, without interest, on the date on which the Commonage claim is settled.	332,659	332,659
Aboriginal Affairs and Northern Development Canada Native Claims Loan Agreement payable, without interest, on the date on which the Colonial claim is settled.	<u>205,122</u>	<u>88,160</u>
	<u><u>\$ 6,062,549</u></u>	<u><u>\$ 5,537,002</u></u>

Principal payments over the next five years are estimated as follows:

2015	\$ 307,000
2016	342,000
2017	350,000
2018	895,781
2019	365,000

Okanagan Indian Band

Notes to the Financial Statements
For the Year Ended March 31, 2014
(See Independent Auditor's Report)

NOTE 15 - TANGIBLE CAPITAL ASSETS

	2014			2013
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 1,103,666	\$ -	\$ 1,103,666	\$ 1,103,666
Buildings	14,576,721	3,549,663	11,027,058	12,369,325
Infrastructure	5,067,871	125,165	4,942,706	2,409,418
Equipment	<u>4,418,785</u>	<u>3,586,286</u>	<u>832,499</u>	<u>861,607</u>
	<u><u>\$ 25,167,043</u></u>	<u><u>\$ 7,261,114</u></u>	<u><u>\$ 17,905,929</u></u>	<u><u>\$ 16,744,016</u></u>

Obsolete machinery and equipment with a total cost of \$540,259 and total accumulated amortization of \$504,057 was written off through an increase to amortization of \$36,202.

During the year, social housing construction costs with a net book value of \$980,733 were transferred to inventory for resale.

NOTE 16 - BAND ACCUMULATED SURPLUS

Band accumulated surplus consists of individual fund balances. The use of certain surpluses have specific requirements.

Okanagan Indian Band
Notes to the Financial Statements
For the Year Ended March 31, 2014
(See Independent Auditor's Report)

NOTE 17 - HOUSING REPLACEMENT RESERVES

	Phase 1	Phase 2	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8	Phase 9	Phase 10
CMHC Replacement Reserves									
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Provision	-	-	-	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-	-	-	-
Disbursements	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
 Okanagan Indian Band Replacement Reserves									
Beginning Balance	504	22,923	30,213	22,225	49,268	44,318	135,649	57,925	147,502
Current Provision	-	-	-	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-	-	-	-
Disbursements	504	22,923	3,642	7,416	8,211	-	56,352	22,806	47,870
Total	-	-	26,571	14,809	41,057	44,318	79,297	35,119	99,632
	\$ -	\$ -	\$ 26,571	\$ 14,809	\$ 41,057	\$ 44,318	\$ 79,297	\$ 35,119	\$ 99,632

Okanagan Indian Band
Notes to the Financial Statements
For the Year Ended March 31, 2014
(See Independent Auditor's Report)

Phase 11	Phase 12	Phase 13	Phase 14	Phase 15	Phase 16	Phase 17	Phase 18	Phase 19	Total
\$ 157,201	\$ 118,966	\$ 81,158	\$ 64,134	\$ 58,910	\$ 45,470	\$ 259	\$ 53,272	\$ 23,039	\$ 602,409
8,759	9,000	6,000	5,040	6,000	6,000	-	15,000	5,000	60,799
4,205	3,182	2,171	1,715	1,576	1,216	-	1,425	616	16,106
1,207	6,524	4,733	-	13,148	428	259	-	127	26,426
168,958	124,624	84,596	70,889	53,338	52,258	-	69,697	28,528	652,888
-	-	-	-	-	-	-	-	-	510,527
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	169,724
-	-	-	-	-	-	-	-	-	340,803
\$ 168,958	\$ 124,624	\$ 84,596	\$ 70,889	\$ 53,338	\$ 52,258	\$ -	\$ 69,697	\$ 28,528	\$ 993,691

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Notes to the Financial Statements
For the Year Ended March 31, 2014
(See Independent Auditor's Report)

NOTE 18 - MEMBERS' EQUITY IN TANGIBLE CAPITAL ASSETS

	2014	2013
Balance, Beginning of the Year	\$ 11,627,831	\$ 10,046,080
Tangible Capital Assets Purchased	2,801,918	2,175,187
Proceeds from Long Term Debt	(160,649)	(230,450)
Disposals at Net Book Value	(4,846)	8,566
Tangible Capital Assets Transferred to Inventory for Resale	(980,733)	-
Principal Repayment of Long Term Debt	578,050	221,056
Amortization	(654,407)	(592,608)
Balance, End of the Year	<u>\$ 13,207,164</u>	<u>\$ 11,627,831</u>

NOTE 19 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

NOTE 20 - FINANCIAL INSTRUMENTS

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Band has a significant number of customers which minimizes the concentration of credit risk.

Fair Value

The Band's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates its fair value due to the immediate or short-term maturity of these instruments.

The carrying value of the long-term debt approximates the fair value as the interest rates are consistent with the current rates offered to the Band for debt with similar terms.

Liquidity Risk

Liquidity risk is dependent on receipt of government funds and other revenue sources to be able to pay liabilities as they become due.

Okanagan Indian Band
Notes to the Financial Statements
For the Year Ended March 31, 2014

Note 21 Segmented Disclosure

	2014				Total 2014
Revenue	Social Development	Health Services	Education	Other	Housing
AANDC	\$ 1,999,262	\$ -	\$ 2,868,306	\$ 3,949,030	\$ 8,816,598
Health Canada	-	\$ 1,135,206	-	-	1,135,206
Province of BC	126,288	21,433	628,062	890,638	1,666,422
Other Income	75,982	4,311	257,348	3,434,216	4,425,392
Total Revenues	<u>2,201,532</u>	<u>1,160,951</u>	<u>3,753,716</u>	<u>8,273,885</u>	<u>16,043,618</u>
Expenditures					
Salaries and Benefits	465,138	744,359	1,071,404	1,929,545	55,054
Debt Servicing	-	-	-	39,640	82,963
Amortization	-	-	-	-	206,864
Other Expenses	1,600,457	459,027	2,710,834	6,738,324	221,910
Total Expenses	<u>2,065,595</u>	<u>1,203,386</u>	<u>3,782,237</u>	<u>8,707,509</u>	<u>566,791</u>
Annual surplus (deficit)	135,937	(42,435)	(28,521)	(433,624)	86,743
Surplus (deficit) beginning of year	113,096	(66,938)	1,507,244	(506,079)	(139,669)
Ending surplus (deficit)	<u>\$ 249,033</u>	<u>\$ (109,372)</u>	<u>\$ 1,478,722</u>	<u>\$ (939,703)</u>	<u>\$ (52,926)</u>
					<u>625,754</u>

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Okanagan Indian Band
Notes to the Financial Statements
For the Year Ended March 31, 2014

Note 21 Segmented Disclosure

	2013				Total 2013
Revenue	Social Development	Health Services	Education	Other	Housing
ANDC	\$ 1,860,997	\$ 1,174,249	\$ 2,868,764	\$ 3,070,451	\$ 7,800,212
Health Canada	-	-	-	-	1,174,249
Province of BC	133,120	25,157	569,893	2,632,090	3,360,261
Other Income	11,184	34,575	338,707	1,493,194	2,502,971
Total Revenues	2,005,301	1,233,981	3,777,364	7,195,735	14,837,692
Expenditures					
Salaries and Benefits	368,988	789,389	980,318	1,464,097	77,691
Debt Servicing	-	-	-	14,934	102,033
Mortization	-	-	-	-	116,966
Other Expenses	1,555,101	526,636	2,589,474	4,760,516	198,378
Total Expenses	1,924,088	1,316,024	3,569,792	6,239,547	9,732,269
Annual surplus (deficit)	81,212	(82,044)	207,572	956,188	(53,332)
Surplus (deficit) beginning of year	31,884	15,106	1,299,672	(1,462,268)	(86,337)
Ending surplus (deficit)	\$ 113,096	\$ (66,938)	\$ 1,507,244	\$ (506,079)	\$ (139,669)
					\$ 907,653

Okanagan Indian Band

**Notes to the Financial Statements
For the Year Ended March 31, 2014**
(See Independent Auditor's Report)

NOTE 22 - CONTINGENT LIABILITY

Provision for unclaimed Land Claims resulting from the 1985 settlement was written off to the Band Revenue Fund following the May 8, 2012 Chief and Council meeting. The maximum unrecorded liability is \$156,450. The Band maintains a listing of member claims, and will expense any future claims in the year of distribution

NOTE 23 - COMMITMENTS

During the year, the Band withdrew \$329,329 from the Ottawa Trust Fund Revenue Account to fund Band operated housing replacement reserves. Of the \$169,727 in replacement reserve disbursements, the Band paid out \$36,474 in replacement reserves directly to Band members, disbursed \$63,153 towards eligible renovation and maintenance costs and recovered \$70,100 of social housing rents receivable. The Band has committed the remaining \$229,702 to payout further replacement reserve disbursements in subsequent years.