

Okanagan Indian Band

Financial Statements

March 31, 2015

(See Independent Auditor's Report)

Okanagan Indian Band

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Year Ended March 31, 2015**

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Management's Responsibility for Financial Reporting

The accompanying financial statements of 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, CPA's in accordance with Canadian generally accepted auditing standards.

Councillor

July 28, 2015

Vernon, B.C.

INDEPENDENT AUDITOR'S REPORT

To the Members of Okanagan Indian Band

We have audited the accompanying financial statements of Okanagan Indian Band, which comprise the statement of financial position as at March 31, 2015, and the statements of fund balances, operations, cash flow and changes in net financial assets (net debt) 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 financial statements in accordance with Canadian Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 financial statements of this amortization method has not been determined.

As explained in Note 1 to the financial statements, certain capital assets have not been recorded in accordance with Canadian Public Sector Accounting Standards. The affect on the 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 financial statements present fairly, in all material respects, the financial position of Okanagan Indian Band as at March 31, 2015, 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 left and "Robinson" on the right, connected by a flourish.

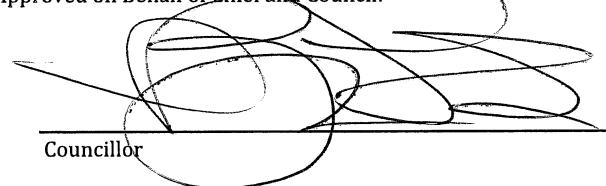
Clark, Robinson
Chartered Professional Accountants

Vernon, British Columbia
July 28, 2015

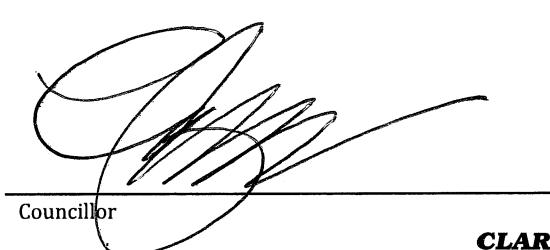
Okanagan Indian Band
Consolidated Statement of Financial Position
March 31, 2015
(See Independent Auditor's Report)

	2015	2014
Financial assets		
<i>Cash and equivalents (Note 2)</i>	2,117,524	1,558,098
<i>Accounts receivable (Note 3)</i>	152,904	1,111,919
<i>Loan receivable (Note 4)</i>	244,140	-
<i>Due from Government (Note 5)</i>	313,058	965,465
<i>Inventory for resale (Note 6)</i>	474,980	1,599,886
<i>Investment in Band-owned entities (Note 7)</i>	3,497,176	3,499,780
<i>Funds held in Ottawa Trust (Note 8)</i>	4,223,200	3,835,996
Total financial assets	11,022,982	12,571,144
Financial liabilities		
<i>Accounts payable (Note 9)</i>	1,127,513	1,431,646
<i>Due to Government (Note 10)</i>	36,674	6,447
<i>Employee benefit obligations (Note 11)</i>	129,688	119,448
<i>Royalties payable (Note 12)</i>	793,430	793,430
<i>Security deposits (Note 13)</i>	18,675	17,738
<i>Long-term debt (Note 14)</i>	4,967,474	6,062,549
Total liabilities	7,073,453	8,431,258
Net financial assets (liabilities)	3,949,529	4,139,886
Non-financial assets		
<i>Tangible capital assets (Note 15)</i>	18,282,146	17,905,929
<i>Inventories of supplies</i>	53	53
<i>Prepaid expenses</i>	85,628	116,495
Total non-financial assets	18,367,828	18,022,478
Accumulated surplus	\$ 22,317,357	\$ 22,162,363
<u>Accumulated surplus, as represented by:</u>		
Unrestricted net assets		
<i>Band accumulated surplus, beginning of year</i>	586,559	868,458
<i>Current year deficit</i>	(1,308,862)	(281,900)
<i>Band accumulated surplus (deficit), end of year (Note 16)</i>	(722,303)	586,559
<i>Equity in investments in band-owned entities</i>	3,497,176	3,499,779
Restricted net assets		
<i>CMHC housing reserves (Note 17)</i>	891,275	993,691
<i>Equity in Ottawa Trust Funds</i>	4,223,200	3,835,996
<i>Restricted capital surplus</i>	39,195	39,195
Equity in tangible capital assets		
<i>Equity in tangible capital assets (Note 18)</i>	14,388,814	13,207,143
Contingent Liability (Note 23)	\$ 22,317,357	\$ 22,162,363

Approved on Behalf of Chief and Council:



Councillor



CLARK
ROBINSON

Okanagan Indian Band
Statement of Changes in Fund Balances
For the Year Ended March 31, 2015
(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 recoveries (reimbursements)	Fund balance, end of the year
C1 General Band Revenue	-	1,965,634	(288,558)	1,677,076	2,532,056	(854,980)	3,264,858	-	2,409,877
C2 Band Support Funding	568,530	35,900	158,145	762,575	741,667	20,908	65,172	-	86,080
C3 Governance Bylaw Development	-	-	692	692	-	692	(692)	-	-
C4 Band Employee Benefits	119,358	-	642	120,000	177,025	(57,025)	(17,210)	-	(74,235)
C5 Land Claims	-	-	13,080	13,080	19,331	(6,251)	(551,724)	-	(557,976)
C6 Colonial Specific Claims	-	100,115	-	100,115	179,060	(78,945)	(192,712)	-	(271,657)
C7 Ottawa Trust Funds	-	1,325	-	15,551	16,248	(697)	40,621	-	39,925
C8 Indian Registry	14,226	580	-	35,780	130,515	(94,735)	255,826	-	161,091
C9 Education Ancillary Support	35,200	67,355	-	67,355	73,911	(6,556)	114,157	-	107,601
C10 Education FNESC School Funding	643,361	92,954	(321,951)	414,364	374,510	39,854	476,383	-	516,237
C11 Education Instructional Services Formula Immersion	-	-	-	-	-	-	-	-	-
C12 Education Enhanced Teachers Salaries Band Op	74,635	-	(40,968)	33,667	16,350	17,317	21,947	-	39,264
C13 Education Comprehensive Ed Support Services	-	-	165,723	165,723	125,777	39,946	187,676	-	227,622
C14 Education Reciprocal Tuition	16,500	-	-	16,500	24,647	(8,147)	19,019	-	10,872
C15 Education Financial Assistance Allowance	27,336	-	83,748	111,084	1,140	109,944	29,138	-	139,082
C16 Education Guidance and Counseling	234,317	-	-	234,317	234,317	-	(2,778)	-	(2,778)
C17 Education Private Schools	742,044	-	(42,780)	699,264	661,326	37,938	(0)	-	37,938
C18 Education Post Sec Student Support	974,876	-	-	974,876	974,876	-	(8,245)	-	(8,245)
C19 Education Tuition Agreement	-	-	(29,551)	(29,551)	35,359	(64,910)	-	-	(64,910)
C20 Education Student Transportation Services	-	3,000	-	3,000	18,132	(15,132)	63,855	-	48,723
C21 Education FNESC Community Funding	-	33,000	5,000	38,000	40,728	(2,738)	(23,647)	-	(23,647)
C22 Education Language Nest	-	14,000	-	14,000	5,496	8,504	5,477	-	13,981
C23 Education Kekuli Project	-	222,613	249,557	472,170	408,461	63,709	328,499	-	392,208
C24 Education Early Childhood Education	-	324,590	(203,672)	120,918	120,918	-	(20,291)	-	(20,291)
C25 Education OTDC	-	120,388	20,144	140,532	120,388	20,144	(25,021)	-	(4,876)
C26 Health Planning and Management	-	36,088	-	36,088	36,052	36	(4,722)	-	(4,686)
C27 Health Facilities and Capital Program	-	9,900	-	9,900	53,629	(43,729)	25,847	-	(17,883)
C28 Health ONA Truth and Reconciliation	-	104,519	-	104,519	110,135	(5,616)	5,616	-	0
C29 Health Aboriginal Head Start	-	26,437	-	26,437	42,857	(16,420)	16,420	-	0
C30 Health Prenatal Nutrition	-	49,366	-	49,366	37,607	(11,759)	(11,759)	-	0
C31 Health Mental Health Crisis Mgmt	-	19,675	-	19,675	17,821	1,854	(1,854)	-	0
C32 Health Solvent Abuse Program	-	85,218	(26,636)	58,522	85,218	(26,636)	26,696	-	0
C33 Health Brighter Futures	-	90,302	-	90,302	70,367	19,935	(47,407)	-	(27,473)
C34 Health Native Alcohol and Drug Abuse	-	34,878	-	34,878	37,729	(2,851)	2,851	-	0
C35 Health Aboriginal Diabetes Initiatives	-	280,553	(26,977)	253,576	280,560	(26,984)	26,977	-	(7)
C36 Health Community Injury Illness Prevention	-	2,815	-	2,815	2,692	123	(26)	(97)	(0)
C37 Health Blood Borne Disease and Sexually Trans Infections	-	45,023	-	45,023	45,022	1	1,926	(1,927)	0
C38 Health Drinking Water Safety	-	265,425	71,916	337,341	197,336	(144,534)	(18,244)	18,244	(5,129)
C39 Health FN Home and Community Care	-	-	(18,244)	-	-	9,300	790	6,505	16,595
C40 Health Interior Health	-	50,157	-	50,157	40,857	-	-	-	-

The accompanying notes are an integral part of these financial statements

Amounts may not add due to rounding

Okanagan Indian Band
Statement of Changes in Fund Balances
For the Year Ended March 31, 2015
(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 recoveries (reimbursements)	Fund balance, end of the year
C42 SA Service Delivery	93,667	-	24,859	118,526	129,614	(11,089)	79,383	-	68,295
C43 SA Centre of Excellence	-	-	(82,117)	(82,117)	-	(82,117)	82,117	-	-
C44 SA Active Measures	318,289	-	(14,009)	304,280	381,669	(77,389)	77,389	0	0
C45 SA Basic Needs	1,184,098	-	-	1,184,098	1,090,390	93,708	(2,755)	(93,694)	(2,741)
C46 SA Child Out of Parental Home	27,589	-	-	27,589	7,557	20,032	-	(20,032)	-
C47 SA Special Needs	42,326	-	-	42,326	42,326	-	(3,531)	(3,531)	(3,531)
C48 SA for Employment and Training	-	-	-	-	-	-	126	-	126
C49 SA National Child Benefit Reinvestment	129,209	50,000	-	129,209	129,209	-	(1,506)	-	(1,506)
C50 Health Interior Health AHIP 1 Red Rd	-	9,693	-	50,000	34,188	15,812	585	-	16,397
C51 SA Family Support	117,352	-	-	9,693	41,448	(31,755)	36,877	-	5,121
C52 SA In-Home Care	20,709	-	(24,859)	117,352	-	(4,150)	(20,426)	(20,054)	(40,480)
C53 SA In-Home Care Service Delivery	-	135,237	-	(4,150)	135,237	-	4,150	-	0
C54 Ministry of Children and Families	-	6,700	-	135,237	135,113	124	(2,791)	-	(2,667)
C55 OH Administration	-	-	6,700	310,503	(303,803)	(921,808)	-	-	(1,225,611)
C56 OH Emergency Preparedness	-	-	-	-	-	-	-	-	-
C57 OH Buildings	16,842	37,293	82,343	136,478	504,118	(367,640)	(429,041)	-	(796,681)
C58 OH Roads and Bridges	114,009	-	-	114,009	120,818	(6,809)	54,488	-	47,679
C59 OH Domestic Water	110,942	-	-	110,942	89,833	21,109	0	-	21,109
C60 OH Wastewater Systems	4,732	-	-	4,732	10,078	(5,346)	(32,174)	-	(37,520)
C61 OH Fire Protection	18,903	8,800	-	27,703	35,323	(7,620)	(21,820)	-	(29,439)
C62 OH Training - Fire Protection	21,000	-	-	21,000	7,680	13,320	9,721	-	23,041
C63 OH Emergency Flooding	-	-	-	-	-	-	(374)	-	(374)
C64 OH Community Parks	-	9,800	-	9,800	20,697	(10,897)	(15,123)	-	(26,021)
C65 OH Church and Cemeteries	-	-	-	-	9,372	(9,372)	(18,809)	-	(28,181)
C66 OH Municipal Services	94,679	-	-	94,679	98,939	(4,260)	(23,658)	-	(27,918)
C67 OH Mun Services CMNS 8027 Six Mile Crk Subdivision	-	-	19,566	19,566	-	19,566	-	(19,566)	-
C68 OH Outside Work	-	1,225	-	1,225	2,381	(1,156)	(1,849)	-	(3,005)
C69 OH Six Mile Subdivision 15 Lot Completion	-	-	-	-	68,539	(68,539)	8,711	-	(59,828)
C70 OH Special Services ACRS	-	-	-	-	-	-	0	-	0
C71 OH Special Services Pinaus Dam	753,766	-	193	57,551	753,766	716,928	36,838	(55,282)	(18,445)
C72 OH Equipment Lease	-	87,176	-	-	57,744	23,536	34,207	-	14,487
C73 OH Land Management RLAP	48,500	-	-	-	87,176	107,505	(20,329)	73,716	53,387
C74 OH Land Use Planning	-	-	-	-	48,500	101,627	(55,127)	94,563	31,437
C75 OH Environment Site Assessment	-	100,527	0	-	100,527	114,478	(13,951)	158,077	(144,126)
C76 OH Band Owned Housing	-	-	-	-	-	-	-	-	-
C77 OH Six Mile Housing 6 Unit Completion	-	41,465	11,806	53,271	53,271	-	(10,987)	-	(10,987)
C78 CMHC Housing Section 56.1	-	538,336	-	538,336	551,995	(13,659)	(74,738)	-	(88,397)
C79 CMHC Housing Section 95	-	-	-	-	-	-	(229,087)	-	(229,087)
C80 OH Health Building - Capital	-	-	-	-	-	-	(65,057)	-	(117,917)
C81 OH Bradley Creek DWS Improvement - Capital	-	-	-	-	-	-	(52,861)	-	(11,688)
C82 OH Other Capital Projects	-	-	-	-	-	-	-	-	-
C83 OH Capital Planning	-	-	-	-	-	-	-	455	455

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

Okanagan Indian Band
Statement of Changes in Fund Balances
For the Year Ended March 31, 2015
(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 recoveries (reimbursements)	Fund balance, end of the year
C84 OI/H Phase 4 Reno - Capital	-	-	-	560,628	560,628	-	21,461	-	21,461
C85 OI/H Winfield Infrastructure - Capital	-	-	-	-	-	(57,664)	-	-	(119,632)
C86 OI/H Restricted Capital Surplus	-	-	-	-	-	39,195	-	-	39,195
C87 OI/H Social Housing Construction Consolidated	-	-	(19,566)	(19,566)	-	-	(1,703,789)	-	(1,703,789)
C88 OI/H Louis Creek Subdivision - Capital	-	-	-	-	-	(19,566)	-	-	(19,566)
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	-	-	-	-	-	-	(176,523)	-	(176,523)
C93 OI/H Individual Subsidy - Capital	72,957	-	-	72,957	24,397	48,560	-	-	48,560
C94 EcDev Program CEDP	95,304	-	-	95,304	64,952	30,352	164,681	-	195,033
C95 OI/H Six Mile Contractor/Manager 2014	-	169,093	-	169,093	175,102	(6,009)	6,011	-	-
C96 EcDev UXO Project	-	-	-	-	-	-	-	-	2
C97 EcDev Management	-	-	-	-	-	-	-	-	-
C98 EcDev Clean Energy Fund	-	-	-	-	-	6,061	(6,061)	2,286	(3,775)
C99 Education Ahor Lang Initiative	-	20,000	(20,000)	-	20,000	(20,000)	9,729	-	(10,271)
C100 EcDev Paragon Site Master Plan	-	-	30,287	30,287	30,087	200	(200)	-	-
C101 EcDev Swan Lake North Development	-	-	12,000	12,000	12,000	-	67,123	-	67,123
C102 Education First Peoples Cultural Council	-	-	15,000	15,000	13,478	1,522	(649)	-	872
C103 Education Story of Our Ways	-	88,875	-	88,875	46,483	42,392	22,625	-	65,017
C104 Territorial Stewardship	-	927,541	31,909	959,451	921,714	37,737	214,216	-	251,953
C105 EcDev N'Kwala Industrial Park	-	-	-	-	-	-	(13,956)	-	(13,956)
C106 EcDev ERA	-	3,133	-	3,133	38,804	(35,671)	(493,758)	-	(529,429)
C107 TSD BCCL AANDC	-	-	3,091	3,091	3,091	-	-	-	-
C108 SA Pre-Employment	150,000	-	-	150,000	36,126	113,874	-	-	113,874
C109 Naut'a Mawt'liiwa Tribal Council	-	-	75,982	75,982	3,610	72,372	-	-	72,372
C110 AHIP - Traditional Foods	-	35,000	-	35,000	24,975	10,025	-	-	10,025
C111 EcDev Community	392,440	-	(392,440)	-	-	-	-	-	-
C112 EcDev Duck Infrastructure	-	-	10,706	10,706	10,706	-	-	-	-
C113 Education FPCC Immersion School	-	-	-	-	-	-	-	-	-
C114 Education FNESC Skills Link Program	-	18,685	-	18,685	-	18,782	(96)	-	(96)
C115 Education Master/Apprentice Program	-	14,300	-	14,300	9,130	5,170	-	-	5,170
C116 Education Language/Health Partnership Grant	-	10,000	-	10,000	-	10,000	-	-	10,000
C117 OI/H Multi Year Housing Planning	49,400	-	16,200	65,600	19,441	46,159	-	-	46,159
C118 OI/H Cecil Louis Mold Reno	23,989	-	-	23,989	18,518	5,471	-	-	5,471
C119 OI/H Barry Jones Mold Reno	24,318	-	-	24,318	24,123	195	-	-	195
C120 OI/H Tierney Gregoire Mold Reno	24,317	-	-	24,317	24,872	(555)	-	-	(555)
C121 OI/H John Ram Reno	24,316	-	-	24,316	24,478	(162)	-	-	(162)
C122 OI/H Josie Saddleman Mold Reno	23,249	-	-	23,249	19,780	3,469	-	-	3,469
C123 OI/H Lyhanna Logam Mold Reno	6,893	-	-	6,893	9,238	(2,345)	-	-	(2,345)
C124 OI/H Martha Simpson	-	-	-	-	477	(477)	-	-	(477)
C125 OI/H Special Services ACRS 2014	60,988	-	-	60,988	22,950	38,038	-	-	38,038

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

Okanagan Indian Band
Statement of Changes in Fund Balances
 For the Year Ended March 31, 2015
 (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 recoveries (reimbursements)	Fund balance, end of the year
<i>C126 OI/H Planning Design/Construction Social Hsg 06/07</i>	168,188	-	(168,188)	-	-	-	-	-	-
<i>C127 OI/H CPMS 11159 Water/Wastewater Master Plan</i>	137,357	-	-	137,357	29,548	107,809	-	-	107,809
<i>C128 OI/H Land and Resources Development</i>	100,000	-	-	100,000	-	100,000	-	-	100,000
Totals	\$ 8,186,673	\$ 6,128,920	\$ 0	\$ 14,315,593	\$ 15,475,599	\$ (1,159,906)	\$ 625,754	\$ (148,855)	\$ (633,108)
Fund Balances consist of:									
Band accumulated surplus (deficit), unrestricted - To Statement A							\$ 586,559		\$ (722,303)
Accumulated surplus, restricted - To Statement A							39,195		39,195
							<u>\$ 625,754</u>		<u>\$ (633,108)</u>
Total revenue and interfund transfers									
Total funding recoveries and reimbursements									
Total revenue net of recoveries and reimbursements									
Year to date surplus (deficit)									
Less funding recoveries (reimbursements)							\$ (1,159,906)		
Current year surplus (deficit) - To Statement A							<u>(148,855)</u>		<u>(148,855)</u>
							<u>\$ 14,166,728</u>		<u>\$ (1,308,862)</u>

Fund Balances consist of:
 Band accumulated surplus (deficit), unrestricted - To Statement A
 Accumulated surplus, restricted - To Statement A

 Total revenue and interfund transfers
 Less funding recoveries and reimbursements
 Total revenue net of recoveries and reimbursements

 Year to date surplus (deficit)
 Less funding recoveries (reimbursements)
 Current year surplus (deficit) - To Statement A

Okanagan Indian Band
Statement of Operations
For the Year Ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Federal government transfers for operating	8,306,767	9,366,345	7,993,620
Federal government transfers for capital	200,039	200,039	2,279,624
Provincial government transfers for operating	1,511,954	1,612,171	1,666,422
Rent	645,103	645,081	651,960
Income from portfolio investments	7,300	1,382	7,236
Other	1,935,826	2,341,710	2,464,023
Total Revenue net of recoveries and reimbursements	12,606,989	14,166,728	15,062,885
Expenses			
Education	3,163,183	3,169,641	3,444,633
Health	1,236,714	1,217,890	1,203,386
Economic development	341,493	677,159	312,939
Housing	263,269	349,622	276,963
Social services	1,835,828	2,134,559	2,065,595
Community services	776,146	889,804	785,327
Band Government	1,752,211	3,587,820	2,642,545
Employment programs	339,941	324,590	337,604
Public works	2,671,475	2,602,423	4,665,100
Interest	116,460	133,318	122,603
Land Claims	200,000	176,258	261,957
Amortization	212,364	212,506	206,864
Total Expenses	12,909,085	15,475,589	16,325,518
Annual surplus (deficit)	\$ (302,096)	(1,308,862)	(1,262,633)
Surplus (deficit) begining of year		625,754	907,654
Adjustment for social housing units transferred to inventory		-	980,733
Ending surplus (deficit)	\$ (683,108)	\$ 625,754	

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

**CLARK
ROBINSON**

Okanagan Indian Band

Statement of Cash Flow

For the Year Ended March 31, 2015

(See Independent Auditor's Report)

	2015	2014
Cash Provided By (Used For):		
Operating Activities		
<i>Increase (Decrease) in Accumulated Surplus for the Year</i>	\$ 154,993	\$ 1,222,069
<i>Items not affecting cash:</i>		
<i>Gain on disposal of tangible capital assets</i>	-	(6,696)
<i>Amortization</i>	678,308	654,407
<i>Net decrease in Band-owned entities' Retained Earnings</i>	24,292	21,807
<i>Disposal of tangible capital assets</i>	60,806	4,864
<i>Transfer of tangible capital assets to inventory</i>	-	980,733
	918,399	2,877,184
<i>Changes in Non-Cash Working Capital:</i>		
<i>Trade, loan and government receivables</i>	1,367,281	(792,913)
<i>Change in estimate (Note 19)</i>	(380,213)	-
<i>Inventory</i>	1,124,906	(1,599,886)
<i>Prepaid expenses</i>	30,867	24,685
<i>Trade, government, payroll and deposit liabilities</i>	(262,730)	210,742
	2,798,511	719,812
Capital Transactions		
<i>Proceeds from disposal of tangible capital assets</i>	-	6,696
<i>Tangible capital assets acquired</i>	(1,115,331)	(2,801,918)
	(1,115,331)	(2,795,221)
Financing Transactions		
<i>Long term liabilities repaid</i>	-	(62,741)
<i>Proceeds from long term debt</i>	136,639	1,103,597
<i>Long term debt repaid</i>	(1,231,714)	(578,050)
<i>Change in estimate (Note 19)</i>	380,213	-
	(714,862)	462,805
Investing Transactions		
<i>Funds held in Ottawa trust</i>	(387,204)	(57,129)
<i>Net advances to Band-owned entities</i>	(21,688)	(8,581)
	(408,892)	(65,710)
Increase (Decrease) in cash and equivalents	559,426	(1,678,313)
Cash and Equivalents, Beginning of the Year	1,558,098	3,236,411
Cash and equivalents, end of the year	\$ 2,117,524	\$ 1,558,098
As Represented By:		
<i>Cash</i>	\$ 947,212	\$ 408,595
<i>Cash - restricted</i>	71,457	71,457
<i>Marketable securities - restricted</i>	1,098,855	1,078,046
	\$ 2,117,524	\$ 1,558,098

Okanagan Indian Band
Statement of Change in Net Financial Assets
For the Year Ended March 31, 2015
(See Independent Auditor's Report)

	2015	2014
Increase (Decrease) in Accumulated Surplus for the year	\$ 154,993	\$ 1,222,069
<i>Gain on disposal of tangible capital assets</i>	-	(6,696)
<i>Acquisition of tangible capital assets</i>	(1,115,331)	(2,801,918)
<i>Amortization of tangible capital assets</i>	678,308	654,407
<i>Disposal of tangible capital assets</i>	60,806	4,864
<i>Transfer of tangible capital assets to inventory</i>	-	980,733
<i>Proceeds on disposal of tangible capital assets</i>	-	6,696
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	(376,217)	(1,161,914)
<i>Acquisition of prepaid expense</i>	(85,628)	(116,495)
<i>Use of prepaid expense</i>	116,495	141,180
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	30,867	24,685
Increase (decrease) in net financial assets	(190,357)	84,841
Net financial assets beginning of the year	4,139,886	4,055,045
Net financial assets end of the year	\$ 3,949,529	\$ 4,139,886
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Okanagan Indian Band

Notes to the Financial Statements
For the Year Ended March 31, 2015
(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 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.

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 unaudited statements of Revenue and Expenditure.

CASH AND EQUIVALENTS

Cash and equivalents consist of bank deposits and highly liquid investments that are stated at market value.

INVENTORY FOR RESALE

Inventory for resale is stated at the lower of cost and estimated realizable value and consists of housing units available for sale.

INVENTORY OF SUPPLIES

Inventory of supplies is stated at estimated realizable value and consists of processed aggregate.

continued...

Okanagan Indian Band

Notes to the Financial Statements
For the Year Ended March 31, 2015
(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 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

Interest earned on funds held in trust are accounted for on an accrual basis. All other revenue paid to funds in trust are recorded when received.

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 infrastructure, including roads, bridges and water systems, acquired prior to the 2011 fiscal year have not been recorded in accordance with Canadian Public Sector Accounting Standards.

continued...

Okanagan Indian Band

Notes to the Financial Statements
For the Year Ended March 31, 2015
(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%.
- Equipment - Declining balance basis at 20% and 30%.
- 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.

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.

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.

Interest income is recorded on a time proportional basis.

RETIREMENT BENEFIT

The Band maintains a defined contribution pension plan. Employee and Chief and Council contributions are deducted as a percentage of earnings and the Band matches employee and Chief and Council contributions. During the year, the Band contributed \$142,657 (2014 - \$109,790) 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, 2015 (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.

	2015	2014
Externally Restricted:		
CMHC Reserves	\$ 891,275	\$ 993,691
Internally Restricted:		
Restricted Band Accumulated Surpluses	<u>71,457</u>	<u>71,457</u>
Unrestricted:		
Band Operating	836,114	302,434
Social Housing Operating	278,005	141,618
Eagle Rock Aggregates	<u>40,673</u>	<u>48,898</u>
	<u>1,154,792</u>	<u>492,950</u>
Total Cash and Equivalents	<u><u>\$ 2,117,524</u></u>	<u><u>\$ 1,558,098</u></u>
Cash and Equivalents consist of:		
Cash	\$ 1,018,669	\$ 480,052
Marketable Securities	<u>1,098,855</u>	<u>1,078,046</u>
	<u><u>\$ 2,117,524</u></u>	<u><u>\$ 1,558,098</u></u>

Okanagan Indian Band

Notes to the Financial Statements
For the Year Ended March 31, 2015
(See Independent Auditor's Report)

NOTE 3 - ACCOUNTS RECEIVABLE

	2015	2014
Trade Accounts Receivable	\$ 231,846	\$ 167,167
Less Allowance for Doubtful Accounts	<u>(135,260)</u>	<u>(131,366)</u>
Net Trade Accounts Receivable	<u>96,586</u>	<u>35,801</u>
Social Housing Rents Receivable	223,038	257,591
Less Allowance for Doubtful Accounts	<u>(173,475)</u>	<u>(171,468)</u>
Net Social Housing Rents Receivable	<u>49,563</u>	<u>86,123</u>
Band Member Accounts Receivable	30,043	27,161
Less Allowance for Doubtful Accounts	<u>(23,288)</u>	<u>(23,801)</u>
Net Band Member Accounts Receivable	<u>6,755</u>	<u>3,360</u>
Loan Proceeds Receivable (Note 19)	<u>-</u>	<u>986,635</u>
	<u>\$ 152,904</u>	<u>\$ 1,111,919</u>

NOTE 4 - LOAN RECEIVABLE

Term loan receivable at 4.25% per annum in monthly blended instalments of \$1,322 commencing April 1, 2015 and maturing on March 1, 2020. The loan is secured by a personal guarantee.

	2015	2014
	<u>\$ 244,140</u>	<u>\$ -</u>

Okanagan Indian Band

Notes to the Financial Statements
For the Year Ended March 31, 2015
 (See Independent Auditor's Report)

NOTE 5 - DUE FROM GOVERNMENT

	2015	2014
Federal Government		
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ -	\$ 630,780
Canada Mortgage and Housing Corporation (CMHC)	11,015	11,117
Sales Taxes	<u>1,756</u>	<u>1,466</u>
	<u><u>12,771</u></u>	<u><u>643,363</u></u>
Provincial Government	<u><u>156,832</u></u>	<u><u>219,033</u></u>
Other Government Organizations		
Okanagan Nation Alliance (ONA)	29,358	25,840
Okanagan Training & Development Council (OTDC)	<u>114,097</u>	<u>77,228</u>
	<u><u>143,455</u></u>	<u><u>103,069</u></u>
	<u><u><u>\$ 313,058</u></u></u>	<u><u><u>\$ 965,465</u></u></u>

NOTE 6 - INVENTORY FOR RESALE

Inventory for resale comprises of two detached residential housing units.

	2015	2014
Balance, beginning of the year	\$ 1,599,886	\$ -
Additions	<u>415,150</u>	<u>1,806,718</u>
Sub-total	<u><u>2,015,036</u></u>	<u><u>1,806,718</u></u>
Inventory sold	(1,348,447)	-
Write-down to estimated net realizable value	(191,609)	(206,832)
Sub-total (C-1)	<u>(1,540,056)</u>	<u>(206,832)</u>
Balance, end of the year	<u><u>\$ 474,980</u></u>	<u><u>\$ 1,599,886</u></u>

Okanagan Indian Band

Notes to the Financial Statements
 For the Year Ended March 31, 2015
(See Independent Auditor's Report)

NOTE 7 - INVESTMENT IN BAND OWNED ENTITIES

	Okanagan Indian Band Land Holding Company Ltd.	631640 BC Ltd.	Okanagan Band Development Corporation	Swan Lake Industrial Park Ltd.	Okanagan Log Homes Inc.	ERA Aggregates Ltd.	Total
Shares	\$ <u>331,864</u>	\$ <u>1</u>	\$ <u>120</u>	\$ <u>12</u>	\$ <u>100</u>	\$ <u>120</u>	\$ <u>332,217</u>
Advances							
Opening Balance	1,504,152	2,182,900	(3,929)	3,071	(100)	(120)	3,685,974
Advances For Year	<u>6,688</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,688</u>
Closing Balance	1,510,840	2,197,900	(3,929)	3,071	(100)	(120)	3,707,662
Retained Earnings (deficit)							
Opening Balance	(518,021)	(5,065)	7,758	(3,083)	-	-	(518,411)
Net Income (Loss)	<u>(27,756)</u>	<u>-</u>	<u>3,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,292)</u>
Closing Balance	<u>(545,777)</u>	<u>(5,065)</u>	<u>11,222</u>	<u>(3,083)</u>	<u>-</u>	<u>-</u>	<u>(542,703)</u>
Total	\$ <u>1,296,927</u>	\$ <u>2,192,836</u>	\$ <u>7,413</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,497,176</u>

Okanagan Indian Band

Notes to the Financial Statements For the Year Ended March 31, 2015 (See Independent Auditor's Report)

NOTE 8 - 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. Receipts during the year are recognized as an increase in the equity in Ottawa Trust Fund balance. Transfers to the Band are recognized as revenue in the Ottawa Trust Fund statement of revenue and expenses (Statement C-7).

	Capital Account	Revenue Account	Total 2015	Total 2014
Balance, Beginning of the Year	\$ 258,964	\$ 3,577,032	\$ 3,835,996	\$ 3,778,868
Receipts During the Year				
Federal Government Interest	-	94,568	94,568	105,821
Province of B.C.	-	4,636	4,636	4,636
Permits and Leases	<u>-</u>	<u>288,000</u>	<u>288,000</u>	<u>276,000</u>
	258,964	3,964,236	4,223,200	4,165,325
Transfer to Okanagan Indian Band (Statement C 7)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(329,329)</u>
Balance, End of the Year	<u>\$ 258,964</u>	<u>\$ 3,964,236</u>	<u>\$ 4,223,200</u>	<u>\$ 3,835,996</u>

NOTE 9 - ACCOUNTS PAYABLE

	2015	2014
Trade Accounts Payable	\$ 355,827	\$ 669,340
Contract Holdbacks Payable	-	51,177
Social Assistance Payable	6,040	3,665
Education Payable	638,899	603,274
Salaries and Wages Payable	<u>126,747</u>	<u>104,190</u>
	<u>\$ 1,127,513</u>	<u>\$ 1,431,646</u>

NOTE 10 - DUE TO GOVERNMENT

	2015	2014
Federal Government		
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 31,021	\$ -
Canada Mortgage and Housing Corporation (CMHC)	5,653	6,160
Source Deductions	-	287
	<u>\$ 36,674</u>	<u>\$ 6,447</u>

Okanagan Indian Band

Notes to the Financial Statements
For the Year Ended March 31, 2015
(See Independent Auditor's Report)

NOTE 11 - EMPLOYEE BENEFIT OBLIGATIONS

	2015	2014
Vacation pay and overtime	\$ 129,624	\$ 118,665
Pension contributions	<u>64</u>	<u>783</u>
	<u><u>\$ 129,688</u></u>	<u><u>\$ 119,448</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 the Okanagan Indian Band Pension Plan.

NOTE 12 - 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 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, 2015

(See Independent Auditor's Report)

NOTE 14 - LONG-TERM DEBT

	2015	2014
Phase 11 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$2,240 including interest at 1.53% per annum, mortgage term matures December 1, 2017, mortgage matures October 1, 2022 and is secured by ministerial guarantee.	192,389	216,140
Phase 12 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$3,147 including interest at 1.82% per annum, mortgage term matures September 1, 2019, mortgage matures August 1, 2024 and is secured by ministerial guarantee.	326,657	357,528
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.	249,135	268,785
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.	224,450	240,863
Phase 15 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$2,424 including interest at 1.92% per annum, mortgage term matures April 1, 2019, mortgage matures February 1, 2029 and is secured by ministerial guarantee.	355,112	377,190
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.	<u>263,060</u>	<u>284,871</u>
Sub total	1,610,803	1,745,377

Okanagan Indian Band

Notes to the Financial Statements For the Year Ended March 31, 2015 (See Independent Auditor's Report)

NOTE 14 - LONG-TERM DEBT (continued)

	2015	2014
Balance Forward:	1,610,803	1,745,377
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.	1,301,722	1,351,687
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.	357,257	372,728
Winfield Infrastructure - Bank of Montreal demand loan was repaid during the year.	-	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. The bank has advised that it will not call the loan within the next year.	302,538	327,581
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. The bank has advised that it will not call the loan within the next year.	128,340	140,760
Six Mile Renovation Costs - Bank of Montreal demand loan payable in monthly installments of \$8,941 including interest at prime rate plus 1% per annum. The bank advised that it will not call the loan within the next year. (Note 4)	<u>593,464</u>	<u>986,635</u>
Sub total	4,294,124	5,524,768

Okanagan Indian Band
Notes to the Financial Statements
For the Year Ended March 31, 2015
(See Independent Auditor's Report)

NOTE 14 - LONG-TERM DEBT (continued)

	2015	2014
Balance Forward:	4,294,124	5,524,768
Royal Bank of Canada term loan payable in bi-weekly instalments of \$295 including interest at 1.99% per annum, loan matures on January 29, 2020 and is secured by a specified vehicle.	35,454	-
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>305,237</u>	<u>205,122</u>
	<u><u>\$ 4,967,474</u></u>	<u><u>\$ 6,062,549</u></u>

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

2016	\$ 323,000
2017	339,000
2018	349,000
2019	357,000
2020	370,000

Okanagan Indian Band

Notes to the Financial Statements

For the Year Ended March 31, 2015

(See Independent Auditor's Report)

NOTE 15 - TANGIBLE CAPITAL ASSETS

		2015		2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 1,237,789	\$ -	\$ 1,237,789	\$ 1,103,666
Buildings	14,420,075	3,777,502	10,642,573	11,027,058
Infrastructure	5,887,616	232,150	5,655,466	4,942,706
Equipment	<u>4,491,466</u>	<u>3,745,148</u>	<u>746,318</u>	<u>832,499</u>
	<u>\$ 26,036,946</u>	<u>\$ 7,754,800</u>	<u>\$ 18,282,146</u>	<u>\$ 17,905,929</u>

Obsolete machinery and equipment with a total cost of \$53,143 and total accumulated amortization of \$51,867 was written off through an increase to amortization of \$1,276.

NOTE 16 - BAND ACCUMULATED SURPLUS (DEFICIT)

Band accumulated surplus/(deficit) 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, 2015
(See Independent Auditor's Report)

NOTE 17 - HOUSING REPLACEMENT RESERVES

	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	26,571	14,809	41,057	44,318	79,297	35,119	99,632
Current Provision	-	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-	-
Disbursements	5,275	9,532	25,843	1,306	51,840	56	47,072
Total	21,296	5,277	15,214	43,012	27,457	35,063	52,560
	\$ 21,296	\$ 5,277	\$ 15,214	\$ 43,012	\$ 27,457	\$ 35,063	\$ 52,560

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Phase 11	Phase 12	Phase 13	Phase 14	Phase 15	Phase 16	Phase 18	Phase 19	Total
\$ 168,958	\$ 124,624	\$ 84,596	\$ 70,889	\$ 53,338	\$ 52,258	\$ 69,697	\$ 28,528	\$ 652,888
8,759	9,000	6,000	5,040	6,000	6,000	15,000	5,000	60,799
5,027	3,708	2,517	2,109	1,587	1,555	2,074	849	19,426
3,785	15,634	15,695	4,068	1,532	951	-	52	41,717
178,959	121,698	77,418	73,970	59,393	58,862	86,771	34,325	691,396
								340,803
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	140,924
-	-	-	-	-	-	-	-	199,879
\$ 178,959	\$ 121,698	\$ 77,418	\$ 73,970	\$ 59,393	\$ 58,862	\$ 86,771	\$ 34,325	\$ 891,275

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NOTE 18 - MEMBERS' EQUITY IN TANGIBLE CAPITAL ASSETS

	2015	2014
Balance, Beginning of the Year	\$ 13,207,143	\$ 11,627,831
Tangible Capital Assets Purchased	1,115,331	2,801,897
Proceeds from Long Term Debt	(36,524)	(160,649)
Disposals at Net Book Value	(60,806)	(4,846)
Tangible Capital Assets Transferred to Inventory for Resale	-	(980,733)
Principal Repayment of Long Term Debt	841,978	578,050
Amortization	<u>(678,308)</u>	<u>(654,407)</u>
Balance, End of the Year	<u><u>\$ 14,388,814</u></u>	<u><u>\$ 13,207,143</u></u>

NOTE 19 - CHANGE IN ESTIMATE

The financial statements contained an estimate of proceeds receivable from long term debt financing for the Six Mile housing renovation costs. The actual loan proceeds received were less than expected. Loan proceeds receivable for the year ended March 31, 2014 have been reduced by \$380,213 to reflect the actual amount received in the March 31, 2015 fiscal year. This change in estimate has no effect on the prior year surplus of net assets.

NOTE 20 - COMPARATIVE FIGURES

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

NOTE 21 - 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.

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Note 22 Segmented Disclosure

	Social Development	Health Services	Education	Other	Housing	Total 2015
Revenue						
AANDC (Net of Recoveries)	\$ 1,959,152	\$ -	\$ 2,748,269	\$ 3,325,906	\$ -	\$ 8,033,327
Health Canada	-	1,205,388	-	-	-	1,205,388
Province of BC	135,237	75,000	629,374	772,559	-	1,612,170
Other Income	-	29,837	280,578	2,353,996	651,432	3,315,843
Total Revenues net of recoveries and reimbursements	2,094,389	1,310,225	3,658,221	6,452,461	651,432	14,166,728
Expenditures						
Salaries and Benefits	523,533	803,176	987,304	2,105,322	59,129	4,478,464
Debt Servicing	-	-	-	58,821	74,497	133,318
Amortization	-	-	-	-	212,506	212,506
Other Expenses	1,611,026	414,714	2,182,337	6,152,731	290,493	10,651,301
Total Expenses	2,134,559	1,217,890	3,169,641	8,316,874	636,625	15,475,589
Annual surplus (deficit)	(40,170)	92,335	488,580	(1,864,413)	14,807	(1,308,862)
Surplus (deficit) beginning of year	249,033	(109,372)	1,478,722	(939,703)	(52,926)	625,754
Ending surplus (deficit)	\$ 208,863	\$ (17,037)	\$ 1,967,302	\$ (2,804,116)	\$ (38,119)	\$ (683,108)

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Note 22 Segmented Disclosure

	Social Development	Health Services	Education	Other	Housing	Total 2014
Revenue						
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 net of recoveries and reimbursements	2,201,532	1,160,951	3,753,716	8,273,885	653,534	16,043,618
Expenditures						
Salaries and Benefits	465,138	744,359	1,071,404	1,929,545	55,054	4,265,499
Debt Servicing	-	-	-	39,640	82,963	122,603
Amortization	-	-	-	-	206,864	206,864
Other Expenses	1,600,457	459,027	2,710,834	6,738,324	221,910	11,730,551
Total Expenses	2,065,595	1,203,386	3,782,237	8,707,509	566,791	16,325,518
Annual surplus (deficit)	135,937	(42,435)	(28,521)	(433,624)	86,743	(281,900)
Surplus (deficit) beginning of year	113,096	(66,938)	1,507,244	(506,079)	(139,669)	907,654
Ending surplus (deficit)	\$ 249,033	\$ (109,372)	\$ 1,478,722	\$ (939,703)	\$ (52,926)	\$ 625,754

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NOTE 23 - 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.