Little Shuswap Lake Indian Band

Financial Statements

For the year ended March 31, 2014

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For the year ended March 31, 2014

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Management's Responsibility for Financial Reporting

The accompanying financial statements of the Little Shuswap Lake Indian Band are the responsibility of management and have been approved by the Chief and another Band Councilor of the Band Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Little Shuswap Lake Indian Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Little Shuswap Lake Indian Band is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through its Finance review meetings.

The Chief and Council review the Band's financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also appoint the engagement of the external auditors.

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

Chief Councilor

Band Administrator

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BDO Canada LLP
300 - 272 Victoria Street
Kamloops BC V2C 1Z6 Canada

Independent Auditor's Report

To the Members
Little Shuswap Lake Indian Band

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 opinion.

Opinion

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

BDO Canada LLP

Chartered Accountants

Kamloops, British Columbia
July 29, 2014

Little Shuswap Lake Indian Band
Exhibit A - Consolidated Statement of Financial Position

As at March 31	2014	2013
Financial Assets		
Cash (Note 2)	**$ 3,638,035**	$ 3,057,803
Restricted cash (Note 3)	**1,489,744**	1,398,093
Accounts receivable (Note 4)	**1,545,961**	1,709,613
Inventory held for resale	**162,577**	96,137
Long-term investments (Note 5)	**150,002**	100,002
	6,986,319	6,361,648
Liabilities		
Accounts payable (Note 6)	**870,611**	700,367
Deferred revenue (Note 7)	**1,496,741**	1,479,877
Long term debt (Note 8)	**5,997,135**	6,399,751
Replacement reserve	**-**	33,624
	8,364,487	8,613,619
Net Debt	**(1,378,168)**	(2,251,971)
Non-financial Assets		
Prepaid expense	**31,355**	83,439
Capital assets (Note 9)	**26,446,285**	26,524,782
	26,477,640	26,608,221
Accumulated Surplus (Note 10)	**$ 25,099,472**	$ 24,356,250

Approved on behalf of the Band Council:

____________________ Chief Councilor

____________________ Band Administrator

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

Little Shuswap Lake Indian Band
Exhibit B - Consolidated Statement of Change in Net Debt

For the year ended March 31	Budget	2014	2013
Surplus - Exhibit C	$ (598,531)	$ **610,025**	$ 2,606,876
Purchases of tangible capital assets	-	**(1,061,557)**	(1,773,425)
Amortization of tangible capital assets	-	**1,159,085**	1,160,901
Change in accounting for investment	-	**-**	11,030
	-	**97,528**	(601,494)
Change in prepaid expense	-	**52,085**	27,766
Use of prepaid expenses	-	**(5,249)**	-
	-	**46,836**	27,766
Equity change in Ottawa Trust	-	**88,916**	46,148
Equity change in replacement reserve	-	**42,541**	(1,169)
Equity change in funded reserves	-	**(12,043)**	3,590
	-	**119,414**	48,569
Increase in net debt	(598,531)	**873,803**	2,081,717
Net assets (debt), beginning of year	(2,251,971)	**(2,251,971)**	(4,333,688)
Net debt, end of year	$ (2,850,502)	$ **(1,378,168)**	$ (2,251,971)

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

For the year ended March 31	Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	$ 1,971,983	**$ 2,091,608**	$ 2,911,831
Taxation	116,621	**733,016**	840,653
Fisheries and Oceans Canada	54,900	**54,900**	54,900
Province of British Columbia	343,085	**281,245**	211,949
Human Resources and Skills Development Canada	-	**1,170**	5,560
Canada Mortgage and Housing Corporation	-	**179,925**	206,085
Health Canada	381,501	**382,207**	569,008
Rental Income	242,200	**386,303**	395,442
Interest and investment income	25,000	**29,545**	23,328
Other income	2,181,372	**2,455,657**	3,060,965
Skwlax Investments Inc	4,263,167	**4,365,056**	4,302,756
Administration	360,000	**36,995**	27,453
	9,939,829	**10,997,627**	12,609,930
Expenses			
Administration	1,686,500	**1,760,496**	1,592,182
Membership	2,400	**2,473**	3,387
Education - Local Education Agreement	360,000	**322,343**	360,544
Education - Service Delivery	66,783	**63,184**	63,245
Education - Post Secondary	85,275	**126,646**	104,378
Daycare Operations	230,500	**211,212**	214,867
Health - Post Transfer	468,639	**434,858**	357,207
First Nations Health Authority	10,000	**9,000**	10,000
Mental Health Program	50,000	**44,468**	38,978
Dental Services	15,000	**21,165**	18,642
Social Assistance	635,800	**481,295**	675,877
Youth Program	71,132	**69,061**	57,247
Shuswap Training & Employment Program	56,500	**47,246**	61,460
FNESC	-	**3,694**	4,351
Community Works and Services	770,000	**758,458**	658,475
Community Health Programs	19,873	**18,542**	21,010
Band Fisheries	65,400	**76,155**	62,171
Taxation - Commodity	116,621	**155,119**	126,818
Property Taxation	302,050	**91,577**	176,208
Lands & Resources	187,600	**73,996**	61,846
Lands - RLEMP	74,526	**95,159**	74,526
Clean Energy	21,556	**21,556**	-
EM Proposal Writing	14,700	**14,730**	-
Housing Department	396,796	**379,070**	211,115
Strip Mall - Management	49,500	**28,942**	57,363
Drinking Water Safety Program	20,029	**20,735**	20,029
Forestry & Aboriginal Interests	52,800	**42,206**	14,858
BC Hydro Tender Project	-	**-**	157,978
BC Capacity	-	**-**	7,145
Economic Development	69,706	**69,706**	15,706
Social Housing Fund	-	**369,009**	398,519
Skwlax Investments Inc.	4,638,674	**4,636,017**	4,361,508
Capital Fund repairs and maintenance	-	**(60,516)**	15,414
	10,538,360	**10,387,602**	10,003,054
Surplus for the year	$ (598,531)	**$ 610,025**	$ 2,606,876

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

Little Shuswap Lake Indian Band
Exhibit D - Consolidated Statement of Cash Flows

For the year ended March 31	2014	2013
Operating activities		
Cash receipts from various sources	$ 11,148,598	$ 12,566,989
Cash paid to employees and suppliers	(8,898,519)	(8,659,718)
Interest paid	(207,042)	(250,020)
Interest earned	29,545	27,500
Cash flows from operating activities	2,072,582	3,684,751
Investing activities		
Purchase of capital assets	(1,061,557)	(1,773,426)
Increase (decrease) in investments	75,517	93,803
Change in contributed surplus	(12,043)	3,590
Cash flows from investing activities	(998,083)	(1,676,033)
Financing activity		
Repayment of long term debt, net of debt issuance	(402,616)	(531,979)
Net increase in cash and cash equivalents	671,883	1,476,739
Cash and cash equivalents, beginning of year	4,455,896	2,979,157
Cash and cash equivalents, end of year	$ 5,127,779	$ 4,455,896
Represented by:		
Cash	$ 3,638,035	$ 3,057,803
Restricted cash	1,489,744	1,398,093
	$ 5,127,779	$ 4,455,896

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

Basis of Presentation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook.

Program Accounting

The Little Shuswap Lake Indian Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the Consolidated Financial Statements. Details of the operations of each fund are set out in the supplementary schedules. The Little Shuswap Lake Indian Band maintains the following funds:

Operating Fund
Reports all government administration activities and related operating activities that are fully or partially funded by government or their agencies.

Capital Fund
Reports the capital assets of the Little Shuswap Lake Indian Band together with their related financing.

Trust Fund
Reports on trust funds held in trust for the Little Shuswap Lake Indian Band.

Social Housing Fund
Reports the assets, liabilities and activities of the Canada Mortgage and Housing Corporation ("CMHC") subsidized rental housing operations.

Reporting Entity and Principles

The Little Shuswap Lake Indian Band reporting entity includes the Little Shuswap Lake Indian Band government and all related entities which are accountable to the Little Shuswap Lake Indian Band and are either owned or controlled by the Little Shuswap Lake Indian Band.

The financial statements consolidate the assets, liabilities and results of operations for the following non-incorporated entities:

The Little Shuswap Lake Indian Band, which include the Operating, Capital, Trust and Social Housing Funds, and the following incorporated entity:

Skwlax Investments Inc., which has a year end of December 31, 2012. All amounts that have been consolidated are as of the December 31, 2012 year end date.

Reporting Entity and Principles (continued)

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not been necessarily eliminated on the individual schedules.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and bank balances, and lines of credit used for operating purposes.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that have an effect on the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization and are recorded in the Capital Fund. The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations through interfund transfers and matched with the applicable revenue source in the year of expenditure. Tangible capital asset acquisitions are also recorded as an addition to assets of the Capital Fund with a corresponding increase in equity in tangible capital assets.

Amortization is charged against tangible capital assets and equity in tangible capital assets on a straight-line basis at the following rates:

Automotive equipment	5 years
Buildings	20 to 50 years
Computer Software	3 years
Furniture and equipment	5 years
Water systems	15 to 25 years
Water wells	20 years

Revenue Recognition

Government grants and transfers, which include Federal funding agreements are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. When the eligibility criteria is not met, transfers received are reflected as deferred revenue in the year of receipt and classified as such on the Consolidated Statement of Financial Position.

Rental revenue is recognized when a tenant commences occupancy and rent is due. For annual lease agreements the Little Shuswap Lake Indian Band retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

The Little Shuswap Lake Indian Band, also has "sales type leases" where prepaid leases of 75 years were initiated. As the value of these leases approximates the fair value of a land purchases these prepaid amounts are recognized upon the signing and prepayment of the lease.

Ottawa Trust Funds

The Band uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized in revenue of the Band upon withdrawal from the Ottawa Trust Fund.

1. Economic Dependence

The Little Shuswap Lake Indian Band receives as part of its operational funding, a significant portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada ("AANDC") and other federal departments.

2. Cash

	2014	2013
Operating	**$ 3,480,774**	$ 3,155,003
Short-term deposits	**7,447**	7,363
Skwlax Investments Inc.	**149,814**	(104,563)
	$ 3,638,035	$ 3,057,803

The bank indebtedness is owed by Skwlax Investments Inc. (a wholly owned subsidiary of the Little Shuswap Lake Indian Band) in the form of a operating line of credit payable to the TD Bank of Canada to a maximum of $500,000 based on the concentrated bank accounts on a consolidated basis. As at March 31, 2014, $Nil (2013 - $104,563) of this credit facility was outstanding directly related to Skwlax Investments Inc..

Cash is held in two Canadian Chartered Banks and earns interest at the current prevailing rates for business operating accounts.

3. Restricted Cash

	2014	2013
Ottawa Trust Funds	**$ 1,063,522**	$ 974,606
Social Housing reserves	**426,222**	423,487
	$ 1,489,744	$ 1,398,093

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. These funds are restricted in their use. The Band is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Band and Band members. The expenditures of capital funds requires the consent of Aboriginal and Northern Affairs Canada and generally must be for projects of a capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended.

In order to provide for replacement of major capital items, the terms of the operating agreements between Little Shuswap Lake Indian Band and CMHC provide that a replacement reserve fund be established by annual charges to operations in amount prescribed by the agreements. Under these agreements, Little Shuswap Lake Indian Band is required to segregate annual transfers to reserve funds and interest earned on these funds from other cash. As at March 31, 2014, the replacement reserve was fully funded and the operating surplus reserve was overfunded by $33,866.

4. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	2014	2013
Operating Fund		
Lease receivable	**$ 636,930**	$ 638,746
Other receivables	**595,952**	633,419
Band members' account and housing arrears	**949,767**	900,905
Property tax receivable	**155,549**	159,884
	2,338,198	2,332,954
Allowance for doubtful accounts	**(982,276)**	(729,809)
	1,355,922	1,603,145
Social Housing	**14,948**	15,387
Skwlax Investments	**175,091**	91,081
	$ 1,545,961	$ 1,709,613

5. Investments

		2014		2013
Other Investments at cost				
All Nations Trust Company	$	**150,000**	$	100,000
Horseshoe Bay Developments Inc.		**2**		2
	$	**150,002**	$	100,002

The Shares in Skwlax Investments Inc. are held in Trust by specified band members under a trust agreement.

6. Accounts Payable

		2014		2013
Operating Fund	$	**704,114**	$	537,419
Skwlax Investments Inc		**166,527**		148,514
Social Housing Fund		**-**		14,434
	$	**870,641**	$	700,367

7. Deferred Revenue

Deferred revenue represents funding received for programs/projects that were not completed during the year.

		2014		2013
Operating Fund				
Deferred lease revenue	$	**1,174,938**	$	1,216,841
Capital Fund				
Tappen Water		**124,404**		124,404
		1,299,342		1,341,245
Skwlax Investments Inc		**197,399**		138,632
	$	**1,496,741**	$	1,479,877

8. Long Term Debt

	2014	2013
Capital Fund		
TD Canada Trust, mortgage, repaid during the year	$ -	$ 45,957
All Nations Trust, demand loan, repayable in monthly instalments of $2,621 including interest at 5.8% per annum, maturing September 2014	151,392	172,657
TD Canada Trust, demand loan, repayable in monthly instalments of $18,277 including interest at 5.41% per annum, maturing April 2015	1,825,316	1,942,399
TD Canada Trust, demand loan, repayable in monthly instalments of $5,458 including interest at 3.66% per annum, maturing April 2016	592,574	635,564
Jacobson Ford Sales Ltd., demand loan, repayable in monthly instalments of $1,692 including interest at 6.09% per annum, maturing March 2016	38,137	55,538
Subtotal	$ 2,607,419	$ 2,852,115

8. Long Term Debt (continued)

Social Housing Fund

All Nations Trust Company, mortgage, repayable in monthly instalments of $1,051 including interest at 3.16% per annum, maturing June 2018	$ **143,337**	$ 151,984
All Nations Trust Company, mortgage, repayable in monthly instalments of $1,680 including interest at 4.26% per annum, maturing October 2016	**224,295**	240,281
All Nations Trust Company, mortgage, repayable in monthly instalments of $2,861 including interest at 3.16% per annum, maturing June 2018	**491,008**	511,703
All Nations Trust Company, mortgage, repayable in monthly instalments of $1,781 including interest at 1.82% per annum, maturing February 2019	**356,523**	371,253
All Nations Trust Company, mortgage, repayable in monthly instalments of $1,442 including interest at 2.57% per annum, maturing December 2014	**133,212**	146,917
All Nations Trust Company, mortgage, repayable in monthly instalments of $1,644 including interest at 1.65% per annum, maturing June 2017	**348,656**	364,905
All Nations Trust Company, mortgage, repayable in monthly instalments of $3,015 including interest at 1.71% per annum, maturing September 2017	**573,629**	599,786
All Nations Trust Company, mortgage, repayable in monthly instalments of $3,906 including interest at 2.51% per annum, maturing March 2015	**763,882**	791,300
All Nations Trust Company, mortgage, repayable in monthly instalments of $1,804 including interest at 2.75% per annum, maturing February 2016	**355,174**	366,930
Subtotal	**3,389,716**	3,545,059
Skwlax Investments Inc. - Obligation under capital lease Capital lease payable, annually, in monthly instalments of $481 including interest at 6.68%, secured by John Deere equipment	**-**	2,577
Total Loans Payable	$ **5,997,135**	$ 6,399,751

All Social Housing mortgages are secured by a Ministerial Guarantee from Indian and Northern Affairs Canada

The estimated principal repayments on the above long term debt required over the next five years and thereafter are as follows:

2015	$ 1,201,640
2016	669,559
2017	493,791
2018	1,078,003
2019	2,553,400
	$ 5,996,393

9. Tangible Capital Assets

	2014		2013	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Automotive	**$ 830,347**	**$ (561,155)**	$ 815,093	$ (471,250)
Computer software	**200,592**	**(157,467)**	171,333	(135,952)
Water systems	**5,797,963**	**(1,527,721)**	5,345,077	(1,281,566)
Land improvements	**6,667,106**	**-**	6,366,816	-
Equipment				
Furniture and equipment	**1,084,367**	**(1,065,231)**	1,069,899	(1,020,752)
Golf course equipment	**158,287**	**(158,287)**	158,287	(158,287)
Buildings				
Buildings	**7,791,288**	**(4,592,166)**	7,605,753	(4,451,195)
Commercial strip mall	**643,776**	**(193,133)**	643,776	(180,257)
Golf course maintenance	**433,353**	**(65,003)**	433,353	(56,336)
Health centre	**2,195,222**	**(175,618)**	2,195,222	(131,713)
Water towers	**545,266**	**(218,106)**	545,266	(190,843)
Water wells	**267,426**	**(36,571)**	267,426	(23,200)
	26,614,993	**(8,750,458)**	25,617,301	(8,101,351)
Social Housing				
Buildings and equipment	**5,539,561**	**(2,213,300)**	5,539,561	(2,074,706)
Skwlax Investments Inc.				
Automotive	**234,612**	**(150,362)**	234,612	(114,201)
Arts and Artifacts	**8,833**	**-**	8,345	-
Buildings	**6,653,686**	**(2,046,425)**	6,642,819	(1,880,219)
Computers	**115,215**	**(111,124)**	115,215	(107,777)
Equipment	**1,593,925**	**(1,044,359)**	1,541,415	(905,314)
Land Improvements	**420,286**	**(418,798)**	420,286	(411,204)
	9,026,557	**(3,771,068)**	8,962,692	(3,418,715)
	$ 41,181,111	**$ (14,734,826)**	$ 40,119,554	$ (13,594,772)
Net book value		**$ 26,446,285**		$ 26,524,782

9. Tangible Capital Assets (continued)

2014	Water Systems	Water Wells	Furniture and Equipment	Buildings	Land Improvements	Automotive	Computer Software	Art and Artifacts	Total
Cost, beginning of year	$5,345,077	$267,426	$2,769,601	$23,605,750	$6,787,102	$1,049,705	$286,548	$8,345	$40,119,554
Additions	452,886	-	66,978	196,402	300,290	15,254	29,259	488	1,061,557
Cost, end of year	$5,797,963	$267,426	$2,836,579	$23,802,152	$7,087,392	$1,064,959	$315,807	$8,833	$41,181,111
Accumulated amortization, beginning of year	$1,281,566	$23,200	$2,084,353	$8,965,269	$411,204	$585,451	$243,729	$-	$13,594,772
Amortization	246,155	13,371	183,524	538,482	7,594	126,066	24,862	-	1,140,054
Accumulated amortization, end of year	$1,527,721	$36,571	$2,267,877	$9,503,751	$418,798	$711,517	$268,591	$-	$14,734,826
Net carrying amount, end of year	$4,270,242	$230,855	$568,702	$14,298,401	$6,668,594	$353,442	$47,216	$8,833	$26,446,285

9. Tangible Capital Assets (continued)

2013

	Water Systems	Water Wells	Furniture and Equipment	Buildings	Land Improvements	Automotive	Computer Software	Art and Artifacts	Total
Cost, beginning of year	$4,804,711	$ 26,603	$2,768,145	$23,412,920	$ 6,074,799	$ 999,163	$ 251,443	$ 8,345	$ 38,346,129
Additions	540,366	240,823	1,456	192,830	712,303	50,542	35,105	-	1,773,425
Cost, end of year	$5,345,077	$267,426	$2,769,601	$23,605,750	$ 6,787,102	$l,049,705	$ 286,548	$ 8,345	$ 40,119,554
Accumulated amortization, beginning of year	$1,057,026	$ 21,870	$1,839,331	$ 8,425,531	$ 400,970	$ 460,572	$ 228,571	$ -	$ 12,433,871
Amortization	224,540	1,330	245,022	539,738	10,234	124,879	15,158	-	1,160,901
Accumulated amortization, end of year	$1,281,566	$ 23,200	$2,084,353	$ 8,965,269	$ 411,204	$ 585,451	$ 243,729	$ -	$ 13,594,772
Net carrying amount, end of year	$ 4,063,511	$244,226	$ 685,248	$14,640,481	$ 6,375,898	$ 464,254	$ 42,819	$ 8,345	$ 26,524,782

March 31, 2014

10. Accumulated Surplus

	2014	2013
Operating surplus	$ 1,336,325	$ 3,092,568
Equity in capital assets	22,175,889	19,845,840
Equity in replacement reserve	460,088	417,547
Equity in Ottawa trust	1,063,522	974,606
Equity in replacement reserve health	13,646	25,689
Restricted surplus	50,002	-
	$ 25,099,472	$ 24,356,250

11. Federal Assistance Payments

The Little Shuswap Lake Indian Band Housing Project has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56-1 of the *National Housing Act* to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of the assistance received through March 31, 2014 was $179,925 (2013 - $190,385). This assistance will continue, providing the Band is not in default of the agreement.

12. Replacement Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited annually in the amount of $44,818. These funds along with accumulating interest are to be held in a separate bank account. The funds in this account may only be used as approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal. As at March 31, 2014 the Little Shuswap Lake Indian Band has fully funded these reserves and is in compliance with the agreement.

13. Commitments and Contingent Liabilities

The council has guaranteed loans for three Band members for the year ended March 31, 2014 in the amount of $213,037 (2013 - $292,450). These loans are in addition to the Canada Mortgage and Housing loans for Social Housing that are reflected as liabilities in these financial statements.

14. Employee Benefits

The Group has a defined contribution plan providing pension benefits to certain of its employees. The pension cost charge represents contributions payable by the Group to the plans and amount to for the year ended March 31, 2014 $58,129 (2013 - $62,330)

15. Expenses by Type

	2014	2013
Donations	$ **4,443**	$ 1,167
Advertising	**50,394**	31,393
Amortization	**1,158,926**	1,160,901
Automotive	**36,851**	35,655
Bad debts	**133,520**	33,239
Bank charges	**17,320**	12,300
Capital Fund repairs and maintenance	**(60,516)**	15,414
Contract services	**543,281**	476,135
Equipment rental	**13,837**	87,205
Honoraria	**19,400**	37,458
Licenses and dues	**10,849**	5,301
Insurance	**170,824**	143,085
Interest	**207,042**	250,020
Local education agreement	**322,343**	360,544
Materials and supplies	**2,094,366**	1,970,164
Office and miscellaneous	**299,918**	355,178
Patient transportation	**26,050**	31,613
Professional fees	**128,116**	71,279
Meetings	**28,741**	14,936
Program expenses	**442,263**	642,615
Repairs and maintenance	**67,101**	101,735
Rent	**-**	400
Replacement reserve	**14,940**	4,900
Salaries and benefits	**4,105,776**	3,658,839
Social assistance	**51,944**	32,655
Student allowance and transportation	**83,851**	73,740
Telephone	**2,220**	2,160
Travel and accommodation	**27,847**	41,311
Training	**105,111**	103,941
Utilities	**280,844**	247,771
	$ 10,387,602	$ 10,003,054

16. Segment Disclosure

The Little Shuswap Lake Indian Band is a diversified First Nations organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Administration
This item relates to the revenues and expenses that relate to the operations of the Little Shuswap Lake Indian Band itself and cannot be directly attributed to specific segment.

Community Welfare
This service area provides services to help the Members by providing a variety of programs, community services and social assistance.

Operations and Maintenance
This service area provides services relating to the development, maintenance and service of the Little Shuswap Lake Indian Band's assets, infrastructure and common property.

Education
This service area provides educational services through the operations of elementary, secondary and post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Little Shuswap Lake Indian Band's Members.

Economic Development
This service area provides for the development of economic opportunities to the Members.

Health Services
This service area provides for health-related services and programs to the Members.

Social Housing
This service area provides for social housing to the Members.

Natural Resource Management
This service area includes exploration of natural resources and development of natural resource revenues.

Capital
This service area provides for the development of new capital projects and infrastructure programs on the reserve.

18. Segment Disclosure (continued)

2014

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwlax Investments Inc.	Capital	Total
Revenue											
AANDC	$ 329,954	$ 545,871	$ 237,833	$ 462,761	$ 84,406	$ -	$ -	$ 95,159	$ -	$ 335,624	$ 2,091,608
Other	469,021	34,946	55,760	45,913	(4,500)	767,917	603,361	2,512,624	4,365,056	55,921	8,906,019
	798,975	580,817	293,593	508,674	79,906	767,917	603,361	2,607,783	4,365,056	391,545	10,997,627
Expenses											
Payroll	604,218	104,727	259,327	80,199	92,273	494,807	134,031	213,279	2,139,654	-	4,122,515
Other	464,407	591,766	256,946	482,914	78,386	337,918	475,454	334,838	2,144,049	(60,516)	5,106,162
Amortization	668,017	-	-	-	-	-	138,594	-	352,314	-	1,158,925
	1,736,642	696,493	516,273	563,113	170,659	832,725	748,079	548,117	4,636,017	(60,516)	10,387,602
Surplus (deficit)	$ (937,667)	$ (115,676)	$ (222,680)	$ (54,439)	$ (90,753)	$ (64,808)	$ (144,718)	$ 2,059,666	$ (270,961)	$ 452,061	$ 610,025

2013

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwlax Investments Inc.	Capital	Total
Revenue											
AANDC	$ 375,517	$ 778,406	$ 232,624	$ 493,761	$ 15,706	$ -	$ -	$ 74,526	$ -	$ 941,291	$ 2,911,831
Other	929,392	360	141,637	53,448	195,971	890,772	639,639	2,544,124	4,302,756	-	9,698,099
	1,304,909	778,766	374,261	547,209	211,677	890,772	639,639	2,618,650	4,302,756	941,291	12,609,930
Expenses											
Payroll	569,622	144,098	203,383	72,180	89,643	368,787	106,042	186,706	1,955,835	-	3,696,296
Other	332,485	788,213	248,384	521,797	188,379	338,403	359,058	329,720	2,024,004	15,414	5,145,857
Amortization	634,863	-	-	-	-	-	144,369	-	381,669	-	1,160,901
	1,536,970	932,311	451,767	593,977	278,022	707,190	609,469	516,426	4,361,508	15,414	10,003,054
Surplus (deficit)	$ (232,061)	$ (153,545)	$ (77,506)	$ (46,768)	$ (66,345)	$ 183,582	$ 30,170	$ 2,102,224	$ (58,752)	$ 925,877	$ 2,606,876