

**CAYOOSE CREEK INDIAN BAND**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2015**

**CAYOOSE CREEK INDIAN BAND**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2015**

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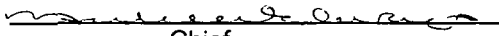
## Management's Responsibility for Financial Reporting

The consolidated financial statements of CAYOOSE CREEK INDIAN BAND have been prepared in accordance with Canadian generally accepted accounting principles. 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 CAYOOSE CREEK 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.

The Chief and Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Chief and Council meets periodically with management and the auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Chief and Council approves the financial statements. They also consider the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Morine & Co. Chartered Accountants LLP, in accordance with Canadian generally accepted auditing standards.

  
Chief

  
Councillor

Lillooet, BC  
May 25, 2015

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of CAYOOSE CREEK INDIAN BAND

We have audited the accompanying consolidated financial statements of CAYOOSE CREEK INDIAN BAND, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of revenues and expenditures, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

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

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

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

(continues)

Independent Auditor's Report to the Members of CAYOOSE CREEK INDIAN BAND *(continued)*

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of CAYOOSE CREEK INDIAN BAND as at March 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



White Rock, British Columbia  
May 25, 2015

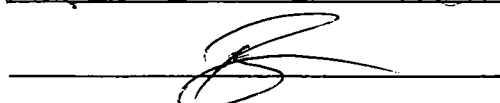
CHARTERED ACCOUNTANTS LLP

**CAYOOSE CREEK INDIAN BAND**  
**Consolidated Statement of Financial Position**  
**March 31, 2015**

	2015	2014
<b>FINANCIAL ASSETS</b>		
Cash	\$ 219,062	\$ 231,351
Restricted cash (Note 2)	120,952	121,534
Accounts receivable (Note 3)	353,061	422,495
Loans receivable	85,045	94,958
Due from 0786396 B.C. Ltd.	3,228,507	3,478,243
	<u>4,006,627</u>	<u>4,348,581</u>
<b>LIABILITIES</b>		
Accounts payable	13,978	4,487
Long term debt (Note 5)	72,627	119,168
	<u>86,605</u>	<u>123,655</u>
<b>NET FINANCIAL ASSETS</b>	<u>3,920,022</u>	<u>4,224,926</u>
<b>NON FINANCIAL ASSETS</b>		
Prepaid expenses	6,015	7,197
Tangible capital assets (Note 4)	1,136,687	1,286,975
	<u>1,142,702</u>	<u>1,294,172</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 5,062,724</u>	<u>\$ 5,519,098</u>

**ON BEHALF OF THE COUNCIL**

 Chief

 Councillor

**CAYOOSE CREEK INDIAN BAND**  
**Consolidated Statement of Revenue and Expenditures**  
**Year Ended March 31, 2015**

	Budget 2015	2015	2014
<b>REVENUE</b>			
AANDC	\$ 498,426	\$ 509,796	\$ 579,948
Health and Welfare Canada	-	-	105,330
RRF Appropriations	-	12,852	12,852
First Nations Health Authority	200,445	200,445	94,955
Housing	-	79,117	96,310
Other government funding	316,169	277,524	452,353
Other	374,801	546,492	1,146,518
Surplus repayment	-	(7,422)	(34,244)
	<u>1,389,841</u>	<u>1,618,804</u>	<u>2,454,022</u>
<b>EXPENSES</b>			
Advertising and promotion	475	475	498
Amortization	-	150,287	155,680
Insurance	30,086	36,695	39,601
Interest and bank charges	1,107	5,487	5,018
Administration	68,345	98,537	20,548
Office and miscellaneous	78,270	63,041	27,714
Social assistance	135,237	117,891	132,934
Professional fees	31,059	126,427	48,638
Training	93,382	114,802	88,932
Rental of facilities and equipment	-	9,539	2,264
Repairs and maintenance	18,217	31,585	16,568
Salaries and benefits	375,707	616,184	355,087
Health	200,445	200,123	197,773
Contractual services	274,714	362,590	951,236
Materials and supplies	20,050	29,801	21,932
Telephone	9,984	9,984	12,441
Travel	37,448	60,821	31,080
Fire protection	-	10,562	440
Utilities	-	7,493	7,419
Allocation to Replacement Reserve	-	12,852	12,852
Property taxes	10,000	10,000	-
	<u>1,384,526</u>	<u>2,075,176</u>	<u>2,128,655</u>
<b>EXCESS (DEFICIENCY) OF EXPENSES OVER REVENUE</b>	<b>\$ 5,315</b>	<b>\$ (456,372)</b>	<b>\$ 325,367</b>

**CAYOUSE CREEK INDIAN BAND**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended March 31, 2015**

	Budget 2015	2015	2014
<b>ANNUAL SURPLUS</b>	\$ 5,315	\$ (456,373)	\$ 325,367
Amortization	-	150,287	155,680
Prepaid expenses	-	1,182	566
Purchase of capital assets	-	-	(1,258)
	-	151,469	154,988
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	5,315	(304,904)	480,355
Net financial assets, beginning of year	4,224,926	4,224,926	3,744,571
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ 4,230,241	\$ 3,920,022	\$ 4,224,926



**CAYOOSE CREEK INDIAN BAND**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2015**

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (456,373)	\$ 325,367
Item not affecting cash:		
Amortization of property, plant and equipment	150,287	155,680
	<u>(306,086)</u>	481,047
Changes in non-cash working capital:		
Loans receivable	9,913	(3,613)
Accounts receivable	69,434	(173,410)
Accounts payable	9,574	(7,933)
Prepaid expenses	1,182	566
Interest payable	(83)	(94)
	<u>90,020</u>	(184,484)
Cash flow from (used by) operating activities	<u>(216,066)</u>	296,563
<b>INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	-	(1,258)
<b>FINANCING ACTIVITIES</b>		
Advances from related parties	249,736	59,877
Repayment of long term debt	(46,541)	(51,924)
Cash flow from financing activities	<u>203,195</u>	7,953
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(12,871)</b>	<b>303,258</b>
Cash - beginning of year	<u>352,885</u>	49,627
<b>CASH - END OF YEAR</b>	<b>\$ 340,014</b>	<b>\$ 352,885</b>
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest paid	<u>\$ 5,569</u>	\$ 5,113
<b>CASH CONSISTS OF:</b>		
Cash	\$ 219,062	\$ 231,351
Restricted cash	<u>120,952</u>	121,534
	<u><b>\$ 340,014</b></u>	<u><b>\$ 352,885</b></u>

**CAYOOSE CREEK INDIAN BAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for governments, as prescribed by the Canadian public sector accounting standards ("PSAB") of the Canadian Institute of Chartered Accountants, which encompasses the following principles:

**Fund accounting**

The Cayoose Creek Indian Band (the "Nation") records accounting transactions using the fund accounting method generally in use for governments. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund has its own statement of operations which presents the results of operations for the fund. The financial position of the Nation is shown on the consolidated statement of financial position which includes the assets, liabilities and accumulated surplus of all funds presented in the financial statements.

The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements.

Operating Fund - accounts for the operating programs.

Capital Fund - accounts for the capital programs.

Social Housing Fund - accounts for the operations of the social housing program.

Trust Fund - accounts for the changes in trust funds held by the federal government.

Replacement Reserve Fund - accounts for the funds held for repair and replacement of social housing units.

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

**Tangible Capital Assets**

Tangible capital assets are recorded at cost or deemed cost less accumulated amortization. Amortization is recognized as an expense in the statement of operations and is calculated using the straight-line method over periods of time ranging from 15 to 50 years except for social housing. Tangible assets acquired under the social housing program are amortized at a rate equivalent to the annual principal reduction in the related long-term debt, as required for Canada Mortgage and Housing Corporation reporting requirements.

**Revenue recognition**

The Nation follows the deferral method of accounting for contributions. Accordingly, amounts received under funding arrangements which relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position.

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**CAYOOSE CREEK INDIAN BAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**2. RESTRICTED CASH**

	<u>2015</u>	<u>2014</u>
Social Housing - RRF	\$ 30,220	\$ 33,321
Social Housing - subsidy surplus	2,636	2,659
Ottawa trust funds	<u>88,097</u>	<u>85,555</u>
	<u>\$ 120,953</u>	<u>\$ 121,535</u>

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.

**3. ACCOUNTS RECEIVABLE**

	<u>2015</u>	<u>2014</u>
Social Housing		
Rents receivable	\$ 126,583	\$ 136,655
Interest receivable	<u>1,276</u>	<u>1,366</u>
	127,859	138,021
Operating Fund		
Accounts receivable	<u>225,202</u>	<u>284,473</u>
	<u>\$ 353,061</u>	<u>\$ 422,494</u>

**CAYOOSE CREEK INDIAN BAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2015**

**4. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Buildings	\$ 562,116	\$ 487,947	\$ 74,169	\$ 102,274
Buildings - Social Housing	1,575,144	894,891	680,253	726,795
Infrastructure	1,498,100	1,124,910	373,190	448,065
Equipment	168,206	159,131	9,075	9,840
	<b>\$ 3,803,566</b>	<b>\$ 2,666,879</b>	<b>\$ 1,136,687</b>	<b>\$ 1,286,974</b>

**5. LONG TERM DEBT**

	2015	2014
All Nations Trust loan bearing interest at 1.76% per annum, repayable in monthly blended payments of \$1,820. The loan matures on October 1, 2016 and is secured by a first mortgage on housing units and a ministerial guarantee.	\$ 34,082	\$ 55,117
All Nations Trust loan bearing interest at 2.57% per annum, repayable in monthly blended payments of \$1,296. The loan matures on October 1, 2014 and is secured by a first mortgage on housing units and a ministerial guarantee.	-	8,992
All Nations Trust loan bearing interest at 2.26% per annum, repayable in monthly blended payments of \$1,565. The loan matures on June 1, 2017 and is secured by a first mortgage on housing units and a ministerial guarantee.	38,545	55,059
	<b>\$ 72,627</b>	<b>\$ 119,168</b>
Principal repayment terms are approximately:		
2016	\$ 40,112	
2017	29,436	
2018	3,079	
	<b>\$ 72,627</b>	

**6. DUE FROM 0786396 BC LTD**

	2015	2014
Due from 0786396 BC Ltd	<b>\$ 3,228,507</b>	<b>\$ 3,478,243</b>

The amount due from 0786396 BC Ltd is without interest or stated terms of repayment.

**CAYOOSE CREEK INDIAN BAND**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2015**

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**7. LOANS RECEIVABLE**

The loans receivable are with various individuals and companies and are without interest or stated terms of repayment.

	<u>2015</u>	<u>2014</u>
Loans receivable	<u>\$ 85,045</u>	<u>\$ 94,958</u>

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**8. FINANCIAL INSTRUMENTS**

The Nation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Nation's risk exposure and concentration as of March 31, 2015.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Nation is exposed to credit risk from funders and members. In order to reduce its credit risk, the Nation has created an allowance for doubtful accounts based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Nation has a significant number of funders and members which minimizes concentration of credit risk.

**Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Nation manages exposure through its normal operating and financing activities. The Nation is exposed to interest rate risk primarily through its mortgages and deposits.

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**CAYOOSE CREEK INDIAN BAND**  
**Consolidated Segmented Information**  
**Year Ended March 31, 2015**

	0045 - Social Housing	0046 - Replacement reserve fund	0035 - Equity in Capital Assets	0049 - Ottawa Trusts	Operations	2015 Current Year
<b>REVENUE</b>						
AANDC	\$ -	\$ -	\$ -	\$ -	\$ 509,796	\$ 509,796
Other government funding	-	-	-	-	277,524	277,524
Other	-	26	-	2,541	543,925	546,492
Rental income	79,117	-	-	-	-	79,117
RRF Appropriations	-	12,852	-	-	-	12,852
First Nations Health Authority	-	-	-	-	200,445	200,445
	79,117	12,878	-	2,541	1,531,690	1,626,226
<b>EXPENDITURES</b>						
Administration	-	-	-	-	98,537	98,537
Advertising and promotion	-	-	-	-	475	475
Amortization	46,541	-	103,746	-	-	150,287
Contractual services	-	-	-	-	362,590	362,590
Insurance	6,608	-	-	-	30,087	36,695
Interest and bank charges	2,145	-	-	-	3,342	5,487
Materials and supplies	-	-	-	-	29,801	29,801
Office and miscellaneous	-	-	-	-	63,041	63,041
Other	-	-	-	-	117,891	117,891
Professional fees	-	-	-	-	126,427	126,427
Rental of facilities and equipment	-	-	-	-	9,539	9,539
Repairs and maintenance	6,473	12,368	-	-	12,744	31,585
Salaries and benefits	-	-	-	-	616,184	616,184
Sundry	12,852	-	-	-	210,685	223,537
Telephone	-	-	-	-	9,984	9,984
Training	-	-	-	-	114,802	114,802
Travel	-	-	-	-	60,821	60,821
Utilities	4,284	-	-	-	3,209	7,493
Property taxes	-	-	-	-	10,000	10,000
	78,903	12,368	103,746	-	1,880,159	2,075,176
Surplus recovery	-	-	-	-	7,422	7,422
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	214	510	(103,746)	2,541	(355,891)	(456,372)

(continues)

**CAYOOSE CREEK INDIAN BAND**  
**Consolidated Segmented Information (continued)**  
**Year Ended March 31, 2015**

	0045 - Social Housing	0046 - Replacement reserve fund	0035 - Equity in Capital Assets	0049 - Ottawa Trusts	Operations	2015 Current Year
<b>SURPLUS (DEFICIENCY), BEGINNING OF YEAR</b>	(101,270)	307,153	1,167,807	85,555	4,059,853	<b>5,519,097</b>
Transfers to fund principal repayments	46,541	-	(46,541)	-	-	-
Transfers to fund amortization of capital assets	(46,541)	-	46,541	-	-	-
	-	-	-	-	-	-
<b>SURPLUS (DEFICIENCY), END OF YEAR</b>	<b>\$ (101,056)</b>	<b>\$ 307,663</b>	<b>\$ 1,064,061</b>	<b>\$ 88,096</b>	<b>\$ 3,703,962</b>	<b>\$ 5,062,725</b>