

Consolidated Financial Statements of

## **TOBACCO PLAINS INDIAN BAND**

Year ended March 31, 2015



## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Tobacco Plains Indian Band (the "Band") and all the information in this report are the responsibility of management and have been approved by the Chief and a Council member on behalf of the Band Council.

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

The 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.

Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The elections for the positions of Chief and Council occur every two years. Individuals are elected for a term of four years, with elections staggered every two years.

Chief and Council review the Band's financial statements and recommend their approval. 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. Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. In addition, Chief and Council also consider the engagement of the Band's external auditors.

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

May Malsalih  
Chief

A handwritten signature in black ink, appearing to read "May Malsalih".

Council member  
July 29, 2015



**KPMG LLP**  
200-3200 Richter Street  
Kelowna BC V1W 5K9  
Canada

Telephone (250) 979-7150  
Fax (250) 763-0044  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' REPORT

To Chief and Council and Members of Tobacco Plains Indian Band

We have audited the accompanying consolidated financial statements of Tobacco Plains Indian Band (the "Band"), which comprise the consolidated statement of financial position as at March 31, 2015, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an 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 risk 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 Band'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 Band'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.



*Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Tobacco Plains Indian Band as at March 31, 2015, and the results of its consolidated operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'KPMG LLP'.

Chartered Accountants

Kelowna, Canada

July 29, 2015

# TOBACCO PLAINS INDIAN BAND

## Consolidated Statement of Financial Position

March 31, 2015, with comparative information for 2014

	2015	2014
<b>Financial Assets</b>		
Cash and cash equivalents (note 2)	\$ 224,267	\$ 176,345
Restricted cash and cash equivalents (note 2)	1,160,991	1,015,890
Accounts receivable (note 3)	465,128	636,473
Investments (note 4)	10,295	8,888
Investment in government business enterprises (note 5)	1,528,868	1,350,772
	3,389,549	3,188,368
<b>Liabilities</b>		
Accounts payable and accrued liabilities	138,366	154,395
Deferred revenue (note 6)	341,589	386,705
Long-term debt (note 7)	766,439	795,380
Replacement reserve (note 8)	5,850	450
	1,252,244	1,336,930
<b>Net financial assets</b>	<b>2,137,305</b>	<b>1,851,438</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 9)	2,240,590	2,084,214
Prepaid expenses and deposits	3,092	4,501
	2,243,682	2,088,715
<b>Accumulated surplus (note 10)</b>	<b>\$ 4,380,987</b>	<b>\$ 3,940,153</b>

Commitments (note 14)

See accompanying notes to financial statements.

On behalf of the Chief and Council:

Mary Mabelah Chief

Don Gravelle Council member

# TOBACCO PLAINS INDIAN BAND

## Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2015, with comparative information for 2014

	2015 Budget	2015	2014
(note 1(g))			
<b>Revenue:</b>			
Transfers from other governments:			
Aboriginal Affairs and Northern Development			
Canada	\$ 982,863	\$ 910,755	\$ 562,832
Other federal government	206,517	98,146	174,295
Province of British Columbia	265,000	250,552	212,029
Ktunaxa Nation Council (note 15)	119,128	282,181	336,191
Grants	1,245,340	295,374	207,370
Canada Mortgage and Housing Corporation			
grants	33,110	28,033	90,474
First Nations Goods and Services Tax	190,235	163,669	183,693
Property taxation	55,887	52,051	78,651
User fees	12,000	76,877	16,327
Rent and lease	116,543	160,795	236,022
Interest	1,000	17,258	9,408
Other	134,846	23,302	57,425
Equity in earnings of business enterprise (note 5)	-	179,324	147,726
	3,362,469	2,538,317	2,312,443
<b>Expenses (Schedule 1):</b>			
Administration	525,600	514,788	818,116
Band Housing	50,340	43,101	194,552
Band Revenue	45,128	21,087	74,400
Capital	-	110,049	322,289
Community Health Services	241,944	183,021	213,977
Economic Development	103,000	53,147	12,851
Education	242,319	169,340	126,031
Forest and Range Operations	729,250	547,769	329,857
Municipal Services	130,833	156,153	146,224
Taxation	243,795	99,647	146,851
Social Development	143,896	134,903	160,742
Social Housing	65,258	64,478	4,454
	2,521,363	2,097,483	2,550,344
<b>Surplus (deficit)</b>	841,106	440,834	(237,901)
Accumulated surplus, beginning of the year	3,940,153	3,940,153	4,178,054
<b>Accumulated surplus, end of year</b>	<b>\$ 4,781,259</b>	<b>\$ 4,380,987</b>	<b>\$ 3,940,153</b>

See accompanying notes to financial statements.

# TOBACCO PLAINS INDIAN BAND

## Consolidated Statement of Change in Net Financial Assets

Year ended March 31, 2015, with comparative information for 2014

	2015 Budget	2015	2014
	(note 1(g))		
Surplus (deficit)	\$ 841,106	\$ 440,834	\$ (237,901)
Changes to non-financial assets:			
Acquisition of tangible capital assets	(1,280,000)	(303,600)	(125,650)
Amortization of tangible capital assets	-	147,224	148,880
Net book value of tangible capital assets disposed	-	-	5,422
Write-down of tangible capital assets	-	-	163,769
	(1,280,000)	(156,376)	(45,480)
Net use of prepaid expenses and deposits	-	1,409	34,172
Increase (decrease) in net financial assets	(436,879)	285,867	(11,308)
Net financial assets, beginning of year	1,851,438	1,851,438	1,862,746
Net financial assets, end of year	\$ 1,414,559	\$ 2,137,305	\$ 1,851,438

See accompanying notes to financial statements.

# TOBACCO PLAINS INDIAN BAND

## Consolidated Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
<b>Cash provided by (used in):</b>		
<b>Operating activities:</b>		
Cash received from Aboriginal Affairs and Northern Development Canada	\$ 957,592	\$ 818,384
Cash received from grants, property taxes, user fees, rent and other revenue	1,495,107	1,605,909
Cash paid to employees and suppliers	(1,928,810)	(2,473,354)
Interest received	17,258	9,408
Interest paid	(20,804)	(5,003)
	520,343	(44,656)
<b>Financing activities:</b>		
Repayment of long-term debt	(28,941)	(23,400)
Proceeds of long-term debt	-	235,745
Increase in replacement reserves	5,400	450
	(23,541)	212,795
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(303,600)	(125,650)
Proceeds on disposal of tangible capital assets	-	12,368
	(303,600)	(113,282)
<b>Investing activities:</b>		
Net (increase) decrease in investments	(1,407)	18,331
Increase in restricted cash and cash equivalents	(145,101)	(308,287)
Net distribution from business enterprise	1,228	54,320
	(145,280)	(235,636)
Increase (decrease) in cash and cash equivalents	47,922	(180,779)
<b>Cash and cash equivalents, beginning of year</b>	176,345	357,124
<b>Cash and cash equivalents, end of year</b>	<b>\$ 224,267</b>	<b>\$ 176,345</b>
<b>Non-cash financing, capital and investing activities:</b>		
Equity in earnings of business enterprise	\$ 179,324	\$ 147,726
Impairment of tangible capital assets	-	163,769

See accompanying notes to financial statements.

# TOBACCO PLAINS INDIAN BAND

Notes to Consolidated Financial Statements

Year ended March 31, 2015

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Tobacco Plains Indian Band provides local government, education and social development services to its members. The Band is organized under the Indian Act of Canada.

## 1. Basis of presentation and significant accounting policies:

These financial statements include the assets, liabilities, and results of operations of the Tobacco Plains Indian Band (the "Band") and all related entities and organizations subject to control by the Band's Chief and Council. No inclusion has been made of assets, liabilities, revenue or expenses of Band members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of the Band's Chief and Council.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments, as established by the Public Sector Accounting Board ("PSAB"), which encompasses the following principles:

### (a) Fund accounting:

The 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 consolidated for the purpose of presentation in the consolidated financial statements.

### (b) Reporting entity:

The Band's reporting entity includes the Tobacco Plains Indian Band community government and all related entities and organizations which are accountable for the administration of their financial affairs and resources to the Band and are either owned or controlled by the Band.

#### i) Investment in government business enterprises:

The Band records its investments in government business enterprises (GBE) on a modified equity basis. Under the modified equity basis, the GBE's accounting policies are not adjusted to conform with those of the Band and inter-organizational transactions and balances are not eliminated. The Band recognizes its equity interest in the annual earnings or loss of the GBE's in its statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Band may receive from the GBE's will be reflected as deductions in the investment asset account.

The Band's government business enterprises investment consist of a 100% interest in Tobacco Plains Development Corporation.

#### ii) Investments:

Investments in entities in which the Band does not control individually or jointly are recorded at acquisition cost. If there has been an other than temporary decline in the value of an investment, the investment is written down to its net realizable value.

# TOBACCO PLAINS INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 1. Basis of presentation and significant accounting policies (continued):

### (b) Reporting entity (continued):

#### iii) Trust funds:

Trust funds and their related operations administered by the Band are included in these consolidated financial statements.

### (c) Cash and cash equivalents:

Cash and cash equivalents includes, cash and investments in highly liquid money market funds that are readily convertible to cash.

### (d) Revenue recognition:

Government transfers, grants and subsidy revenue are recognized as the Band becomes entitled to the funding under the terms of applicable funding agreements and is recorded in the period in which the resources are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

Rent, lease and user fee revenue is recognized on a monthly basis as income is earned and when collection is reasonable assured. Property and First Nations tax revenues are recognized at the time the taxes are levied.

Other revenue, including sales of goods and provision of services are recognized in the period the goods or services are provided and the related proceeds are received or receivable.

# TOBACCO PLAINS INDIAN BAND

## Notes to Financial Statements (continued)

Year ended March 31, 2015

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### 1. Basis of presentation and significant accounting policies (continued):

#### (e) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation with a corresponding amount recorded as revenue. Tangible capital assets under construction are not amortized until the asset is available or use.

Tangible capital assets are amortized over their expected useful lives as follows:

Asset	Basis	Amount
Buildings	Declining balance	4%
Infrastructure	Declining balance	4-8%
Equipment	Straight-line and declining balance	20-45%
Automotive	Declining balance	20-30%
Site improvements	Declining balance	30%
		4%

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When management determines that a tangible capital asset no longer contributes to the Band's ability to provide goods and services or that the value of future benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is written down to its net recoverable amount.

All intangible assets and items inherited by right of the Band, such as land, forests, water, natural resources and cultural and historic assets, are not recognized in the Band's financial statements.

# TOBACCO PLAINS INDIAN BAND

## Notes to Financial Statements (continued)

Year ended March 31, 2015

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### 1. Basis of presentation and significant accounting policies (continued):

#### (f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of financial and non-financial assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant areas requiring management estimates include the recoverable amount of accounts receivable, and the useful lives of and net future economic benefits associated with tangible capital assets. Management reviews these estimates on a periodic basis and at least annually. Where necessary, management makes adjustments to these benefits prospectively.

#### (g) Budget data:

The budget data presented in these consolidated financial statements have been derived from the budget approved by the Band Chief and Council on March 24, 2014.

#### (h) Segmented disclosure:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The Band has determined the most appropriate basis for classifying segments is by program. Segmented disclosures are provided in note 19 and Schedule 2 to the consolidated financial statements.

#### (i) Accounting pronouncements issued but not yet effective:

The Public Sector Accounting Board (PSAB) recently issued accounting pronouncements that are applicable to financial statements relating to fiscal years beginning on or after April 1, 2017 as follows; Related Party Disclosures (PS 2200) and Inter-entity Transactions (PS3420). The Band is in the process of reviewing the impact of these new accounting pronouncements.

# TOBACCO PLAINS INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 2. Unrestricted and restricted cash and cash equivalents:

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

Certain cash and cash equivalents has been internally restricted by the Band or externally restricted by federal or provincial government authorities for the following specific purposes. These funds have been invested in separate investment funds or cash accounts with interest rates ranging from 1.0% to 2.5%.

	2015	2014
<b>Internally restricted:</b>		
Lands reserve	\$ 350,000	\$ 250,000
Taxation reserve	75,000	50,000
	425,000	300,000
<b>Externally restricted:</b>		
Trust Funds on deposit with Aboriginal Affairs and Northern Development Canada	176,071	168,949
Nolan Settlement Trust	554,070	546,491
Social Housing replacement reserve	5,850	450
	\$ 1,160,991	\$ 1,015,890

# TOBACCO PLAINS INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2015

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### 3. Accounts receivable:

	2015	2014
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 31,921	\$ 132,607
Province of British Columbia	-	122,592
Ktunaxa Nation Council	127,776	122,857
Sales taxes recoverable	53,629	98,316
Grants and other	225,505	111,897
	438,831	588,269
Band members	234,599	221,059
Less allowance for doubtful accounts		
Band members	(208,302)	(172,855)
	26,297	48,204
	\$ 465,128	\$ 636,473

# TOBACCO PLAINS INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 4. Investments:

	2015	2014
Ktunaxa Holdings Ltd. ("KHL"), shares, at cost	\$ 1	\$ 1
Ktunaxa Holdings Limited Partnership ("KHLPE"), limited partnership interest	1	1
SEM Holdings Ltd. ("SHL"), shares, at cost	1	1
All Nations Trust Company, shares, at cost (market value - \$2,000)	2,000	2,000
SunLife Financial, shares, at cost (market value - \$11,342)	8,292	6,885
	<hr/>	<hr/>
	\$ 10,295	\$ 8,888

The Band's investment in KHL consists of 20% beneficial interest in one common share. KHL's primary asset is an investment in KHLPE, which holds a 99.99% interest in Nupqu Development Limited Partnership ("NDLP"). NDLP's general partner is Nupqu Development Corporation, in which KHL holds a 100% interest. As the Band, through its investment, does not control or jointly control KHL, the investment has been recorded using the cost method.

The Band holds 20% limited partnership interest in KHLPE, in which KHL is the general partner. The Band's investment is recorded at cost as the Band does not control or jointly control KHLPE's operations or assets. The Band records earnings from its investment in KHLPE based on cash distributions of limited partnership earnings received. The Band's investment consists of its initial cost of \$39,010, less a impairment provision of \$39,009. To March 31, 2015, the Band has not received any limited partnership distributions from KHLPE.

The Band's investment in SHL consists of 20% beneficial interest in one common share. SHL's assets include a 33% share of the St. Eugene Mission Resort ("SEM"). As the Band, through its investment, does not control or jointly control SHL, the investment has been recorded using the cost method.

The Band's investment in All Nations Trust Company (ANTCO) represents a less than 1% interest. ANTCO was established to act as the debtor to First Nations for Canada Mortgage and Housing Corporation Social Housing Programs and as the Band, through its investment, does not control or jointly control ANTCO, the investment has been recorded using the cost method.

# TOBACCO PLAINS INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 5. Investments in government business enterprises:

	2015	2014
Tobacco Plains Development Corporation:		
Investment in shares, at cost	\$ 60	\$ 60
Advances	918,838	920,066
Accumulated equity in earnings	609,970	430,646
	<hr/> \$ 1,528,868	<hr/> \$ 1,350,772

Advances to Tobacco Plains Development Corporation are unsecured, non-interest bearing and have no stated terms of repayment.

Tobacco Plains Development Corporation oversees economic opportunities for the Band and the purpose of the Tobacco Plains Development Corporation is to foster the economic and social betterment of the Band members. Tobacco Plains Development Corporation's operations include several campgrounds, a duty free store, and a boat launch.

Financial information for Tobacco Plains Development Corporation as at and for the year ended March 31, 2015 is summarized as follows:

	2015	2014
Balance sheet information:		
Assets	\$ 1,654,657	\$ 1,569,326
Liabilities	1,044,625	1,138,620
Shareholder's equity	610,032	430,706
Results of operations:		
Revenues	1,583,374	1,440,033
Cost of sales	619,306	601,146
	964,068	838,887
Expenses	755,536	669,648
Other income (loss)	(1,191)	2,144
Income taxes	28,017	23,657
Net earnings	\$ 179,324	\$ 147,726

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# TOBACCO PLAINS INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 6. Deferred revenue:

Deferred revenue represents monies received of which the funds are restricted for specific projects or programs and of which the expenses have not yet been incurred.

	2015	2014
Unexpended AANDC funding	\$ 21,918	\$ 75,767
Other federal government	300,281	274,388
Grants	19,390	36,550
	<hr/> \$ 341,589	<hr/> \$ 386,705

The net change in deferred revenue for the year was as follows:

	2015	2014
Balance beginning of year	\$ 386,705	\$ 381,311
Contributions received	91,308	50,506
Recorded in revenue	(136,424)	(45,112)
	<hr/> \$ 341,589	<hr/> \$ 386,705

# TOBACCO PLAINS INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 7. Long-term debt:

	2015	2014
<b>Social Housing Program</b>		
Mortgage, repayable in monthly instalments of \$3,365 including interest at 2.04%, matures March 2039, secured by a guarantee from AANDC	\$ 766,439	\$ 790,145
<b>St. Eugene Mission Project</b>		
Loan repaid during the year	-	5,235
	<b>\$ 766,439</b>	<b>\$ 795,380</b>

Scheduled principal payments on long-term debt for the next five years are as follows:

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2016	\$ 24,972
2017	25,486
2018	26,011
2019	26,547
2020	27,093

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## 8. Replacement reserve:

Under the terms of the Band's agreements with CMHC, a replacement reserve account is to be credited by an amount determined on an annual basis. The amount contributed to the Social Housing program replacement reserve account for the year was \$5,400 (2014 - \$450). These funds, along with accumulated interest, must be held in separate bank accounts and/or invested only in accounts or instruments insured by CDIC, or as may otherwise be approved by CMHC. The funds may only be expended as approved by CMHC.

The change in the replacement reserves is calculated as follows:

	Beginning balance	Contributions	Interest	Approved expenses	Ending balance
Social Housing program	\$ 450	\$ 5,400	\$ -	\$ -	\$ 5,850

# TOBACCO PLAINS INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2015

## 9. Tangible capital assets:

March 31, 2015	Buildings	Infrastructure	Equipment & Automotive	Site improvements	Total
<b>Cost:</b>					
Beginning of year	\$ 1,952,705	\$ 571,472	\$ 574,325	\$ 23,147	\$ 3,121,649
Acquisitions	140,203	128,244	35,153	-	303,600
<u>Disposals</u>	-	-	-	-	-
<b>Balance, end of year</b>	<b>2,092,908</b>	<b>699,716</b>	<b>609,478</b>	<b>23,147</b>	<b>3,425,249</b>
<b>Accumulated amortization:</b>					
Balance, beginning of year	606,210	154,490	274,494	2,241	1,037,435
Amortization	40,471	19,960	85,957	836	147,224
<u>Disposals</u>	-	-	-	-	-
<b>Balance, end of year</b>	<b>646,681</b>	<b>174,450</b>	<b>360,451</b>	<b>3,077</b>	<b>1,184,659</b>
<b>Net book value, end of year</b>	<b>\$ 1,446,227</b>	<b>\$ 525,266</b>	<b>\$ 249,027</b>	<b>\$ 20,070</b>	<b>\$ 2,240,590</b>
March 31, 2014	Buildings	Infrastructure	Equipment & Automotive	Site improvements	Total
<b>Costs:</b>					
Balance, beginning of year	\$ 2,012,938	\$ 571,472	\$ 557,633	\$ 23,147	\$ 3,165,190
Acquisitions	103,536	-	16,692	-	120,228
<u>Loss on write- down</u>	(163,769)	-	-	-	(163,769)
<b>Balance, end of year</b>	<b>1,952,705</b>	<b>571,472</b>	<b>574,325</b>	<b>23,147</b>	<b>3,121,649</b>
<b>Accumulated amortization:</b>					
Balance, beginning of year	586,661	136,305	170,564	1,370	894,900
Amortization	25,894	18,185	103,930	871	148,880
<u>Disposals</u>	(6,345)	-	-	-	(6,345)
<b>Balance, end of year</b>	<b>606,210</b>	<b>154,490</b>	<b>274,494</b>	<b>2,241</b>	<b>1,037,435</b>
<b>Net book value, end of year</b>	<b>\$ 1,346,495</b>	<b>\$ 416,982</b>	<b>\$ 299,831</b>	<b>\$ 20,906</b>	<b>\$ 2,084,214</b>

# TOBACCO PLAINS INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 10. Accumulated surplus:

	2015	2014
Financial surplus:		
Unrestricted operating surplus	\$ 1,751,695	\$ 1,630,644
Internally restricted surplus (note 11)	425,000	300,000
	2,176,695	1,930,644
Invested in tangible capital assets (note 12)	1,474,151	1,294,069
Externally restricted surplus (note 13)	730,141	715,440
	\$ 4,380,987	\$ 3,940,153

## 11. Internally restricted surplus:

	Beginning balance	Contributions	Interest	Approved Expenses	Ending Balance
Lands reserve	\$ 250,000	\$ 100,000	\$ -	\$ -	\$ 350,000
Taxation reserve	50,000	25,000	-	-	75,000
	\$ 300,000	\$ 125,000	\$ -	\$ -	\$ 425,000

# TOBACCO PLAINS INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 12. Invested in tangible capital assets:

### (a) Investment in tangible capital assets:

	2015	2014
Tangible capital assets	\$ 2,240,590	\$ 2,084,214
Less financed by:		
Long-term debt	(766,439)	(790,145)
	<hr/> \$ 1,474,151	<hr/> \$ 1,294,069

### (b) Change in invested in tangible capital assets:

	2015	2014
Balance, beginning of year	\$ 1,294,069	\$ 1,722,235
Amortization of tangible capital assets	(147,224)	(148,880)
Acquisition of tangible capital assets	303,600	125,650
Net book value of tangible capital assets disposed	-	(5,422)
Write-down of tangible capital assets	-	(163,769)
Proceeds from long-term debt	-	(235,745)
Repayment of long-term debt	23,706	-
Balance, end of year	<hr/> \$ 1,474,151	<hr/> \$ 1,294,069

# TOBACCO PLAINS INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 13. Externally restricted surplus:

	Beginning balance	Contributions	Interest	Approved Transfers	Ending Balance
AANDC					
Capital	\$ 91,012	\$ -	\$ -	\$ -	\$ 91,012
Revenue	77,937	483	6,639	-	85,059
	168,949	483	6,639	-	176,071
Nolan					
Settlement Trust	546,491	-	7,579	-	554,070
	\$ 715,440	\$ 483	\$ 14,218	\$ -	\$ 730,141

The AANDC 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. These funds are restricted in their use, of which the Band is generally permitted to use for a purpose that will promote the general progress and welfare of the Band and Band members. The management of the funds is primarily governed by the sections of the Indian Act.

## 14. Commitments:

The Band has non-cancelable operating lease commitments at an annual amount of \$2,415 until February 2018. The total lease commitments for the next four years is as follows:

2016	\$ 2,415
2017	2,415
2018	2,214
	\$ 7,044

# TOBACCO PLAINS INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 15. Related party transactions:

- (a) The Tobacco Plains Indian Band is one of four Indian Bands that comprise the Ktunaxa Nation Council. Transactions with the Ktunaxa Nation Council during the year consisted of receiving funds of \$282,181 (2014 - \$336,191) which includes an amount of \$33,842 (2014 - \$80,368) for Host Local Government funds in relation to the St. Eugene Mission Resort Limited Partnership and \$10,000 (2014 - \$10,000) to the Modern Games Ltd. settlement. All of the identified transactions are encompassed within the Ktunaxa Nation Council financial statement caption.
- (b) Recognized rent sharing revenue receivable from Tobacco Plains Development Corporation of \$114,400 (2014 - \$67,094).
- (c) The Band paid Nupqu Development Limited Partnership \$15,982 (2014 - \$15,413) for fuel reduction treatment and woodlot management activities and received \$nil (2014 - \$11,676) on the sale of equipment.

These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related parties.

## 16. Employee future benefits:

The Band matches employee contributions to a defined contribution plan, which is administered by Great West Life. The total pension expense, representing employer contributions to the plan, for the year was \$21,368 (2014 - \$16,218)

# TOBACCO PLAINS INDIAN BAND

## Notes to Financial Statements (continued)

Year ended March 31, 2015

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### 17. Financial risks and concentration of risks:

#### (a) Credit risk:

Credit risk refers to the risk that counterparty may default on its contractual obligations resulting in a financial loss. The Band holds its cash and cash equivalents, with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation as disclosed in note 2. In the event of default, the Band's cash accounts are insured up to \$300,000.

The Band has performed an analysis of the age of financial assets that are past due as at March 31, 2015 and has recorded a total impairment provision of \$208,302 (2014 - \$172,855) with respect to its accounts receivable balance based on the likelihood of ultimate collectability.

#### (b) Liquidity risk:

Liquidity risk is the risk that the Band will not be able to meet its financial obligations as they become due. As at March 31, 2015, the Band's mortgage is secured by AANDC or by redirection of AANDC funding. The Band monitors the maturity of its financial liabilities and assesses whether it has sufficient cash to settle these financial obligations when due.

The Band is subject to non-financial covenants and restrictions in relation to its mortgage payable. As at March 31, 2015, the Band was in compliance with these restrictions.

The following table summarizes the contractual maturities of the Band's financial liabilities:

In thousands of dollars	March 31, 2015			
	On demand	Up to 1 year	Over 1 year	Total
Accounts payable and accrued liabilities	138	-	-	138
Long term debt	-	25	741	766
Replacement reserve	6	-	-	6
	\$ 144	\$ 25	\$ 741	\$ 910

In thousands of dollars	March 31, 2014			
	On demand	Up to 1 year	Over 1 year	Total
Accounts payable and accrued liabilities	154	-	-	154
Long-term debt	-	29	766	795
Replacement reserve	1	-	-	1
	\$ 155	\$ 29	\$ 766	\$ 950

# TOBACCO PLAINS INDIAN BAND

## Notes to Financial Statements (continued)

Year ended March 31, 2015

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### 17. Financial risks and concentration of risks (continued):

#### (c) Interest rate risk:

Interest rate risk relates to the impact of changes in interest rates on the Band's future cash inflows from its investments and future cash outflows on its long-term debt. The Band's cash and cash equivalents are held in cash or short term money market instruments, accordingly, the Band is not subject to significant interest rate risk in regards to these financial assets.

The Band is subject to interest rate risk with respect to its long-term debt, which bears interest at fixed rates as disclosed in note 7. The Band manages interest rate risk through negotiations with lenders at origination or renewal of loan agreements.

### 18. Economic dependence:

The Band receives a major portion of its revenues pursuant to a funding agreement with AANDC. Any disruption in this funding could have a negative effect on Band operations.

### 19. Segmented information:

Segmented information has been identified based upon lines of service provided by the Band. Band services are provided by departments and their activities are reported by functional areas in the body of the financial statements. Certain lines of service that have been separately disclosed are summarized below, with activity for the year ended March 31, 2015 summarized in Schedule 2.

#### (a) Administration

Administration provides the functions of corporate administration, finance, human resources, legislative services, and elected officials.

#### (b) Band Housing

Band housing includes revenue and expenses related to rental housing units owned or managed on behalf of others by the Band.

#### (c) Band Revenue

Band revenue includes revenue and expenses related to Band's community projects and events.

# TOBACCO PLAINS INDIAN BAND

## Notes to Financial Statements (continued)

Year ended March 31, 2015

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### 19. Segmented information (continued):

(d) Capital

Capital includes grant and other funding and related expenses for the upgrade and addition to the Band's tangible capital assets.

(e) Community Health Services

Community health services includes salaries and expenses related to the operation of a community health and wellness programs to Band members.

(f) Economic Development

Economic development includes revenues and expenses related to administering and facilitating new business opportunities and projects for the Band.

(g) Education

Education is responsible for administering and facilitating education programs such as secondary education, university qualifying credit courses and community education programs.

(h) Forest and Range Operation

Lands and resource management includes revenue and expenses related to the management and planning of the Band's land and resources.

(i) Municipal Services

Maintenance of facilities includes funding for and expenses related to the repair and maintenance of the Band's land, community waters systems, roads, equipment and buildings.

(j) Taxation

Taxation includes revenues from property tax levies, goods and services tax and funds received from impact benefits and costs related to the administration of the property taxation department.

(k) Social Development

Social development provides social programs to Band members.

# TOBACCO PLAINS INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2015

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## 19. Segmented information (continued):

### (I) Social Housing Program

The Social Housing Program administers the CMHC program to provide and advocate for secure, affordable housing under the CMHC program Phase 11.

## 20. Comparative figures:

Certain comparative figures have been reclassified to conform with the consolidated financial statement presentation adopted for the current year.

# TOBACCO PLAINS INDIAN BAND

## Schedule 1 - Consolidated Expenses by Object

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Accounting and legal	\$ 98,264	\$ 61,476
Amortization	147,224	148,880
Automotive	1,077	3,106
Bad debts	15,265	226,509
Bank charges and interest	20,804	5,003
Contract services	39,029	101,591
Education	79,680	71,579
Honouraria	42,150	8,393
Insurance	50,705	63,785
Loss on write-down or disposal of tangible capital assets	-	156,823
Miscellaneous	11,507	4,579
Programming	230,854	380,885
Repairs and maintenance	107,336	253,728
Replacement reserve	5,400	450
Transfer under agreement	34,951	40,280
Social Health and child benefits	138,936	159,210
Supplies	78,994	71,664
Telephone	16,551	13,923
Training	5,300	11,390
Travel	66,882	67,046
Utilities	10,037	10,577
Wages and benefits	896,537	689,467
	<hr/> \$ 2,097,483	<hr/> \$ 2,550,344

**TOBACCO PLAINS INDIAN BAND**  
Schedule 2 - Segmented Information

Year ended March 31, 2015, with comparative figures for 2014

Year ended March 31, 2015			Revenue						Financial Surplus	
			Contributions (to) from Other Programs			Expenses			2014	Amortization
	AANDC	Other	Total				Surplus (deficit)	2014	Amortization	Transfers
Administration	\$ 154,897	\$ 21,075	\$ 77,898	\$ 190,300	\$ 423,095	\$ 514,788	\$ (91,693)	\$ 220,807	\$ -	\$ (7,579)
Band Housing			21,108	4,000	46,183	43,101	3,082	(70,805)	\$ -	\$ (7,122)
Band Revenue			33,478	(6,500)	26,978	21,087	5,881	(108,801)	\$ -	\$ (102,910)
Capital	260,887	2,550	-		263,437	110,049	153,388	(54,040)	121,686	(296,936)
Community Health Services	21,293	226,619	(28,900)		219,012	183,021	35,981	478,122	-	514,113
Economic Development	10,388	182,414	37,600		230,402	53,147	177,255	565,896	-	743,151
Education	168,337	3,502	(22,800)		149,039	169,340	(20,361)	385,502	-	365,201
Forest and Range Operations	39,541	794,146	(103,600)		730,987	547,769	182,318	369,152	-	551,470
Municipal Services	91,786	10,465	24,200		126,451	156,153	(29,702)	(199,709)	-	(229,411)
Taxation	-	217,720	(93,962)		123,758	99,647	24,111	411,910	-	436,021
Social Development	142,551	(2,850)	(7,000)		132,701	134,903	(2,202)	11,492	-	9,920
Social Housing	-	60,512	6,662		67,174	64,478	2,696	(78,882)	25,538	(81,018)
	\$ 910,755	\$ 1,627,562	\$ -	\$ 2,538,317	\$ 2,097,483	\$ 440,834	\$ 1,930,644	\$ 147,224	\$ (342,007)	\$ 2,176,635

Year ended March 31, 2014			Revenue						Financial Surplus	
			Contributions (to) from Other Programs			Expenses			2013	Amortization
	AANDC	Other	Total				Surplus (deficit)	2013	Amortization	Transfers
Administration	\$ 225,193	\$ 100,824	\$ 127,897	\$ 117,870	\$ 470,960	\$ 818,116	\$ (347,156)	\$ 575,890	\$ -	\$ (7,837)
Band Housing	-	97,296	-	100,824	92,296	195,959	(95,135)	24,330	\$ -	\$ (70,805)
Band Revenue	-	(91,431)	-	(5,000)	(91,431)	74,400	17,896	(126,697)	-	(108,801)
Capital	260,075	14,942	(25,200)	249,817	322,289	(413,720)	55,448	148,880	155,352	(54,040)
Community Health Services	10,000	147,859	(1,800)	156,059	213,977	35,840	464,396	-	(22,114)	478,122
Economic Development	137,393	12,804	(18,500)	131,697	126,031	12,851	143,208	422,688	-	565,896
Education	11,175	714,906	(8,270)	717,811	329,857	5,666	379,836	-	-	385,502
Municipal Services	86,761	40	-	86,801	146,224	(59,423)	(140,286)	-	-	369,152
Taxation	-	262,344	(48,800)	213,544	146,851	66,693	345,217	-	-	5,422
Social Development	168,799	-	26,973	(7,500)	161,299	160,742	557	10,935	-	(199,709)
Social Housing	-		(2,800)	24,173	4,454	19,719	(239,227)	-	-	411,910
	\$ 562,832	\$ 1,751,018	\$ -	\$ 2,313,850	\$ 2,551,751	\$ (237,901)	\$ 1,748,216	\$ 148,880	\$ 271,449	\$ 1,930,644