



Oregon Jack Creek Band

NLAKÁPAMUX NATION

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January 21, 2015

Aboriginal Affairs and Northern
Development Canada
600- 1138 Melville Street,
Vancouver, B.C.
V6E 4S3

Attention: Funding Services, Programs & Partnerships

Dear Sir:

Re: Audited Financial Statements for 2013-14

Please find attached, the audited financial statements as required.

Should you require and additional information, please contact me at (250) 453-9098

Sincerely,

Chief Robert Pasco

Attachment

2015 JAN 22 AM 11:45

OREGON JACK CREEK BAND
Consolidated Financial Statements
Year Ended March 31, 2014

OREGON JACK CREEK BAND
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Year Ended March 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Members of OREGON JACK CREEK BAND

We have audited the accompanying consolidated financial statements of OREGON JACK CREEK BAND, which comprise the consolidated statement of financial position as at March 31, 2014 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.

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Independent Auditor's Report to the Members of OREGON JACK CREEK BAND *(continued)*

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of OREGON JACK CREEK 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.



White Rock, British Columbia
January 19, 2015

CHARTERED ACCOUNTANTS LLP

OREGON JACK CREEK BAND
Consolidated Statement of Financial Position
March 31, 2013

	2014	2013
FINANCIAL ASSETS		
Cash	\$ 623,734	\$ 587,528
Restricted cash	729,857	709,513
Accounts receivable	164,711	165,464
	<u>1,518,302</u>	<u>1,462,505</u>
LIABILITIES		
Accounts payable	33,864	27,336
Long-term debt (Note 4)	238,109	256,620
	<u>271,973</u>	<u>283,956</u>
NET FINANCIAL ASSETS	<u>1,246,329</u>	<u>1,178,549</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	10,139	10,526
Tangible Capital Assets (Note 2)	786,034	838,303
	<u>796,173</u>	<u>848,829</u>
ACCUMULATED SURPLUS	<u>\$ 2,042,502</u>	<u>\$ 2,027,378</u>

ON BEHALF OF THE COUNCIL

 Chief

 Councillor

OREGON JACK CREEK BAND
Consolidated Statement of Revenues and Expenditures
Year Ended March 31, 2014

	2014	2013
REVENUE		
Indian and Northern Affairs Canada	\$ 274,359	\$ 279,699
Canada Mortgage and Housing Corporation	21,747	21,747
Other Government Funding	96,675	100,613
Other	32,426	26,464
Interest income trust	20,344	25,565
Rental income	18,624	26,384
Prior year surplus	(3,963)	(2,746)
RRF Revenue	4,000	4,000
	<u>464,212</u>	<u>481,726</u>
EXPENSES		
Amortization	52,270	51,872
Community services	29,616	23,832
Contractual services	34,855	36,746
Honoraria	3,632	6,925
Insurance	20,850	20,887
Interest and bank charges	6,854	7,054
Materials and supplies	19,091	13,530
Office and miscellaneous	7,411	18,470
Professional fees	23,586	34,349
Repairs and maintenance	15,511	37,901
Replacement reserve	4,000	4,000
Social assistance	56,319	83,544
Student allowances, tuition and supplies	47,811	54,971
Telephone	2,870	3,292
Training	405	1,922
Travel	23,064	5,098
Wages and benefits	100,943	118,697
	<u>449,088</u>	<u>523,090</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 15,124</u>	<u>\$ (41,364)</u>

OREGON JACK CREEK BAND
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2014

	2014	2013
ANNUAL SURPLUS	\$ 15,124	\$ (41,364)
Amortization	52,270	51,872
Prepaid expenses	386	(259)
	<u>52,656</u>	<u>51,613</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	67,780	10,249
Net financial assets, beginning of year	<u>1,178,549</u>	<u>1,168,300</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ 1,246,329	\$ 1,178,549

OREGON JACK CREEK BAND
Consolidated Statement of Cash Flows
Year Ended March 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 15,124	\$ (41,364)
Item not affecting cash:		
Amortization of property, plant and equipment	52,270	51,872
	<u>67,394</u>	<u>10,508</u>
Changes in non-cash working capital:		
Accounts receivable	754	(43,254)
Accounts payable	6,527	(8,957)
Deferred income	-	(44,291)
Prepaid expenses	386	(259)
	<u>7,667</u>	<u>(96,761)</u>
Cash flow from (used by) operating activities	<u>75,061</u>	<u>(86,253)</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>(18,511)</u>	<u>(18,113)</u>
INCREASE (DECREASE) IN CASH FLOW	<u>56,550</u>	<u>(104,366)</u>
Cash - beginning of year	<u>1,297,041</u>	<u>1,401,407</u>
CASH - END OF YEAR	<u>\$ 1,353,591</u>	<u>\$ 1,297,041</u>
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	<u>\$ 20,344</u>	<u>\$ 25,565</u>
Interest paid	<u>\$ 6,854</u>	<u>\$ 7,054</u>
CASH CONSISTS OF:		
Cash	\$ 623,734	\$ 587,528
Restricted cash	<u>729,857</u>	<u>709,513</u>
	<u>\$ 1,353,591</u>	<u>\$ 1,297,041</u>

OREGON JACK CREEK BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2014

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as prescribed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants, which encompasses the following principles:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

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 statement of financial position of the Nation includes the assets, liabilities and equity of all funds presented in the financial statements.

The various funds, being the social housing fund which accounts for the CMHC housing project of the Nation, the replacement reserve fund which accounts for the potential replacement of CMHC housing projects of the Nation, the Ottawa Trust Revenue and Capital funds which account for the Ottawa trust assets of the Nation, the equity in capital assets fund which accounts for the tangible capital assets of the Nation, and the operations fund which accounts for the program delivery of the Nation, have been amalgamated for the purpose of presentation in the financial statements. Details of the operations of each fund are set out in the segmented information.

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

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets (except social housing assets, which are amortized at an annual amount equalling principle payments on debt) are amortized over their estimated useful lives as follows:

Buildings	25 years	straight-line method
Equipment	5 years	straight-line method
Trailer	25 years	straight-line method

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.

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.

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OREGON JACK CREEK BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2014

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Buildings	\$ 551,855	\$ 126,729	\$ 425,126	\$ 443,637
Equipment	14,591	14,591	-	-
Infrastructure	803,711	467,765	335,946	368,093
Trailer	40,262	15,300	24,962	26,573
	<u>\$ 1,410,419</u>	<u>\$ 624,385</u>	<u>\$ 786,034</u>	<u>\$ 838,303</u>

3. CHANGES IN TANGIBLE CAPITAL ASSETS

	Beginning of year	Additions	Disposals	2014	2013
<u>Cost</u>					
Buildings	\$ 551,855	\$ -	\$ -	\$ 551,855	\$ 551,855
Equipment	14,591	-	-	14,591	14,591
Infrastructure	803,711	-	-	803,711	803,711
Trailer	40,262	-	-	40,262	40,262
	<u>\$ 1,410,419</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,410,419</u>	<u>\$ 1,410,419</u>
<u>Accumulated Amortization</u>					
Buildings	\$ 108,218	\$ 18,512	\$ -	\$ 126,729	\$ 108,218
Equipment	14,591	-	-	14,591	14,591
Infrastructure	435,617	32,148	-	467,765	435,617
Trailer	13,690	1,610	-	15,300	13,690
	<u>\$ 572,116</u>	<u>\$ 52,270</u>	<u>\$ -</u>	<u>\$ 624,385</u>	<u>\$ 572,116</u>

OREGON JACK CREEK BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2014

4. LONG TERM DEBT

	<u>2014</u>	<u>2013</u>
All Nations Trust loan bearing interest at 2.67% per annum, repayable in monthly blended payments of \$1,261. The loan matures on December 1, 2024 and is secured by a first mortgage on housing units and a ministerial guarantee.	\$ 141,370	\$ 152,587
All Nations Trust loan bearing interest at 1.64% per annum, repayable in monthly blended payments of \$745. The loan matures on February 1, 2026 and is secured by a first mortgage on housing units and a ministerial guarantee.	<u>96,739</u>	<u>104,033</u>
	<u>\$ 238,109</u>	<u>\$ 256,620</u>
Principal repayment terms are approximately:		
2015	\$ 18,908	
2016	19,332	
2017	19,794	
2018	20,239	
2019	<u>20,704</u>	
	<u>\$ 98,977</u>	

5. BUDGET FIGURES

Budgeted figures have not been provided within the financial statements as a result of the Band not having fully formalized and finalized their budget for the year ending March 31, 2014.

6. 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, 2014.

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.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Nation is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, long term debt, wages and accounts payable. This risk is concentrated regionally in that all funders, employees and vendors are from the same local region, thus liquidity issues of any one of these sources of funding will impact the Nation.

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OREGON JACK CREEK BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2014

6. FINANCIAL INSTRUMENTS *(continued)*

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 long term debt, cash and investments. This risk is concentrated in that all of its borrowings are held with one institution and rate increases by that lender could impact the Nation.

OREGON JACK CREEK BAND
Segmented Information
Year Ended March 31, 2014

	Social Housing	Replacement Reserve	Ottawa Trust Revenue	Ottawa Trust Capital	Equity in Capital Assets	Operations	2014
REVENUE							
Indian and Northern Affairs Canada	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274,359	\$ 274,359
Canada Mortgage and Housing Corporation	21,747	-	-	-	-	-	21,747
Other Government Funding	-	-	-	-	-	96,675	96,675
Other	-	-	-	-	-	32,426	32,426
Rental income	18,624	-	-	-	-	-	18,624
Interest income trust	-	-	20,344	-	-	-	20,344
RRF Revenue	-	4,000	-	-	-	-	4,000
Prior year surplus	-	-	-	-	-	(3,963)	(3,963)
	<u>40,371</u>	<u>4,000</u>	<u>20,344</u>	<u>-</u>	<u>-</u>	<u>399,497</u>	<u>464,212</u>
EXPENSES							
Amortization	18,511	-	-	-	33,759	-	52,270
Community services	-	-	-	-	-	29,616	29,616
Contractual services	-	-	-	-	-	34,855	34,855
Honoraria	-	-	-	-	-	3,632	3,632
Insurance	-	-	-	-	-	20,850	20,850
Interest and bank charges	6,247	-	-	-	-	607	6,854
Materials and supplies	-	-	-	-	-	19,091	19,091
Office and miscellaneous	-	-	-	-	-	7,411	7,411
Professional fees	-	-	-	-	-	23,586	23,586
Repairs and maintenance	6,395	-	-	-	-	9,116	15,511
Replacement reserve	4,000	-	-	-	-	-	4,000
Social assistance	-	-	-	-	-	56,319	56,319
Student allowances, tuition and supplies	-	-	-	-	-	47,811	47,811
Telephone	-	-	-	-	-	2,870	2,870
Training	-	-	-	-	-	405	405
Travel	-	-	-	-	-	23,064	23,064
Wages and benefits	-	-	-	-	-	100,943	100,943
	<u>35,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,759</u>	<u>380,176</u>	<u>449,088</u>
	<u>5,218</u>	<u>4,000</u>	<u>20,344</u>	<u>-</u>	<u>(33,759)</u>	<u>19,321</u>	<u>15,124</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	69,340	31,167	708,622	891	581,684	635,674	2,027,378

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See notes to financial statements
Morine & Co. Chartered Accountants LLP

OREGON JACK CREEK BAND
Segmented Information (continued)
Year Ended March 31, 2014

	Social Housing	Replacement Reserve	Ottawa Trust Revenue	Ottawa Trust Capital	Equity in Capital Assets	Operations	2014
Transfer of principal payments	18,511	-	-	-	(18,511)	-	-
Transfer depreciation	(18,511)	-	-	-	18,511	-	-
	<u>69,340</u>	<u>31,167</u>	<u>708,622</u>	<u>891</u>	<u>581,684</u>	<u>635,674</u>	<u>2,027,378</u>
SURPLUS (DEFICIT), END OF YEAR	\$ 74,558	\$ 35,167	\$ 728,966	\$ 891	\$ 547,925	\$ 654,995	\$ 2,042,502