

OREGON JACK CREEK BAND
Consolidated Financial Statements
Year Ended March 31, 2015

2015 AUG 27 AM 11:55

OREGON JACK CREEK BAND
Index to Consolidated Financial Statements
Year Ended March 31, 2015

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Revenues and Expenditures	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flow	7
Notes to Consolidated Financial Statements	8 - 10
Segmented Information	11 - 12

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of OREGON JACK CREEK BAND have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of OREGON JACK CREEK 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 carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Chief and Council and 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 Audit Committee reports to the Chief and Council prior to its approval of the financial statements. The Committee also considers, for review by the Chief and Council, 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 Professional Accountants LLP, in accordance with Canadian public sector accounting standards.



Chief

Councillor

Ashcroft, BC

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, 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 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, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.



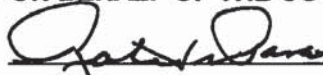
White Rock, British Columbia
August 24, 2015

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

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

	2015	2014
FINANCIAL ASSETS		
Cash	\$ 806,492	\$ 623,734
Restricted cash	747,594	729,857
Accounts receivable	234,218	164,711
	<u>1,788,304</u>	<u>1,518,302</u>
LIABILITIES		
Accounts payable	30,369	33,864
Deferred income	200,000	-
Long-term debt (Note 4)	219,112	238,109
	<u>449,481</u>	<u>271,973</u>
NET FINANCIAL ASSETS	<u>1,338,823</u>	<u>1,246,329</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	6,975	10,139
Tangible Capital Assets (Note 2)	748,153	786,033
	<u>755,128</u>	<u>796,172</u>
ACCUMULATED SURPLUS	<u>\$ 2,093,951</u>	<u>\$ 2,042,501</u>

ON BEHALF OF THE COUNCIL

 Chief

 Councillor

OREGON JACK CREEK BAND
Consolidated Statement of Revenues and Expenditures
Year Ended March 31, 2015

	2015	2014
REVENUE		
AANDC	\$ 271,261	\$ 274,359
Canada Mortgage and Housing Corporation	21,568	21,747
Other Government Funding	119,659	96,675
Other	24,962	32,426
Rental income	16,728	18,624
Interest income trust	17,737	20,344
RRF Revenue	4,000	4,000
Prior year surplus	(7,857)	(3,963)
	<u>468,058</u>	<u>464,212</u>
EXPENSES		
Amortization	55,381	52,270
Insurance	17,001	20,850
Interest and bank charges	6,129	6,854
Office and miscellaneous	13,222	7,411
Community services	19,653	29,616
Student allowances, tuition and supplies	21,007	47,811
Social assistance	34,613	56,319
Honoraria	12,129	3,632
Replacement reserve	4,000	4,000
Professional fees	47,565	23,586
Rental and utilities	9,726	-
Repairs and maintenance	6,693	15,511
Wages and benefits	93,467	100,943
Contractual services	28,584	34,855
Materials and supplies	23,460	19,091
Telephone	3,121	2,870
Training	6,616	405
Travel	14,242	23,064
	<u>416,609</u>	<u>449,088</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 51,449</u>	<u>\$ 15,124</u>

OREGON JACK CREEK BAND
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2015

	2015	2014
ANNUAL SURPLUS	\$ 51,448	\$ 15,124
Amortization	55,381	52,270
Prepaid expenses	3,164	387
Purchase of capital assets	(17,500)	-
	<u>41,045</u>	<u>52,657</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	92,493	67,781
Net financial assets, beginning of year	<u>1,246,330</u>	<u>1,178,549</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ 1,338,823	\$ 1,246,330

OREGON JACK CREEK BAND
Consolidated Statement of Cash Flow
Year Ended March 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 51,449	\$ 15,124
Item not affecting cash:		
Amortization of property, plant and equipment	55,381	52,270
	<u>106,830</u>	<u>67,394</u>
Changes in non-cash working capital:		
Accounts receivable	(69,507)	754
Accounts payable	(3,495)	6,528
Deferred income	200,000	-
Prepaid expenses	3,164	387
	<u>130,162</u>	<u>7,669</u>
Cash flow from operating activities	<u>236,992</u>	<u>75,063</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(17,500)</u>	-
FINANCING ACTIVITY		
Repayment of long term debt	<u>(18,997)</u>	<u>(18,511)</u>
INCREASE IN CASH FLOW	200,495	56,552
Cash - beginning of year	<u>1,353,591</u>	<u>1,297,041</u>
CASH - END OF YEAR	\$ 1,554,086	\$ 1,353,593
CASH FLOW SUPPLEMENTARY INFORMATION		
Interest received	<u>\$ 17,737</u>	<u>\$ 20,344</u>
Interest paid	<u>\$ 6,129</u>	<u>\$ 6,854</u>
CASH CONSISTS OF:		
Cash	\$ 806,492	\$ 623,734
Restricted cash	<u>747,594</u>	<u>729,857</u>
	\$ 1,554,086	\$ 1,353,591

OREGON JACK CREEK BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2015

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
Infrastructure	25 years	straight-line method
Equipment	5 years	straight-line method
Trailer	25 years	straight-line method
Vehicles	30%	declining balance 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.

(continues)

OREGON JACK CREEK BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2015

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	2015 Net book value	2014 Net book value
Buildings	\$ 551,855	\$ 145,727	\$ 406,128	\$ 425,126
Equipment	14,591	14,591	-	-
Infrastructure	803,711	499,913	303,798	335,944
Vehicles	17,500	2,625	14,875	-
Trailer	40,262	16,910	23,352	24,962
	\$ 1,427,919	\$ 679,766	\$ 748,153	\$ 786,032

3. CHANGES IN TANGIBLE CAPITAL ASSETS

	Beginning of year	Additions	Disposals	2015	2014
<u>Cost</u>					
Buildings	\$ 551,855	\$ -	\$ -	\$ 551,855	\$ 551,855
Equipment	14,591	-	-	14,591	14,591
Infrastructure	803,711	-	-	803,711	803,711
Vehicles	-	17,500	-	17,500	40,262
Trailer	40,262	-	-	40,262	-
	\$ 1,410,419	\$ 17,500	\$ -	\$ 1,427,919	\$ 1,410,419
<u>Accumulated Amortization</u>					
Buildings	\$ 126,729	\$ 18,997	\$ -	\$ 145,725	\$ 126,729
Equipment	14,591	-	-	14,591	14,591
Infrastructure	467,765	32,148	-	499,913	467,765
Vehicles	-	2,625	-	2,625	-
Trailer	15,300	1,610	-	16,910	15,300
	\$ 624,385	\$ 55,380	\$ -	\$ 679,764	\$ 624,385

OREGON JACK CREEK BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2015

4. LONG TERM DEBT

	<u>2015</u>	<u>2014</u>
All Nations Trust loan bearing interest at 1.12% per annum, repayable in monthly blended payments of \$1,171. The loan matures on December 1, 2024 and is secured by a first mortgage on housing units and a ministerial guarantee.	\$ 129,788	\$ 141,370
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>89,325</u>	<u>96,738</u>
	<u>\$ 219,113</u>	<u>\$ 238,108</u>
Principal repayment terms are approximately:		
2016	\$ 20,205	
2017	20,483	
2018	20,749	
2019	21,023	
2020	21,298	
Thereafter	<u>115,355</u>	
	<u>\$ 219,113</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, 2015.

6. FINANCIAL INSTRUMENTS

Fair value

The Nation's carrying value of cash and cash equivalents, accounts receivable, prepaid expenses, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The carrying value of the long term debt approximates the fair value as the interest rates are consistent with the current rates offered to the Nation for debt with similar terms.

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 cash.

OREGON JACK CREEK BAND
Segmented Information
Year Ended March 31, 2015

	Social Housing	Replacement Reserve	Ottawa Trust Revenue	Ottawa Trust Capital	Equity in Capital Assets	Operations	2015
REVENUE							
AANDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,261	\$ 271,261
Canada Mortgage and Housing Corporation	21,568	-	-	-	-	(1)	21,567
Other Government Funding	-	-	-	-	-	119,659	119,659
Other	-	-	-	-	-	24,962	24,962
Rental income	16,728	-	-	-	-	-	16,728
Interest income trust	-	-	17,737	-	-	-	17,737
RRF Revenue	-	4,000	-	-	-	-	4,000
Prior year surplus	-	-	-	-	-	(7,857)	(7,857)
	<u>38,296</u>	<u>4,000</u>	<u>17,737</u>	<u>-</u>	<u>-</u>	<u>408,024</u>	<u>408,057</u>
EXPENSES							
Amortization	18,997	-	-	-	36,384	-	55,381
Community services	-	-	-	-	-	19,653	19,653
Contractual services	-	-	-	-	-	28,584	28,584
Honoraria	-	-	-	-	-	12,129	12,129
Insurance	-	-	-	-	-	17,001	17,001
Interest and bank charges	5,400	-	-	-	-	729	6,129
Materials and supplies	-	-	-	-	-	23,460	23,460
Office and miscellaneous	-	-	-	-	-	13,222	13,222
Professional fees	-	-	-	-	-	47,565	47,565
Rental and utilities	-	-	-	-	-	9,726	9,726
Repairs and maintenance	-	1,429	-	-	-	5,264	6,693
Replacement reserve	4,000	-	-	-	-	-	4,000
Social assistance	-	-	-	-	-	34,613	34,613
Student allowances, tuition and supplies	-	-	-	-	-	21,007	21,007
Telephone	-	-	-	-	-	3,121	3,121
Training	-	-	-	-	-	6,616	6,616
Travel	-	-	-	-	-	14,242	14,242
Wages and benefits	-	-	-	-	-	93,467	93,467
	<u>28,397</u>	<u>1,429</u>	<u>-</u>	<u>-</u>	<u>36,384</u>	<u>350,399</u>	<u>416,609</u>
	<u>9,899</u>	<u>2,571</u>	<u>17,737</u>	<u>-</u>	<u>(36,384)</u>	<u>57,625</u>	<u>51,448</u>

(continues)

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

OREGON JACK CREEK BAND
Segmented Information (continued)
Year Ended March 31, 2015

	Social Housing	Replacement Reserve	Ottawa Trust Revenue	Ottawa Trust Capital	Equity in Capital Assets	Operations	2015
SURPLUS (DEFICIT), BEGINNING OF YEAR	74,558	35,167	728,966	891	547,925	654,995	2,042,502
Transfer of principal payments	18,997	-	-	-	(18,997)	-	-
Transfer depreciation	(18,997)	-	-	-	18,997	-	-
Transfer to fund capital asset acquisitions	-	-	-	-	17,500	(17,500)	-
	<u>74,558</u>	<u>35,167</u>	<u>728,966</u>	<u>891</u>	<u>565,425</u>	<u>637,495</u>	<u>2,042,502</u>
SURPLUS (DEFICIT), END OF YEAR	<u>\$ 84,457</u>	<u>\$ 37,738</u>	<u>\$ 746,703</u>	<u>\$ 891</u>	<u>\$ 529,041</u>	<u>\$ 695,120</u>	<u>\$ 2,093,950</u>