

OREGON JACK CREEK BAND
Consolidated Financial Statements
Year Ended March 31, 2016

OREGON JACK CREEK BAND
Index to Consolidated Financial Statements
Year Ended March 31, 2016

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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 Anton, Bryson & Schindler Chartered Professional Accountants LLP, in accordance with Canadian public sector accounting standards.



Chief

Councillor

Ashcroft, BC
March 28, 2017

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, 2016 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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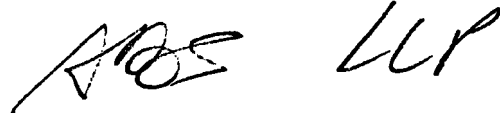
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Independent Auditor's Report to the Members of OREGON JACK CREEK BAND *(continued)*

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, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.



Nanaimo, British Columbia
March 28, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

OREGON JACK CREEK BAND
Consolidated Statement of Financial Position
March 31, 2016

| | 2016 | 2015 |
|----------------------------------|---------------------|---------------------|
| FINANCIAL ASSETS | | |
| Cash | \$ 920,356 | \$ 806,492 |
| Restricted cash | 763,130 | 747,594 |
| Accounts receivable | 11,723 | 234,218 |
| Other receivables | 144,937 | - |
| | <u>1,840,146</u> | <u>1,788,304</u> |
| LIABILITIES | | |
| Accounts payable | 42,331 | 30,369 |
| Deferred income | - | 200,000 |
| Long-term debt (Note 4) | 198,910 | 219,112 |
| | <u>241,241</u> | <u>449,481</u> |
| NET FINANCIAL ASSETS | <u>1,598,905</u> | <u>1,338,823</u> |
| NON-FINANCIAL ASSETS | | |
| Prepaid expenses | 6,956 | 6,975 |
| Tangible Capital Assets (Note 2) | 701,362 | 748,152 |
| | <u>708,318</u> | <u>755,127</u> |
| ACCUMULATED SURPLUS | <u>\$ 2,307,223</u> | <u>\$ 2,093,950</u> |

ON BEHALF OF THE COUNCIL

 Chief

 Councillor

OREGON JACK CREEK BAND
Consolidated Statement of Revenues and Expenditures
Year Ended March 31, 2016

| | 2016 | 2015 |
|--|-------------------|------------------|
| REVENUE | | |
| AANDC | \$ 237,209 | \$ 271,261 |
| Canada Mortgage and Housing Corporation | 20,670 | 21,568 |
| Other Government Funding | 283,035 | 119,659 |
| Other | 36,621 | 24,962 |
| Rental income | 12,416 | 16,728 |
| Interest income trust | 15,536 | 17,737 |
| RRF Revenue | 4,000 | 4,000 |
| Prior year surplus | (34,104) | (7,857) |
| | <u>575,383</u> | <u>468,058</u> |
| EXPENSES | | |
| Amortization | 59,716 | 55,381 |
| Community services | 26,841 | 19,653 |
| Contractual services | 12,429 | 28,584 |
| Honoraria | 10,270 | 12,129 |
| Insurance | 13,856 | 17,001 |
| Interest and bank charges | 3,950 | 6,129 |
| Materials and supplies | 12,135 | 23,460 |
| Office and miscellaneous | 14,966 | 13,222 |
| Professional fees | 45,506 | 47,565 |
| Rental and utilities | - | 9,726 |
| Repairs and maintenance | 41,923 | 6,693 |
| Replacement reserve | 4,000 | 4,000 |
| Social assistance | 28,822 | 34,613 |
| Student allowances, tuition and supplies | 13,949 | 21,007 |
| Telephone | 3,857 | 3,121 |
| Training | 7,222 | 6,616 |
| Travel | 570 | 14,242 |
| Wages and benefits | 62,098 | 93,467 |
| | <u>362,110</u> | <u>416,609</u> |
| EXCESS OF REVENUE OVER EXPENSES | <u>\$ 213,273</u> | <u>\$ 51,449</u> |

OREGON JACK CREEK BAND
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2016

| | 2016 | 2015 |
|--|---------------------|---------------------|
| ANNUAL SURPLUS | \$ 213,273 | \$ 51,448 |
| Amortization | 59,716 | 55,381 |
| Prepaid expenses | 19 | 3,164 |
| Purchase of capital assets | (12,925) | (17,500) |
| | <u>46,810</u> | <u>41,045</u> |
| INCREASE (DECREASE) IN NET FINANCIAL ASSETS | 260,083 | 92,493 |
| Net financial assets, beginning of year | <u>1,338,823</u> | <u>1,246,330</u> |
| NET FINANCIAL ASSETS, END OF YEAR | \$ 1,598,906 | \$ 1,338,823 |

OREGON JACK CREEK BAND
Consolidated Statement of Cash Flow
Year Ended March 31, 2016

| | 2016 | 2015 |
|--|---------------------|---------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenue over expenses | \$ 213,273 | \$ 51,449 |
| Item not affecting cash: | | |
| Amortization of capital assets | 59,716 | 55,381 |
| | <u>272,989</u> | <u>106,830</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | 222,495 | (69,507) |
| Other receivables | (144,937) | - |
| Accounts payable | 11,962 | (3,495) |
| Deferred income | (200,000) | 200,000 |
| Prepaid expenses | 19 | 3,164 |
| | <u>(110,461)</u> | <u>130,162</u> |
| Cash flow from operating activities | <u>162,528</u> | <u>236,992</u> |
| INVESTING ACTIVITY | | |
| Purchase of capital assets | <u>(12,925)</u> | <u>(17,500)</u> |
| FINANCING ACTIVITY | | |
| Repayment of long term debt | <u>(20,202)</u> | <u>(18,997)</u> |
| INCREASE IN CASH FLOW | <u>129,401</u> | <u>200,495</u> |
| Cash - beginning of year | <u>1,554,086</u> | <u>1,353,591</u> |
| CASH - END OF YEAR | <u>\$ 1,683,487</u> | <u>\$ 1,554,086</u> |
| CASH FLOW SUPPLEMENTARY INFORMATION | | |
| Interest received | <u>\$ (15,536)</u> | <u>\$ 17,737</u> |
| Interest paid | <u>\$ 3,950</u> | <u>\$ 6,129</u> |
| CASH CONSISTS OF: | | |
| Cash | \$ 920,356 | \$ 806,492 |
| Restricted cash | <u>763,130</u> | <u>747,594</u> |
| | <u>\$ 1,683,486</u> | <u>\$ 1,554,086</u> |

OREGON JACK CREEK BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2016

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.

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OREGON JACK CREEK BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2016

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 | 2016 Net book value | 2015 Net book value |
|----------------|---------------------|-----------------------------|---------------------------|---------------------------|
| Buildings | \$ 551,855 | \$ 165,928 | \$ 385,927 | \$ 406,128 |
| Equipment | 27,516 | 15,884 | 11,632 | - |
| Infrastructure | 803,711 | 532,061 | 271,650 | 303,796 |
| Vehicles | 17,500 | 7,088 | 10,412 | 14,875 |
| Trailer | 40,262 | 18,521 | 21,741 | 23,352 |
| | \$ 1,440,844 | \$ 739,482 | \$ 701,362 | \$ 748,151 |

3. CHANGES IN TANGIBLE CAPITAL ASSETS

| | Beginning of year | Additions | Disposals | 2016 | 2015 |
|-------------------------------------|----------------------|------------------|-------------|---------------------|---------------------|
| Cost | | | | | |
| Buildings | \$ 551,855 | \$ - | \$ - | \$ 551,855 | \$ 551,855 |
| Equipment | 14,591 | 12,925 | - | 27,516 | 14,591 |
| Infrastructure | 803,711 | - | - | 803,711 | 803,711 |
| Vehicles | 17,500 | - | - | 17,500 | 17,500 |
| Trailer | 40,262 | - | - | 40,262 | 40,262 |
| | \$ 1,427,919 | \$ 12,925 | \$ - | \$ 1,440,844 | \$ 1,427,919 |
| Accumulated Amortization | | | | | |
| Buildings | \$ 145,725 | \$ 20,204 | \$ - | \$ 165,928 | \$ 145,725 |
| Equipment | 14,591 | 1,293 | - | 15,884 | 14,591 |
| Infrastructure | 499,913 | 32,148 | - | 532,061 | 499,913 |
| Vehicles | 2,625 | 4,463 | - | 7,088 | 2,625 |
| Trailer | 16,910 | 1,611 | - | 18,521 | 16,910 |
| | \$ 679,764 | \$ 59,719 | \$ - | \$ 739,482 | \$ 679,764 |

OREGON JACK CREEK BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2016

4. LONG TERM DEBT

| | <u>2016</u> | <u>2015</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. | \$ 117,119 | \$ 129,788 |
| 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>81,791</u> | <u>89,324</u> |
| | <u>\$ 198,910</u> | <u>\$ 219,112</u> |

Principal repayment terms are approximately:

| | |
|------------|-------------------|
| 2017 | \$ 20,749 |
| 2018 | 21,023 |
| 2019 | 21,298 |
| 2020 | 21,587 |
| 2021 | 21,870 |
| Thereafter | <u>92,383</u> |
| | <u>\$ 198,910</u> |

5. BUDGET FIGURES

Budgeted figures have not been provided within the financial statements as a result of the Nation not having fully formalized and finalized their budget for the year ending March 31, 2016.

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, 2016

| | Social Housing | Replacement Reserve | Ottawa Trust Revenue | OTC Ottawa Trust Capital | Equity in Capital Assets | Operations | 2016 |
|---|----------------|---------------------|----------------------|--------------------------|--------------------------|----------------|----------------|
| REVENUE | | | | | | | |
| AANDC | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 237,209 | \$ 237,209 |
| Canada Mortgage and Housing Corporation | 20,670 | - | - | - | - | - | 20,670 |
| Other Government Funding | - | - | - | - | - | 283,035 | 283,035 |
| Other | - | - | - | - | - | 36,621 | 36,621 |
| Rental income | 12,416 | - | - | - | - | - | 12,416 |
| Interest income trust | - | - | 15,536 | - | - | - | 15,536 |
| RRF Revenue | - | 4,000 | - | - | - | - | 4,000 |
| Prior year surplus | - | - | - | - | - | (34,104) | (34,104) |
| | <u>33,086</u> | <u>4,000</u> | <u>15,536</u> | <u>-</u> | <u>-</u> | <u>522,761</u> | <u>575,383</u> |
| EXPENSES | | | | | | | |
| Amortization | 20,202 | - | - | - | 39,514 | - | 59,716 |
| Community services | - | - | - | - | - | 26,841 | 26,841 |
| Contractual services | - | - | - | - | - | 12,429 | 12,429 |
| Honoraria | - | - | - | - | - | 10,270 | 10,270 |
| Insurance | - | - | - | - | - | 13,856 | 13,856 |
| Interest and bank charges | 3,263 | - | - | - | - | 687 | 3,950 |
| Materials and supplies | - | - | - | - | - | 12,135 | 12,135 |
| Office and miscellaneous | - | - | - | - | - | 14,966 | 14,966 |
| Professional fees | - | - | - | - | - | 45,506 | 45,506 |
| Repairs and maintenance | - | 17,423 | - | - | - | 24,500 | 41,923 |
| Replacement reserve | 4,000 | - | - | - | - | - | 4,000 |
| Social assistance | - | - | - | - | - | 28,822 | 28,822 |
| Student allowances, tuition and supplies | - | - | - | - | - | 13,949 | 13,949 |
| Telephone | - | - | - | - | - | 3,857 | 3,857 |
| Training | - | - | - | - | - | 7,222 | 7,222 |
| Travel | - | - | - | - | - | 570 | 570 |
| Wages and benefits | - | - | - | - | - | 62,098 | 62,098 |
| | <u>27,465</u> | <u>17,423</u> | <u>-</u> | <u>-</u> | <u>39,514</u> | <u>277,708</u> | <u>362,110</u> |
| | <u>5,621</u> | <u>(13,423)</u> | <u>15,536</u> | <u>-</u> | <u>(39,514)</u> | <u>245,053</u> | <u>213,273</u> |
| SURPLUS (DEFICIT), BEGINNING OF YEAR | 84,456 | 37,738 | 746,703 | 891 | 529,041 | 695,121 | 2,093,950 |

(continues)

See notes to financial statements
Anton, Bryson & Schindler Chartered Professional Accountants LLP

OREGON JACK CREEK BAND
Segmented Information (continued)
Year Ended March 31, 2016

| | Social Housing | Replacement Reserve | Ottawa Trust Revenue | OTC Ottawa Trust Capital | Equity in Capital Assets | Operations | 2016 |
|---|------------------|---------------------|----------------------|--------------------------|--------------------------|-------------------|---------------------|
| Transfer of principal payments | 20,202 | - | - | - | (20,202) | - | - |
| Transfer depreciation | (20,202) | - | - | - | 20,202 | - | - |
| Transfer to fund capital asset acquisitions | - | - | - | - | 12,925 | (12,925) | - |
| | <u>84,456</u> | <u>37,738</u> | <u>746,703</u> | <u>891</u> | <u>541,966</u> | <u>682,196</u> | <u>2,093,950</u> |
| SURPLUS (DEFICIT), END OF YEAR | \$ 90,077 | \$ 24,315 | \$ 762,239 | \$ 891 | \$ 502,452 | \$ 927,249 | \$ 2,307,223 |

See notes to financial statements
Anton, Bryson & Schindler Chartered Professional Accountants LLP

**RECONCILIATION OF
INDIAN & NORTHERN AFFAIRS CANADA (INAC)
REVENUE FROM FINANCIAL STATEMENTS TO
INAC FUNDING CONFIRMATION (TPMS)
2015/2016 FISCAL Year**

| | |
|---|-------------------------|
| Recipient Name | Recipient # |
| Oregon Jack Creek Band | 692 |
| INAC Revenue per Financial Statements \$ | \$237,209 |
| Explanations: | Adjustments: |
| | Add / (Subtract) |
| | \$ |
| less: Prior Year Deferred Revenue | 0 |
| add: Current Year Deferred Revenue | 0 |
| Prior year reimbursements | |
| Additional In-Home Care funding | 0 |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| Net Adjustments | 0 |
| Gross Budget per INAC TPMS (1) | \$237,209 |

(1) Includes Current year end payable from INAC
Excludes BCTC Treaty Loans
Excludes Recoveries for the prior year
Includes Reimbursements for the prior year

An Excel electronic copy is available for down loading at www.bcfnc.org/audit
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