

Paskwa Pit Stop
Financial Statements
March 31, 2015

Paskwa Pit Stop

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For the year ended March 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Management of Paskwa Pit Stop

We have audited the accompanying financial statements of Paskwa Pit Stop, which comprise the statement of financial position as at March 31, 2015, and the statements of income, changes in equity and cash flows for the year then ended, and 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 financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the band's preparation and fair presentation of the 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 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, the financial statements present fairly, in all material respects, the financial position of Paskwa Pit Stop as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Regina, Saskatchewan
July 28, 2015

Chalupiak & Associates

Paskwa Pit Stop
Statement of Financial Position
March 31, 2015

	2015	2014
Assets		
Current assets		
Cash	\$ 164,925	\$ 195,367
Accounts receivable - note 2	17,972	76,346
Inventory	64,137	58,129
Prepaid expenses - note 3	5,221	4,482
	252,255	334,324
Fixed assets - note 4	201,877	211,839
	\$ 454,132	\$ 546,163
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities - note 5	\$ 106,664	\$ 55,150
Current portion of bank loans	20,311	19,124
	126,975	74,274
Due to shareholder	108,293	-
Long-term debt - note 6	36,913	57,344
	272,181	131,618
Band's capital	181,951	414,545
	181,951	414,545
	\$ 454,132	\$ 546,163

Approved on behalf of the Band

Paskwa Pit Stop**Statement of Income**

For the year ended March 31, 2015

	2015	%	2014	%
Sales, Schedule 1	\$ 2,125,007	100.0	\$ 2,206,742	100.0
Cost of sales, Schedule 1	1,722,028	81.0	1,773,610	80.4
Gross profit, Schedule 1	402,979	19.0	433,132	19.6
Expenses				
Advertising and promotion	1,784	0.1	1,186	0.1
Amortization	26,031	1.2	27,879	1.3
Bad debts	-		13,253	0.6
Cash shortages (overages)	(1,496)	(0.1)	1,954	0.1
Contract	628		1,173	0.1
Donations	12,850	0.6	10,100	0.5
Freight	2,814	0.1	1,983	0.1
Insurance	9,530	0.4	7,259	0.3
Interest and bank charges	13,921	0.7	15,363	0.7
Meeting	200		500	
Miscellaneous	99		580	
Office	17,656	0.8	5,969	0.3
Professional fees	9,755	0.5	6,500	0.3
Repairs and maintenance	19,997	0.9	12,695	0.6
Salaries and related benefits	202,382	9.5	210,318	9.5
Security	288		480	
Telephone	10,580	0.5	4,889	0.2
Travel	9,470	0.4	10,588	0.5
Utilities	12,854	0.6	13,854	0.6
	349,343	16.4	346,523	15.7
Income before undernoted items	53,636	2.5	86,609	3.9
Other expenses (income)				
Net income - Laundromat	(981)		(5,969)	(0.3)
Other income	(35,082)	(1.7)	(19,483)	(0.9)
Contribution to PFN	322,293	15.2	-	
	286,230	13.5	(25,452)	(1.2)
(Loss) Net income	\$ (232,594)	(10.9)	\$ 112,061	5.1

Paskwa Pit Stop
Statement of Changes in Equity
For the year ended March 31, 2015

	Band's Capital	Total	Total equity
Balance, March 31, 2013	\$ 302,484	\$ 302,484	\$ 302,484
Net income	112,061	112,061	112,061
Balance, March 31, 2014	414,545	414,545	414,545
Loss	(232,594)	(232,594)	(232,594)
Balance, March 31, 2015	\$ 181,951	\$ 181,951	\$ 181,951

Paskwa Pit Stop
Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014
Cash flows from (used in) operating activities		
(Loss) Net income	\$ (232,594)	\$ 112,061
Items not involving cash		
Amortization	26,031	27,879
Changes in non-cash operating items		
Accounts receivable	58,374	(36,399)
Inventory	(6,008)	6,281
Prepaid expenses	(739)	(1,369)
Accounts payable and accrued liabilities	51,515	18,252
	(103,421)	126,705
Cash flows from (used in) investing activities		
Advances from (to) shareholder	108,293	-
Purchase of fixed assets	(16,070)	-
	92,223	-
Cash flows from (used in) financing activity		
Principal payments on long-term debt	(19,244)	(18,126)
(Decrease) increase in cash	(30,442)	108,579
Cash, beginning of year	195,367	86,788
Cash, end of year	\$ 164,925	\$ 195,367

1. Significant accounting policies

These financial statements are prepared in accordance with International Financial Reporting Standards. The significant policies are detailed as follows:

(a) Basis of presentation

These financial statements reflect only the assets, liabilities, revenues and expenses of the Band, and do not include any other assets, liabilities, revenues or expenses of the partners or taxes on the income earned by the Band. The statement of income does not include charges for the Band's salary or interest on invested capital.

(b) International Financial Reporting Standards (IFRS)

The Canadian Accounting Standards Board adopted International Financial Reporting Standards (IFRS) to replace Canadian Generally Accepted Accounting Principles (GAAP) for fiscal years beginning on or after January 1, 2011. The Partnership adopted International Financial Reporting Standards (IFRS) effective January 1, 2011 and these financial statements are prepared in accordance with IFRS. The transition to IFRS requires the Partnership to review its accounting policies to determine whether any significant changes to accounting policies are required, and as a result of this review it was determined that no significant changes in accounting policies are required. It was also determined that there were no differences in reporting the December 31, 2010 balance sheet, income statement, and cash flows under GAAP as previously reported compared to IFRS reporting, and therefore no restatement of the previous year's financial statements was required as a result of the transition to IFRS.

(c) Fixed assets

Capital assets are recorded at cost; in the year of acquisition amortization is recorded at one-half of the annual rate.

Buildings	25 years
Parking lot	5 years
Computer equipment	3 years
Fuel tanks	10 years
Store equipment and furnishings	5 years
Software	2 years
Fibre cable	8 years

(d) Impairment of long-lived assets

The Band tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows, the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(e) Accrual basis of accounting

Revenue and expenditures are recorded on the accrual basis of accounting and are recorded in the financial statements in the period they are earned or incurred respectively, whether or not such transactions have been settled by the receipt or payment of money.

1. Significant accounting policies, continued

(f) Investments

The equity method is used to account for the Band's investment in associated corporations, namely net assets. This method of accounting brings into consolidated earnings the Band's share in earnings of the associated corporation, which is also added to the carrying value of the investment. The excess of cost over the underlying share of equity in the investment since the date of acquisition is being amortized against the Band's share of earnings of the associated corporation.

(g) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

(h) Contingencies

There is no provision for income taxes or related contingencies as the First Nation is exempt from paying income taxes.

(i) Measurement uncertainty

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

2. Accounts receivable

	2015	2014
Sask Finance Rebates	\$ 1,801	\$ 10,030
Other	26,806	76,951
Allowance for doubtful accounts	(10,635)	(10,635)
	\$ 17,972	\$ 76,346

3. Prepaid expenses

	2015	2014
Prepaid Expense & Deposits	\$ 5,221	\$ 4,482

Paskwa Pit Stop
Notes to Financial Statements
For the year ended March 31, 2015

4. Fixed assets

	2015		
	Cost	Accumulated amortization	Net
Buildings	\$ 166,442	\$ 82,233	\$ 84,209
Parking lot	49,482	47,321	2,161
Computer equipment	44,701	44,701	-
Fuel tanks	232,799	131,752	101,047
Store equipment and furnishings	60,621	60,222	399
Software	9,628	9,628	-
	563,673	375,857	187,816
Fibre cable	16,070	2,009	14,061
	\$ 579,743	\$ 377,866	\$ 201,877
	2014		
	Cost	Accumulated amortization	Net
Buildings	\$ 166,442	\$ 75,755	\$ 90,687
Parking lot	49,482	45,161	4,321
Computer equipment	44,701	44,701	-
Fuel tanks	232,799	116,766	116,033
Store equipment and furnishings	60,621	59,823	798
Software	9,628	9,628	-
	\$ 563,673	\$ 351,834	\$ 211,839

5. Accounts payable and accrued liabilities

	2015	2014
	\$ (7,579)	\$ -
Wages and benefits	11,774	9,150
General suppliers	91,029	42,672
Canada Revenue Agency	439	386
Pension	1,524	1,087
Others	9,477	1,855
	\$ 106,664	\$ 55,150

Paskwa Pit Stop
Notes to Financial Statements
For the year ended March 31, 2015

6. Long-term debt

	2015	2014
Peace Hills Trust - Premium Gas Tank - 5 year term loan bearing interest at 6.00%. Monthly blended payments of \$1,933, secured by assignment of gaming, AANDC, Ec Dev & Paskwa Pit Stop assets	\$ 36,913	\$ 57,344
Estimated principal repayments are as follows:		
2016	\$ 20,311	
2017	21,564	
2018	15,350	
Subsequent years	(20,312)	
	\$ 36,913	

Schedule 1
Paskwa Pit Stop
Schedule of Gross Profit
For the year ended March 31, 2015

2015						
	Revenue	Cost of sales	Rebates	Cost of sales	Gross profit	%
Fuel and auto	\$ 1,025,885	\$ 964,973	\$ (131,162)	\$ 833,811	\$ 192,074	18.7
Grocery	107,731	78,817	-	78,817	28,914	26.8
Confectionary / fast food	251,576	189,358	-	189,358	62,218	24.7
Cigarettes and tobacco	636,450	568,938	(22,657)	546,281	90,169	14.2
Other	103,365	75,126	(1,365)	73,761	29,604	28.6
	\$ 2,125,007	\$ 1,877,212	\$ (155,184)	\$ 1,722,028	\$ 402,979	19.0

2014						
	Revenue	Cost of sales	Rebates	Cost of sales	Gross profit	%
Fuel and auto	\$ 1,110,349	\$ 1,018,100	\$ (135,993)	\$ 882,107	\$ 228,242	20.6
Grocery	114,507	76,874	-	76,874	37,633	32.9
Confectionary / fast food	277,241	198,577	-	198,577	78,664	28.4
Cigarettes and tobacco	612,098	536,481	(8,680)	527,801	84,297	13.8
Other	92,547	90,577	(2,326)	88,251	4,296	4.6
	\$ 2,206,742	\$ 1,920,609	\$ (146,999)	\$ 1,773,610	\$ 433,132	19.6