
SHXWHÁ:Y VILLAGE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2015



SHXWHÁ:Y VILLAGE
44680 Schweyey Road
Chilliwack, BC V2R 5M5

MANAGEMENT'S REPORT

Management's Responsibility for the Financial Statements

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Council also discusses any significant financial reporting or internal control matters prior to its approval of the financial statements.

The external auditors, Manning Elliott LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to the financial management of the Shxwhá:y Village and we meet when required. The accompanying Independent Auditors' Report re-iterates management's responsibility for the financial statements, outlines the auditors' responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the Shxwhá:y Village:



Name: Tina Sam

Title: Chief

Date: 9-14-2015



Name: William Rabang

Title: Councilor

Date: 9-14-2015

INDEPENDENT AUDITORS' REPORT

To the Members of:
Shxwhá:y Village

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Shxwhá:y Village which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations, net financial assets and cash flows for the year then ended, and the related notes comprising 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.

Auditors' 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 our 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, we consider 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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Shxwhá:y Village is responsible for determining the cost of tangible capital assets, where the existence and the valuation and allocation of which is not susceptible to satisfactory audit verification. Accordingly, our verification of the cost of tangible capital assets was limited to the capitalized tangible capital assets recorded within the organization and we were not able to determine whether there were any adjustments necessary to the cost of the tangible capital assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Shxwhá:y Village as at March 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



INDEPENDENT AUDITORS' REPORT

Emphasis of Matter

We draw attention to Note 14 in the financial statements which indicates that the Band's investment in government business enterprises was understated by \$171,111 for the year ended March 31, 2014. The Band has retrospectively restated the prior period by increasing both the investment in government business enterprises as well as the income from government business enterprises by \$171,111 which results in an increase to the opening accumulated surplus by \$171,111.

Other Matters

The financial statements of Shxwhá:y Village for the year ended March 31, 2014 were prepared by another firm of accountants who expressed a qualified opinion on the financial statements on July 21, 2014.

Manning Elliott LLP

Chartered Accountants

Abbotsford, British Columbia

August 13, 2015

SHXWHÁ:Y VILLAGE**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT MARCH 31, 2015**

	2015	2014 Restated (Note 14)
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 2,819,612	\$ 2,204,889
Restricted cash (Note 2)	164,687	170,200
Investments (Note 3)	3,868,573	3,807,713
Accounts receivable (Note 4)	389,076	1,001,380
Trust funds held by Federal Government (Note 5)	428,515	221,707
Investment in government business enterprises (Notes 6 & 14)	1,866,465	1,695,148
	\$ 9,536,928	\$ 9,101,037
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	\$ 780,031	\$ 634,847
Long-term debt (Note 9)	248,591	319,310
Capital lease obligation	-	33,154
Deferred revenue (Note 10)	-	34,800
	1,028,622	1,022,111
NET FINANCIAL ASSETS	8,508,306	8,078,926
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	1,620,548	1,481,043
Prepaid expenses and deposits	-	6,173
	1,620,548	1,487,216
ACCUMULATED SURPLUS	\$ 10,128,854	\$ 9,566,142

Approved by the Council:



Chief



Councilor



SHXWHÁ:Y VILLAGE**CONSOLIDATED STATEMENT OF OPERATIONS****FOR THE YEAR ENDED MARCH 31, 2015**

	2015	Budget	2014 (Note 14)
REVENUE			
Aboriginal Affairs and Northern Development Canada	\$ 733,977	\$ 733,977	\$ 1,019,805
BC Hydro - Community development	2,000	2,000	2,000
Billboard rental	14,251	14,540	13,937
CMHC subsidy	40,214	45,000	28,135
First Nations Education Steering Committee	3,488	8,988	6,323
Human Resources and Social Development	12,311	12,311	15,075
Income from government business enterprises (Note 14)	165,813	-	380,415
Insurance proceeds	-	-	149,880
Interest income	70,928	10,000	74,061
Land lease	25,000	25,000	32,100
Other	293,148	509,176	84,358
Ottawa Trust Funds	7,773	-	7,811
Property tax revenue	24,449	19,969	21,997
Provincial grants	-	-	28,000
Rental revenue	130,868	136,000	134,301
Replacement reserve contribution	34,682	-	20,812
Royalty income	1,971,561	2,633,977	1,824,077
Sto:lo Nation	8,670	10,000	5,798
	3,539,133	4,160,938	3,848,885
EXPENSES			
AANDC - Education	179,642	188,937	-
AANDC - New Housing Approach	50,418	50,000	-
Administration	638,363	525,716	469,406
Band hall	18,341	34,400	48,302
Band housing	53,996	49,200	87,560
Band revenue	926,535	647,000	893,522
BC Capacity Initiative	95,635	75,000	-
Community maintenance	127,526	121,300	162,264
Economic development	129,416	186,900	94,932
Family and youth	45,166	38,875	37,200
FNLMI clean up	-	-	88,937
Forestry	-	-	3,700
Land code	342,328	372,403	267,600
Land fill	82,446	78,000	23,705
P&D AANDC	37,088	36,000	32,500
Property taxation	24,449	12,395	21,997
Replacement reserve	40,195	-	28,145
Schweyey road claim	-	-	2,520
Smoke house renovation	-	-	2,168
Social housing	169,078	141,000	164,443
Summer students	15,799	15,799	16,116
	2,976,421	2,572,925	2,445,017
ANNUAL SURPLUS FOR THE YEAR	\$ 562,712	\$ 1,588,013	\$ 1,403,868



SHXWHÁ:Y VILLAGE**CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)****FOR THE YEAR ENDED MARCH 31, 2015**

	2015	Budget	2014
ANNUAL SURPLUS FOR THE YEAR	\$ 562,712	\$ 1,588,013	\$ 1,403,868
ACCUMULATED SURPLUS, BEGINNING OF YEAR, BEFORE RESTATEMENT	9,395,031	9,395,031	8,576,936
RETROSPECTIVE RESTATEMENT (Note 14)	171,111	-	(414,662)
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AFTER RESTATEMENT	9,566,142	9,395,031	8,162,274
ACCUMULATED SURPLUS, END OF YEAR	\$ 10,128,854	\$ 10,983,044	\$ 9,566,142



SHXWHÁ:Y VILLAGE**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS****FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
ANNUAL SURPLUS FOR THE YEAR	\$ 562,712	\$ 1,403,868
Acquisition of tangible capital assets	(288,154)	(147,502)
Loss on disposal of tangible capital assets	33,154	52,924
Amortization	115,495	154,132
	(139,505)	59,554
Acquisition of prepaid expenses	-	(27,204)
Use of prepaid expenses	6,173	33,693
	6,173	6,489
CHANGES IN NET FINANCIAL ASSETS	429,380	1,469,911
NET FINANCIAL ASSET, BEGINNING OF YEAR	7,907,815	7,023,677
RETROSPECTIVE RESTATEMENT (Note 14)	171,111	(414,662)
NET FINANCIAL ASSET, END OF YEAR	\$ 8,508,306	\$ 8,078,926



SHXWHÁ:Y VILLAGE**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Annual surplus for the year	\$ 562,712	\$ 1,403,868
Items not involving cash:		
Amortization	115,495	154,132
Increase in investment in government business enterprises	(171,317)	(171,111)
Loss on disposal of tangible capital assets	-	52,924
	506,890	1,439,813
Change in non-cash working capital items:		
Accounts receivable	612,304	(684,683)
Prepaid expenses and deposits	6,173	6,489
Inventory held for use	(34,800)	34,800
Accounts payable and employee obligations	145,183	80,831
	1,235,750	877,250
FINANCING TRANSACTIONS		
Repayment of long-term debt	(70,718)	(113,161)
Repayment of capital lease liability	(33,154)	33,154
	(103,872)	(80,007)
CAPITAL AND INVESTING TRANSACTIONS		
Proceeds from disposal of tangible capital assets	33,154	-
Acquisition of tangible capital assets	(288,154)	(147,502)
Increase in portfolio investments	(60,860)	(54,259)
Increase in government business enterprises	-	(271,193)
Increase in Ottawa Trust Funds	(206,808)	(619)
	(522,668)	(473,573)
INCREASE IN CASH DURING THE YEAR	609,210	323,670
CASH AND EQUIVALENTS, BEGINNING OF YEAR	2,375,089	2,051,419
CASH AND EQUIVALENTS, END OF YEAR	\$ 2,984,299	\$ 2,375,089
Cash and equivalents consist of the following:		
Cash and cash equivalents	\$ 2,819,612	\$ 2,204,889
Restricted cash	164,687	170,200
	\$ 2,984,299	\$ 2,375,089



SHXWHÁ:Y VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

NATURE OF OPERATIONS

The Shxwhá:y Village (the "Band") is located in the Province of British Columbia, and provides various services to its members. The Band includes the Band member's, government and all related entities that are accountable to the Band and are either owned or controlled by the Band.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the Band are as follows:

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, committees and departments accountable for the administration of their financial affairs and resources to the Band and which are owned or controlled by the Band.

b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the Band's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the Band.

Organizations consolidated in the Band's financial statements include:

- Shxwhá:y Village Capital Fund
- Shxwhá:y Village Ottawa Trust Fund
- Shxwhá:y Village Operations Fund

Organizations accounted for on a modified equity basis include:

- Skway Development Corporation
- Centre Creek Limited Partnership
- Ch-lhl-Kway-Uhk Forest Limited Partnership
- Ch-lhl-Kway-Uhk Tribe Society
- Ts'elxweyeqw Tribe Limited Partnership
- Ts'elxweyeqw Tribe Management Ltd.
- Four Corners Tribal Business Corporation

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

Restricted cash includes cash held under the terms of the agreement with Canada Mortgage and Housing Corporation (C.M.H.C.) for purposes of the replacement reserve.



SHXWHÁ:Y VILLAGE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Investments

Investments, held long-term, are recorded at cost at the date of acquisition. Subsequently, investments in debt securities, such as treasury bills and government bonds, are recorded at amortized costs. Investments in publicly traded equity securities are recorded at fair value based on quoted market prices. Unrealized gains or losses are recognized in the statement of operations. Transaction costs, such as commissions, arising from investments in publicly traded equity securities are expensed when incurred.

Investments in government business enterprises are recorded using the modified equity method.

e) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. The cost, less residual value, of the tangible capital asset was recognized at a nominal value. Infrastructure assets acquired prior to 1996 are the only assets where nominal values were assigned.

Certain assets which have historical or cultural values, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available for productive use.

Social housing assets acquired under C.M.H.C. sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long-term debt.

Amortization is provided for on a declining balance basis, with half the amortization in the year of acquisition, over their estimated useful lives as follows:

Band housing	4%
Community hall	4%
Community hall furnishings	20%
Computer equipment	30%
Office equipment	20%
Playground equipment	10%
Smoke house	4%
Tractor and attachments	30%



SHXWHÁ:Y VILLAGE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Investment and interest income earned are recognized in the period and the income is earned.

Contracting and grant revenues are recognized as they become receivable under the terms of applicable agreements.

Revenues received which relate to a subsequent fiscal period are reflected as deferred revenue in the year of receipt and classified as such in the statement of financial position.

g) Use of estimates

In preparing the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the period in which they become known.

h) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or financial future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

i) Net financial assets

The Band's financial statements are presented to highlight net financial assets as the measurement of financial position. The net financial assets of the Band is determined by its financial assets less its liabilities. Accumulated surplus is comprised of two components, net financial assets and non-financial assets



SHXWHÁ:Y VILLAGE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2016 though early adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption, therefore, financial statements of prior periods, including comparative information, are not restated.

Related party transactions

In March 2015, the Public Sector Accounting Board (PSAB) issued PS 2200 *Related party disclosures* to define a related party and establish the disclosure required for a related party transaction. Disclosure of information about related party transactions and their relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements. PS 2200 is effective for fiscal years beginning on or after April 1, 2017 though early adoption is permitted.

Assets

In June 2015, the Public Sector Accounting Board (PSAB) issued PS 3210 *Assets* which provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure of major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate of the amount involved cannot be made, the reason for this should be disclosed. As a result of the issuance of PS 3210, there have been numerous consequential amendments made to other Sections. PS 3210 is effective for fiscal years beginning on or after April 1, 2017 though early adoption is permitted.

The Band has not yet determined the effect of these new standards on its financial statements.

2. CASH AND CASH EQUIVALENTS

	2015	2014
Cash is comprised of the following:		
Externally restricted		
C.M.H.C. operating	\$ 238,137	\$ 202,681
Internally restricted		
Replacement reserves	164,687	170,200
Unrestricted		
Operating	2,581,475	2,002,208
Total cash and cash equivalents	\$ 2,984,299	\$ 2,375,089



SHXWHÁ:Y VILLAGE**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2015**

3. INVESTMENTS

The Band has investments with Municipal Finance Authority of British Columbia. The investment account consists of the following investments:

			2015	2014
	Number of Units	Market Value	Book Value	Book Value
MFABC Intermediate	386,820	\$ 3,868,203	\$ 3,868,203	\$ 3,807,347
MFABC Money Market	37	370	370	366
		\$ 3,868,573	\$ 3,868,573	\$ 3,807,713

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

Due from members:

Social housing rent receivable (Projects II - V)	\$ 18,529	\$ 34,334
Social housing rent receivable (Projects VI)	7,478	8,289
Band housing rent receivable	31,862	14,679
Other receivables from members	12,533	-
Home repair receivable	6,196	8,496
Total due from members:	76,598	65,798

Due from others:

Aboriginal Affairs and Northern Development Canada	32,324	398,222
Government of Canada	22,361	-
New Relationship Trust	5,000	-
Canada Mortgage and Housing Corporation	-	16,679
Royalties receivable	252,793	505,583
Other receivables	-	15,098
Total accounts receivable	\$ 389,076	\$ 1,001,380

5. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2014	Additions	Withdrawals	2015
Revenue	\$ 1,574	\$ 204,948	\$ 202,021	\$ 4,501
Capital	220,133	203,881	-	424,014
Total	\$ 221,707	\$ 408,829	\$ 202,021	\$ 428,515

The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.



SHXWHÁ:Y VILLAGE**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2015**

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

The Band holds an investment in the following government business enterprises:

	2015	2014
Skway Development Corporation	\$ 563,449	\$ 534,999
Centre Creek Limited Partnership	180,427	179,642
Ch-Ihl-Kway-Uhk Forestry Limited Partnership	42,797	18,399
Ch-Ihl-Kway-Uhk Tribe Society	51,507	45,768
Ts'elxweyeqw Tribe Limited Partnership	960,784	848,839
Ts'elxweyeqw Tribe Management Ltd.	1	1
Four Corners Tribal Business Corporation	67,500	67,500
	\$ 1,866,465	\$ 1,695,148

Skway Development Corporation is a society formed to provide an enterprise which would carry out economic development for the members of the Band. Skway Development Corporation currently holds a commercial rental property and earns a management fee from this economic activity. All of these assets are held in trust for the members of the Band.

Centre Creek Limited Partnership is in the business of property rental and management within the Chilliwack River Valley. The Band owns 11 of the 100 partnership units in Centre Creek Limited Partnership.

Ch-Ihl-Kway-Uhk Forestry Limited Partnership is in the business of developing, operating and participating in various forestry activities. The Band owns 11 of the 89 partnership units in Ch-Ihl-Kway-Uhk Forestry Limited Partnership.

Ch-Ihl-Kway-Uhk Tribe Society is a society in the business of property rental and management activities. The Band is a member of the society along with eight other first nations groups.

Ts'elxweyeqw Tribe Limited Partnership is in the business of accommodating business ventures of first nations groups in the Fraser Valley. The Band owns 10 of the 71 partnership units in the Ts'elxweyeqw Tribe Limited Partnership.

Ts'elxweyeqw Tribe Management Ltd. is the general partner of the Ts'elxweyeqw Tribe Limited Partnership. The Band owns one of the seven shares in the Ts'elxweyeqw Tribe Management Ltd.

Four Corners Tribal Business Corporation is in the business of assisting in the implementation of business and economic strategies for first nations. The Band owns 67,500 of the 270,000 shares of Four Corners Tribal Business Corporation.



SHXWHÁ:Y VILLAGE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015
6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (Continued)

	Skway Development Corporation		Centre Creek Limited Partnership		Ch-ihl-Kway-Uhk Forestry Limited Partnership		Ch-ihl-Kway-Uhk Tribe Society		Subtotal
Cash	\$	290,306	\$	20,929	\$	360,563	\$	334,303	\$ 1,006,101
Accounts receivable		-		12,409		129,472		6,297	148,178
Inventory		-		-		10,578		-	10,578
Advances to related parties		-		-		-		128,897	128,897
Investments		-		-		-		-	-
Property and equipment		1,456,387		2,499,512		-		239	3,956,138
Other assets		-		6,936		4,273		2,973	14,182
Total assets		1,746,693		2,539,786		504,886		472,709	5,264,074
Bank indebtedness		-		-		-		-	-
Accounts payable		8,567		12,465		114,772		9,149	144,953
Income taxes payable		-		-		-		-	-
Security deposits		10,881		-		-		-	10,881
Advances from related parties		689,634		530,704		-		-	1,220,338
Long-term debt		1,174,677		433,307		-		-	1,607,984
Total liabilities		1,883,759		976,476		114,772		9,149	2,984,156
Equity		(137,066)		1,563,310		390,114		463,560	2,279,918
Total liabilities and equity	\$	1,746,693	\$	2,539,786	\$	504,886	\$	472,709	\$ 5,264,074
Revenue	\$	141,406	\$	128,900	\$	700,558	\$	75,865	\$ 1,046,729
Management fee payable to the Band		22,946		-		-		-	22,946
Other expenses		118,460		121,763		503,152		24,218	767,593
Net income (loss)	\$	-	\$	7,137	\$	197,406	\$	51,647	\$ 256,190
Band's share of income	\$	-	\$	785	\$	24,398	\$	5,739	\$ 30,922



SHXWHÁ:Y VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (Continued)

	Ts'elxweyeqw			2015	2014
	Ts'elxweyeqw Tribe Limited Partnership	Management Ltd.	Four Corners Business Corporation		
Cash	\$ 1,485,775	\$ 570,880	\$ 206,663	\$ 3,269,419	\$ 1,565,956
Accounts receivable	7,753	203,978	7,026	366,935	1,748,508
Inventory	-	-	-	10,578	199,128
Advances to related parties	1,829,858	74,595	-	2,033,350	3,404,409
Investments	3,009,244	5,030	-	3,014,274	934,485
Property and equipment	1,848	15,387	25,631	3,999,004	4,046,781
Other assets	778	13,618	-	28,578	30,438
Total assets	6,335,256	883,488	239,320	12,722,138	11,929,705
Bank indebtedness	-	-	-	-	100,000
Accounts payable	21,878	88,661	4,002	259,494	692,959
Income taxes payable	-	6,342	-	6,342	-
Security deposits	-	-	-	10,881	10,881
Advances from related parties	-	746,819	-	1,967,157	1,987,448
Long-term debt	-	-	16,088	1,624,072	1,585,823
Total liabilities	21,878	841,822	20,090	3,867,946	4,377,111
Equity	6,313,378	41,666	219,230	8,854,192	7,552,594
Total liabilities and equity	\$ 6,335,256	\$ 883,488	\$ 239,320	\$ 12,722,138	\$ 11,929,705
Revenue	\$ 1,290,305	\$ 923,266	\$ 55,713	\$ 3,316,013	\$ 4,382,325
Management fee payable to the Band	-	-	-	22,946	-
Expenses	505,904	881,483	165,399	2,320,379	2,889,179
Net income (loss)	\$ 784,401	\$ 41,783	\$ (109,686)	\$ 972,688	\$ 1,493,146
Band's share of income	\$ 111,945	\$ 5,969	\$ (27,422)	\$ 121,414	\$ 216,982

7. BANK INDEBTEDNESS

The Band has an operating line of credit with the Royal Bank of Canada, authorized to a maximum of \$250,000 bearing interest at the bank's prime rate plus 0.50% per annum by way of a revolving demand facility and secured by a general security agreement providing a first ranking security interest in all personal property of the Band. As at March 31, 2015, the total amount drawn on the credit facility agreement is \$Nil.



SHXWHÁ:Y VILLAGE**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2015****8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

		2015		2014
Trade accounts payable	\$	93,791	\$	85,604
Accrued liabilities		107,807		89,232
Distributions payable		353,385		235,505
Road claim payable		222,683		222,683
Government remittances payable		2,365		1,823
	\$	780,031	\$	634,847

9. LONG-TERM DEBT

		2015		2014
All Nations Trust Company mortgage, blended monthly payments of \$3,256 at 1.38% per annum, maturing January 2016	\$	32,387	\$	70,692
All Nations Trust Company mortgage, blended monthly payments of \$918 at 2.63% per annum, maturing June 2016		137,409		144,424
All Nations Trust Company mortgage, blended monthly payments of \$1,575 at 1.85% per annum, maturing July 2019		78,795		-
Royal Bank of Canada demand loan		-		95,757
Royal Bank of Canada demand loan		-		8,436
Total long-term debt	\$	248,591	\$	319,309

The loans are secured by a Ministerial Guarantee of the Minister of Aboriginal Affairs and Northern Development Canada as well as a general security agreement.

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2016	\$	57,603
2017		147,847
2018		18,262
2019		18,601
2020		6,278
	\$	248,591

10. DEFERRED REVENUE

		2014	Funding Received 2015	Revenue Recognized 2015	2015
Unearned revenue	\$	34,800	\$ -	\$ (34,800)	\$ -



SHXWHÁ:Y VILLAGE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

11. TANGIBLE CAPITAL ASSETS

	<i>Opening Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Closing Cost</i>
SOCIAL HOUSING FUND				
Housing projects	\$ 1,912,254	\$ -	\$ -	\$ 1,912,254
CAPITAL FUND				
Band housing	313,755	-	-	313,755
Buildings under construction	50,833	288,154	-	338,987
Community hall	375,642	-	-	375,642
Community hall furnishings	72,708	-	-	72,708
Smoke house	74,835	-	-	74,835
Office equipment	147,428	-	35,000	112,428
Computer equipment	54,087	-	-	54,087
Playground equipment	19,365	-	-	19,365
Tractor and attachments	46,100	-	-	46,100
	\$ 3,067,007	\$ 288,154	\$ 35,000	\$ 3,320,161

	<i>Opening Accumulated Amortization</i>	<i>Amortization</i>	<i>Disposals</i>	<i>Ending Accumulated Amortization</i>	2015 Net Book Value	2014 Net Book Value
SOCIAL HOUSING FUND						
Housing projects	\$ 1,071,491	\$ 70,718	\$ -	\$ 1,142,209	\$ 770,045	\$ 840,763
CAPITAL FUND						
Band housing	141,790	6,879	-	148,669	165,086	171,965
Buildings under construction	-	-	-	-	338,987	50,833
Community hall	167,392	8,330	-	175,722	199,920	208,250
Community hall furnishings	55,536	3,434	-	58,970	13,738	17,172
Smoke house	22,901	2,077	-	24,978	49,857	51,934
Office equipment	43,250	14,205	1,846	55,609	56,819	104,178
Computer equipment	31,823	6,679	-	38,502	15,585	22,264
Playground equipment	14,704	466	-	15,170	4,195	4,661
Tractor and attachments	37,077	2,707	-	39,784	6,316	9,023
	\$ 1,585,964	\$ 115,495	\$ 1,846	\$ 1,699,613	\$1,620,548	\$ 1,481,043



SHXWHÁ:Y VILLAGE**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2015**

12. REPLACEMENT RESERVE

Under the terms of the agreement with C.M.H.C., the replacement reserve account is to be credited annually. In the future years, the annual credit to the replacement reserve will be \$18,433. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by C.M.H.C. from time to time. Withdrawals are credited to interest first and then principal. The replacement reserve is over-funded by \$15,993 at March 31, 2015.

	2015		2014	
Replacement reserve cash balance	\$	164,687	\$	170,200
Less: replacement reserve surplus		(148,694)		(154,207)
	\$	15,993	\$	15,993

13. BUDGETED FIGURES

The unaudited budgets for the year April 1, 2014 to March 31, 2015 were approved by the Chief and Council at the Chief and Council meeting on March 20, 2014. The operating budget is based on projected operating expenses to be incurred during the year on a program-by-program basis.

14. RETROSPECTIVE RESTATEMENT

The Band's financial statements for the year ended March 31, 2014 understated its investment in one of its government business enterprises, Centre Creek Limited Partnership, by \$171,111. The understatement of the Band's investment in Centre Creek Limited Partnership have been corrected by retrospectively restating the financial statements for the year-ended March 31, 2014.



SHXWHÁ:Y VILLAGE**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2015**

15. EXPENSES BY OBJECT

	2015	2014
Administration costs	\$ 207,558	\$ 2,030
Advertising and promotion	258	7,102
Amortization	115,495	154,132
Bad debts	8,496	15,093
Capital purchases	38,710	-
Computer equipment	1,659	4,719
Consulting fees	301,334	394,503
Cultural activities	26,687	8,100
Distributions to members	255,960	145,478
Donations	1,126	300
Education	90,917	5,350
Equipment rental	13,966	-
Funerals and emergencies	238,798	44,362
Garbage removal	23,500	22,010
Honoraria	419,167	379,740
Insurance	35,611	25,043
Interest and bank charges	5,566	4,814
Interest on distributions	18,485	-
Interest on long-term debt	7,267	17,152
Janitorial	12,517	11,122
Loss from theft of assets	1,600	-
Loss on disposal of tangible capital assets	-	52,924
Lunch program	1,060	2,039
Meetings	16,021	29,572
Membership fees	3,665	135
Merchandise	7,173	2,941
Office and miscellaneous	57,634	27,345
Professional fees	102,844	325,044
Repairs and maintenance	112,252	91,207
Replacement reserves	39,371	21,112
Security	1,173	-
Supplies and materials	70,708	98,538
Telephone	25,942	34,369
Travel and training	193,562	102,164
Utilities	45,165	39,756
Wages and benefits	464,930	362,003
Youth programs	10,244	14,818
	\$ 2,976,421	\$ 2,445,017

