
**SHXWHÁ:Y VILLAGE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2016**



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: *Murray Sam*

Title: *CEO*

Date: *Sept. 7, 2016*

Name:

Title:

Date:



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, 2016, 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.



INDEPENDENT AUDITORS' REPORT

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

Manning Elliott LLP

Chartered Professional Accountants

Abbotsford, British Columbia

September 7, 2016

SHXWHÁ:Y VILLAGE**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT MARCH 31, 2016**

	2016	2015
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	\$ 2,796,757	\$ 2,819,612
Restricted cash (Note 3)	171,220	164,687
Investments (Note 4)	3,907,815	3,868,573
Accounts receivable (Note 5)	159,004	389,076
Trust funds held by Federal Government (Note 6)	428,247	428,515
Investment in government business enterprises (Note 7)	3,514,580	1,866,465
	<hr/>	<hr/>
	\$ 10,977,623	\$ 9,536,928
LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	\$ 618,771	\$ 780,031
Long-term debt (Note 10)	3,741,771	248,591
	<hr/>	<hr/>
	4,360,542	1,028,622
NET FINANCIAL ASSETS	<hr/>	<hr/>
	6,617,081	8,508,306
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	5,291,536	1,620,548
	<hr/>	<hr/>
ACCUMULATED SURPLUS	\$ 11,908,617	\$ 10,128,854

CONTINGENT LIABILITIES (Note 12)

Approved by the Council:



SHXWHÁ:Y VILLAGE**CONSOLIDATED STATEMENT OF OPERATIONS****FOR THE YEAR ENDED MARCH 31, 2016**

	2016	Budget	2015
REVENUE			
Aboriginal Affairs and Northern Development Canada	\$ 696,879	\$ 696,879	\$ 733,977
BC Hydro - Community development	-	-	2,000
Billboard rental	14,037	14,037	14,251
CMHC subsidy	25,105	25,105	40,214
First Nations Education Steering Committee	3,545	3,545	3,488
Human Resources and Social Development	16,177	16,177	12,311
Income from government business enterprises	1,044,876	-	165,813
Interest income	43,486	11,698	70,928
Land lease	29,500	29,500	25,000
Other	405,071	425,541	293,148
Ottawa Trust Funds	9,616	-	7,773
Property tax revenue	27,343	27,343	24,449
Rental revenue	126,600	126,600	130,868
Increase in investment in partnership	-	-	34,682
Royalty income	1,877,762	2,076,109	1,971,561
Land settlement agreement (Note 12)	608,999	-	-
Sto:lo Nation	9,539	9,550	8,670
White feather	4,320	-	-
	4,942,855	3,462,084	3,539,133
EXPENSES			
AANDC - Education	262,737	270,680	179,642
AANDC - New Housing Approach	-	-	50,418
Administration	732,776	786,466	638,363
Band hall	-	-	18,341
Band housing	90,774	92,181	53,996
Band revenue	708,198	833,964	926,535
BC Capacity Initiative	-	-	95,635
Community maintenance	452,200	455,160	127,526
Economic development	-	-	129,416
FAL/FMS	11,118	-	-
FNIP CCP	75,500	75,500	-
Family and youth	70,852	71,180	45,166
Land code	221,688	233,586	342,328
Land fill	227,278	227,430	82,446
P&D AANDC	19,677	17,800	37,088
Property taxation	20,224	20,556	24,449
Replacement reserve	-	-	40,195
Social housing	93,875	103,754	169,078
Summer students	16,240	16,305	15,799
White feather	159,956	-	-
	3,163,093	3,204,562	2,976,421
ANNUAL SURPLUS FOR THE YEAR	\$ 1,779,762	\$ 257,522	\$ 562,712



SHXWHÁ:Y VILLAGE**CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)****FOR THE YEAR ENDED MARCH 31, 2016**

	2016	Budget	2015
ANNUAL SURPLUS FOR THE YEAR	\$ 1,779,762	\$ 257,522	\$ 562,712
ACCUMULATED SURPLUS, BEGINNING OF YEAR	10,128,854	10,128,854	9,566,142
ACCUMULATED SURPLUS, END OF YEAR	\$ 11,908,616	\$ 10,386,376	\$ 10,128,854



SHXWHÁ:Y VILLAGE**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS****FOR THE YEAR ENDED MARCH 31, 2016**

	2016	2015
ANNUAL SURPLUS FOR THE YEAR	\$ 1,779,762	\$ 562,712
Acquisition of tangible capital assets	(3,766,603)	(288,154)
Loss on disposal of tangible capital assets	-	33,154
Amortization	95,616	115,495
	(3,670,987)	(139,505)
Use of prepaid expenses	-	6,173
CHANGES IN NET FINANCIAL ASSETS	(1,891,225)	429,380
NET FINANCIAL ASSET, BEGINNING OF YEAR	8,508,306	8,078,926
NET FINANCIAL ASSET, END OF YEAR	\$ 6,617,081	\$ 8,508,306



SHXWHÁ:Y VILLAGE**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31, 2016**

	2016	2015
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Annual surplus for the year	\$ 1,779,762	\$ 562,712
Items not involving cash:		
Amortization	95,616	115,495
Increase in investment in government business enterprises	(1,648,115)	(171,317)
	227,263	506,890
Change in non-cash working capital items:		
Accounts receivable	230,072	612,304
Prepaid expenses and deposits	-	6,173
Inventory held for use	-	(34,800)
Accounts payable and employee obligations	(161,259)	145,183
	296,076	1,235,750
FINANCING TRANSACTIONS		
Proceeds from long-term debt	3,738,000	-
Repayment of long-term debt	(244,820)	(70,718)
Repayment of capital lease liability	-	(33,154)
	3,493,180	(103,872)
CAPITAL AND INVESTING TRANSACTIONS		
Proceeds from disposal of tangible capital assets	-	33,154
Acquisition of tangible capital assets	(3,766,604)	(288,154)
Increase in portfolio investments	(39,242)	(60,860)
Decrease (increase) in Ottawa Trust Funds	268	(206,808)
	(3,805,578)	(522,668)
INCREASE (DECREASE) IN CASH DURING THE YEAR	(16,322)	609,210
CASH AND EQUIVALENTS, BEGINNING OF YEAR	2,984,299	2,375,089
CASH AND EQUIVALENTS, END OF YEAR	\$ 2,967,977	\$ 2,984,299
Cash and equivalents consist of the following:		
Cash and cash equivalents	\$ 2,796,757	\$ 2,819,612
Restricted cash	171,220	164,687
	\$ 2,967,977	\$ 2,984,299



SHXWHÁ:Y VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

NATURE OF OPERATIONS

The Shxwhá:y Village (the "Band") is a band government of the Sto:lo people located in the City of Chilliwack in the Province of British Columbia. The Band provides various services to its members including the Band's members, 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.
- 1057635 Holdings Limited Partnership
- 1057635 B.C. Ltd.



SHXWHÁ:Y VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2016

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 Public Sector Accounting Board standards 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, 2016

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

	2016	2015
Cash is comprised of the following:		
Externally restricted		
C.M.H.C. operating	\$ 227,133	\$ 238,137
Internally restricted		
Replacement reserves	171,220	164,687
Unrestricted		
Operating	2,569,624	2,581,475
Total cash and cash equivalents	\$ 2,967,977	\$ 2,984,299



SHXWHÁ:Y VILLAGE**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2016**

3. INVESTMENTS

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

			2016	2015
	Number of Units	Market Value	Book Value	Book Value
MFABC Intermediate	390,744	\$ 3,907,442	\$ 3,907,442	\$ 3,868,203
MFABC Money Market	37	373	373	370
		\$ 3,907,815	\$ 3,907,815	\$ 3,868,573

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

Due from members:

Social housing rent receivable (Projects II - V)	\$ 16,064	\$ 18,529
Social housing rent receivable (Projects VI)	1,053	7,478
Band housing rent receivable	26,905	31,862
Other receivables from members	24,532	12,533
Home repair receivable	5,896	6,196

Total due from members:	74,450	76,598
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Due from others:

Aboriginal Affairs and Northern Development Canada	3,600	32,324
Government of Canada	-	22,361
New Relationship Trust	-	5,000
Royalties receivable	80,954	252,793

Total accounts receivable	\$ 159,004	\$ 389,076
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5. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2015	Additions	Withdrawals	2016
Revenue	\$ 4,501	\$ 9,616	\$ 9,885	\$ 4,232
Capital	424,015	-	-	424,015
Total	\$ 428,516	\$ 9,616	\$ 9,885	\$ 428,247

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, 2016**

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

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

	2016	2015
Skway Development Corporation	\$ 572,633	\$ 563,449
Centre Creek Limited Partnership	179,395	180,427
Ch-Ihl-Kway-Uhk Forestry Limited Partnership	48,346	42,797
Ch-Ihl-Kway-Uhk Tribe Society	54,116	51,507
Ts'elxweyeqw Tribe Limited Partnership	2,011,725	960,784
Ts'elxweyeqw Tribe Management Ltd.	1	1
Four Corners Tribal Business Corporation	39,364	67,500
1057635 Holdings Limited Partnership	608,999	-
1057635 BC Ltd.	1	-
	\$ 3,514,580	\$ 1,866,465

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. Partnership was disbanded during the year.

1057635 Holdings Limited Partnership is in the business of constructing and operating a tissue factory. The band owns 999 of 1,000 partnership units and is the Limited Partner.

1057635 B.C. Ltd. is the general partner of the 1057635 Holdings Limited Partnership. The sole share in 1057635 B.C. Ltd. is held in trust for the members of the Band.



SHXWHÁ:Y VILLAGE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016
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	\$	317,279	\$	35,094	\$	427,795	\$	360,052	\$ 1,140,220
Accounts receivable		-		1,023		134,963		9,042	145,028
Inventory		-		-		-		-	-
Advances to related parties		-		-		-		128,897	128,897
Investments		-		-		-		-	-
Property and equipment		1,416,731		2,461,132		-		181	3,878,044
Other assets		-		6,936		29,086		2,973	38,995
Total assets		1,734,010		2,504,185		591,844		501,145	5,331,184
Bank indebtedness		-		-		-		-	-
Accounts payable		16,936		25,819		156,833		14,105	213,693
Income taxes payable		-		-		-		-	-
Security deposits		10,881		-		-		-	10,881
Advances from related parties		712,839		530,704		-		-	1,243,543
Long-term debt		1,133,560		393,734		-		-	1,527,294
Total liabilities		1,874,216		950,257		156,833		14,105	2,995,411
Equity		(140,206)		1,553,928		435,011		487,040	2,335,773
Total liabilities and equity	\$	1,734,010	\$	2,504,185	\$	591,844	\$	501,145	\$ 5,331,184
Revenue	\$	133,843	\$	100,900	\$	315,186	\$	57,942	\$ 607,871
Management fee payable to the Band		-		-		-		-	-
Other expenses		134,983		110,279		270,290		34,463	550,015
Net income (loss)	\$	(1,140)	\$	(9,379)	\$	44,896	\$	23,479	\$ 57,856
Band's share of income (loss)	\$	(1,140)	\$	(1,032)	\$	5,549	\$	2,609	\$ 5,986



SHXWHÁ:Y VILLAGE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (Continued)

	Ts'elxweyeqw Tribe Limited Partnership		Ts'elxweyeqw Tribe Management Ltd.		1057635 Holdings Limited Partnership		2016	2015
Cash	\$	8,405,446	\$	337,477	\$	-	\$ 9,883,143	\$ 3,269,419
Accounts receivable		34,670		289,490		-	469,188	366,935
Inventory		-		-		-	-	10,578
Advances to related parties		1,845,157		74,595		1,000	2,049,649	2,033,350
Investments		3,640,022		13,096		-	3,653,118	3,014,274
Property and equipment		1,429		21,924		619,180	4,520,577	3,999,004
Other assets		3,250		12,008		-	54,253	28,578
Total assets		13,929,974		748,590		620,180	20,629,928	12,722,138
Bank indebtedness		-		-		-	-	-
Accounts payable		252,652		71,064		10,181	547,590	259,494
Income taxes payable		-		-		-	-	6,342
Security deposits		-		-		-	10,881	10,881
Advances from related parties		-		762,118		-	2,005,661	1,967,157
Long-term debt		-		-		-	1,527,294	1,624,072
Total liabilities		252,652		833,182		10,181	4,091,426	3,867,946
Equity		13,677,322		(84,592)		609,999	16,538,502	8,854,192
Total liabilities and equity	\$	13,929,974	\$	748,590	\$	620,180	\$ 20,629,928	\$ 12,722,138
Revenue	\$	8,291,061	\$	496,809	\$	-	\$ 9,395,741	\$ 3,316,013
Management fee payable to the Band		-		-		-	-	22,946
Expenses		927,113		623,067		-	2,100,195	2,320,379
Net income (loss)	\$	7,363,948	\$	(126,258)	\$	-	\$ 7,295,546	\$ 972,688
Band's share of income	\$	1,050,941	\$	(18,037)	\$	-	\$ 1,038,890	\$ 121,414

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, 2016, 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, 2016**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade accounts payable	\$ 112,093	\$ 93,792
Accrued liabilities	49,663	107,807
Distributions payable	360,197	353,385
Road claim payable	91,459	222,683
Government remittances payable	5,359	2,365
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	\$ 618,771	\$ 780,032

9. LONG-TERM DEBT

	2016	2015
All Nations Trust Company mortgage, blended monthly payments of \$918 at 2.63% per annum, maturing June 2016	\$ 129,598	\$ 137,409
All Nations Trust Company mortgage, blended monthly payments of \$1,575 at 1.85% per annum, maturing July 2019	61,073	78,795
First Nations Finance Authority White Feather Building, interest calculated daily and compounded monthly at 2.60%	3,738,000	-
First Nations Finance Authority Debt Reserve Fund	(186,900)	-
All Nations Trust Company mortgage	-	32,387
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Total long-term debt	\$ 3,741,771	\$ 248,591

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:

2017	\$ 25,623
2018	165,271
2019	169,994
2020	162,185
2021	3,218,698
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	\$ 3,741,771



SHXWHÁ:Y VILLAGE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

10. 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	338,987	3,766,603	-	4,105,590
Community hall	375,642	-	-	375,642
Community hall furnishings	72,708	-	-	72,708
Smoke house	74,835	-	-	74,835
Office equipment	112,428	-	-	112,428
Computer equipment	54,087	-	-	54,087
Playground equipment	19,365	-	-	19,365
Tractor and attachments	46,099	-	-	46,099
	\$ 3,320,160	\$ 3,766,603	\$ -	\$ 7,086,763

	<i>Opening Accumulated Amortization</i>	<i>Amortization</i>	<i>Disposals</i>	<i>Ending Accumulated Amortization</i>	2016 Net Book Value	2015 Net Book Value
SOCIAL HOUSING FUND						
Housing projects	\$ 1,142,209	\$ 57,921	\$ -	\$ 1,200,130	\$ 712,124	\$ 770,045
CAPITAL FUND						
Band housing	148,669	6,603	-	155,272	158,483	165,086
Buildings under construction	-	-	-	-	4,105,590	338,987
Community hall	175,722	7,996	-	183,718	191,924	199,920
Community hall furnishings	58,970	2,747	-	61,717	10,991	13,738
Smoke house	24,978	1,994	-	26,972	47,863	49,857
Office equipment	55,609	11,364	-	66,973	45,455	56,819
Computer equipment	38,502	4,675	-	43,177	10,910	15,585
Playground equipment	15,170	419	-	15,589	3,776	4,195
Tractor and attachments	39,784	1,895	-	41,679	4,420	6,316
	\$ 1,699,613	\$ 95,614	\$ -	\$ 1,795,227	\$5,291,536	\$ 1,620,548

SHXWHÁ:Y VILLAGE**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2016**

11. 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 \$15,200. 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 fully funded at March 31, 2016.

12. LAND SETTLEMENT AGREEMENT

During fiscal 2016, the Band reached an agreement to extend the royalty rights granted to the Company that is extracting aggregates from the Band's lands. The terms of this agreement provided that the Company transfer land valued at \$609,000 for consideration of the extension and \$1. Accordingly, the benefit of this agreement has been recorded in these financial statements.

Subsequent to this transfer, the Band exchanged the land for \$608,999 units in the 1057635 Holdings Limited Partnership.

13. BUDGETED FIGURES

The unaudited budgets for the year April 1, 2015 to March 31, 2016 were approved by the Chief and Council. The operating budget is based on projected operating expenses to be incurred during the year on a program-by-program basis.



SHXWHÁ:Y VILLAGE**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2016**

14. EXPENSES BY OBJECT

	2016	2015
Administration costs	\$ 360,323	\$ 207,558
Advertising and promotion	342	258
Amortization	95,616	115,495
Bad debts	-	8,496
Capital purchases	4,826	38,710
Computer equipment	40	1,659
Consulting fees	162,365	301,334
Cultural activities	13,583	26,687
Distributions to members	14,404	255,960
Donations	3,042	1,126
Education	157,159	90,917
Equipment rental	29,867	13,966
FAL/FMS	50,963	7,267
Funerals and emergencies	135,002	238,798
Garbage removal	16,263	23,500
Honoraria	97,938	419,167
Insurance	26,651	35,611
Interest and bank charges	6,643	5,566
Interest on distributions	10,865	18,485
Janitorial	15,428	12,517
Loss from theft of assets	-	1,600
Lunch program	136	1,060
Meetings	19,787	16,021
Membership fees	2,580	3,665
Merchandise	26,255	7,173
Office and miscellaneous	105,500	57,634
Professional fees	88,773	102,844
Repairs and maintenance	28,942	112,252
Replacement reserves	5,050	39,371
Security	2,795	1,173
Supplies and materials	100,655	70,708
Telephone	22,495	25,942
Travel and training	607,837	193,562
Utilities	73,816	45,165
Wages and benefits	858,429	464,930
Youth programs	18,723	10,244
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	\$ 3,163,093	\$ 2,976,421

