

Tzeachten First Nation
Consolidated Financial Statements
March 31, 2015

Tzeachten First Nation

Contents

For the year ended March 31, 2015

	Page
Management's Responsibility	
Independent Auditors' Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Financial Assets.....	3
Consolidated Statement of Cash Flows.....	4
Notes to the Consolidated Financial Statements.....	5
Schedules	
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	16
Schedule 2 - Consolidated Schedule of Consolidated Expenses by Object.....	18
Schedule 3 - Administration.....	19
Schedule 4 - Economic Development and Employment.....	21
Schedule 5 - Community Maintenance and Improvements.....	22
Schedule 6 - Education and Awareness.....	23
Schedule 7 - Lands Management.....	24
Schedule 8 - Housing.....	25
Schedule 9 - Taxation.....	26
Schedule 10 - Capital Fund.....	27
Schedule 11 - Ottawa Trust Fund.....	28

Management's Responsibility

To the Members of Tzeachten First Nation

The accompanying consolidated financial statements of Tzeachten First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Tzeachten First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 14, 2015

(Originally signed by Lori Falys) Director of Finance (Originally signed by Glenda Campbell) Chief

Independent Auditors' Report

To the Members of Tzeachten First Nation:

We have audited the accompanying consolidated financial statements of Tzeachten First Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, 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 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 the auditors' 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Tzeachten First Nation as at March 31, 2015 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chilliwack, British Columbia

July 14, 2015

MNP LLP

Chartered Professional Accountants

Tzeachten First Nation
Consolidated Statement of Financial Position
As at March 31, 2015

	2015	2014
Financial assets		
Cash resources	5,354,511	5,121,343
Restricted cash (Note 3)	62,259	89,104
Accounts receivable (Note 4)	858,527	499,318
Investment in Nation business entities (Note 5), (Note 6), (Note 7)	10,899,658	11,389,923
Funds held in trust	-	1,171
Total of assets	17,174,955	17,100,859
Liabilities		
Accounts payable and accruals	405,317	535,942
Minors Trust Fund	521,016	480,476
Long-term debt (Note 8)	5,631,815	5,754,148
Total of financial liabilities	6,558,148	6,770,566
Net financial assets	10,616,807	10,330,293
Contingencies (Note 9)		
Non-financial assets		
Tangible capital assets	10,427,055	9,921,980
Prepaid expenses	10,045	-
	10,437,100	9,921,980
Accumulated surplus (Note 12)	21,053,907	20,252,273

Approved on behalf of the Council

(Originally signed by Glenda Campbell)

Chief

(Originally signed by Cathy Hall)

Councillor

(Originally signed by Lori Falys)

**Director of
Finance**

Tzeachten First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	652,700	1,282,719	892,976
Tzeachten Investment Income (Loss)			
Shxw Kwimel Cha Limited Partnership	540,000	86,559	327,872
Ch-ihl-kway-uhk Forestry Limited Partnership	-	24,399	(21,346)
Ch-ihl-kway-uhk Forestry Ltd.	-	-	(243)
Ch-ihl-kway-uhk Tribe Society	-	5,739	5,473
Ts'elxweyeqw Tribe Limited Partnership	-	111,945	203,425
SHAC Joint Venture	-	16,993	3,402
Centre Creek Limited Partnership	-	785	(1,539)
Canada Mortgage and Housing Corporation	18,000	41,287	48,240
Property taxation	1,671,700	1,617,054	1,510,576
Tzeachten Sales Tax	645,600	723,200	636,253
First Nations Financial Management	-	30,000	-
Property transfer tax	66,000	383,640	56,570
Rental income	387,000	324,907	247,098
Development Cost Charge Equivalents	187,500	280,618	292,052
Gain on sale of tangible capital assets	72,000	129,835	-
Interest income	38,200	80,905	108,307
Other income	43,900	66,572	76,445
Management fees	-	42,000	-
Sto:lo Nation	31,200	38,999	38,853
BC Hydro	36,500	36,511	36,511
Application and registry fees	42,000	28,527	-
New Relationship Trust	9,000	21,000	28,500
Donations	1,500	11,784	-
First Nations Education Steering Committee	2,700	8,097	6,654
Sponsorships	4,000	-	-
Royalties	-	-	335
	4,449,500	5,394,075	4,496,414
Expenses			
Administration	1,920,500	2,292,938	2,199,161
Economic Development and Employment	24,400	39,583	31,094
Community Maintenance and Improvements	128,500	143,765	164,042
Education and Awareness	21,500	22,270	13,948
Lands Management	366,300	310,289	396,050
Housing	260,600	234,974	196,841
Taxation	1,172,200	1,110,874	1,042,370
Capital Fund	308,000	437,748	411,986
	4,202,000	4,592,441	4,455,492
Surplus	842,400	801,634	40,922
Accumulated surplus, beginning of year	20,252,273	20,252,273	20,211,351
Accumulated surplus, end of year	21,094,673	21,053,907	20,252,273

The accompanying notes are an integral part of these financial statements

Tzeachten First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Annual surplus	842,400	801,634	40,922
Purchases of tangible capital assets	(890,665)	(1,081,491)	(3,024,522)
Amortization of tangible capital assets	308,000	437,748	411,986
Proceeds of disposal of tangible capital assets	-	265,000	-
Gain on disposal of tangible capital assets	-	(126,332)	-
Acquisition of prepaid expenses	-	(10,045)	-
Increase (decrease) in net financial assets	259,735	286,514	(2,571,614)
Net financial assets, beginning of year	10,330,293	10,330,293	12,901,907
Net financial assets, end of year	10,590,028	10,616,807	10,330,293

Tzeachten First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating activities		
Surplus	801,634	40,922
Non-cash items		
Amortization	437,748	411,986
Funds held in trust	1,172	48,166
Equity income from investments - other	(159,871)	(189,172)
Equity income from Shxw Kwimel Cha Limited Partnership	(140,865)	(381,646)
Gain on disposal of tangible capital asset	(126,332)	-
Write off investment	6,000	-
	819,486	(69,744)
Changes in working capital accounts		
Accounts receivable	(359,209)	104,343
Prepaid expenses	(10,045)	-
Restricted cash	30,163	-
Accounts payable and accruals	(130,625)	(139,827)
Minors Trust Fund	40,540	32,659
Transfer overfunded portion of replacement reserve to unrestricted cash	(55,655)	-
Secured revenue trust account	25,492	-
	360,147	(72,569)
Financing activities		
Advances of long-term debt	-	1,068,000
Repayment of long-term debt	(122,333)	(47,411)
	(122,333)	1,020,589
Capital activities		
Purchases of tangible capital assets	(1,081,491)	(3,024,522)
Proceeds of disposal of tangible capital assets	265,000	-
	(816,491)	(3,024,522)
Investing activities		
Distributions from Shxw Kwimel Cha Limited Partnership	785,000	540,000
Increase (decrease) in cash resources	206,323	(1,536,502)
Cash resources, beginning of year	5,210,447	6,746,949
Cash resources, end of year	5,416,770	5,210,447
Cash resources are composed of:		
Cash	5,354,511	5,121,343
Restricted cash (Note 3)	62,259	89,104
	5,416,770	5,210,447
Supplementary cash flow information		
Interest paid	191,999	136,205

The accompanying notes are an integral part of these financial statements

Tzeachten First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2015

1. Operations

Tzeachten First Nation ("TzFN") is located in the province of British Columbia, and provides various services to its members. Tzeachten First Nation includes TzFN's government and all related entities that are accountable to TzFN and are either owned or controlled by TzFN.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Asset classification

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

Net financial assets

Tzeachten First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of TzFN is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records for all tangible capital assets. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Method</i>	<i>Rate</i>
Buildings	straight-line	40 years
Building and leasehold improvements	straight-line	10 years
Computers	straight-line	4 years
Equipment and furniture	straight-line	10 years
Roads	straight-line	20 years
Signs	straight-line	10 years
Vehicles	straight-line	5 years
Water and sewer networks	straight-line	50 years

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

2. Significant accounting policies *(Continued from previous page)*

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

Tzeachten First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purposes specified in accordance with an agreement or legislation. Until this time, TzFN records externally restricted inflows in deferred revenue.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Tax revenue

Tzeachten First Nation recognizes taxes as assets and revenue when they meet the definition of an asset; are authorized by a legislature, council, or legislative convention; and the taxable event has occurred.

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, TzFN evaluates the tax receivable for collectibility and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

Own source revenue

Own source revenue derived from such sources as housing rents, resource based revenues, management fees, interest income etc, is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investments

Tzeachten First Nation uses the modified equity method to account for its investments in various business partnerships and corporations whereby the acquisition cost is increased by the TzFN's proportionate share of earnings.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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 reporting period.

Accounts receivable, and amounts due from related First Nation entities and departments, are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. Tax receivables are evaluated as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets and discontinued operations

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When TzFN determines that a long-lived asset no longer has any long-term service potential to TzFN, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Segments

Tzeachten First Nation conducts its business through eight reportable segments as described in Note 11. These operating segments are established by senior management to facilitate the achievement of TzFN's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

3. Restricted cash

Restricted cash consists of the following balances:

	2015	2014
Replacement reserve	36,767	89,104
Secured revenue trust account	25,492	-
	62,259	89,104

Replacement reserve

Under agreements with Canada Mortgage and Housing Corporation (CMHC), TzFN established a replacement reserve, funded by an annual allocation of \$16,167 (2014 - \$16,167), to ensure the maintenance and replacement of buildings financed by CMHC. At March 31, 2015, \$36,767 (2014 - \$89,104) has been set aside to fund this reserve.

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

Secured revenue trust account

The secured revenue trust account arises from a financing agreement with the First Nations Finance Authority (FNFA). Investment revenue of TzFN is deposited into this secured account and is used to secure funds FNFA has lent to TzFN. The account is required to pay amounts to FNFA under the terms of the borrowing agreement before paying any remaining amounts from the account to TzFN.

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

4. Accounts receivable

Accounts receivable is comprised of the following:

	2015	2014
Accounts receivable	793,688	362,603
Due from TzFN members:		
Social housing rent receivable	29,782	25,151
TzFN housing rent receivable	198,857	223,128
Less: allowance for doubtful accounts	(163,800)	(111,564)
	64,839	136,715
	858,527	499,318

5. Investment in Vedder Crossing Plaza Inc.

Investment in Vedder Crossing Plaza Inc. (VCP) consists of:

	2015	2014
Shares	10	10
Investment - Vedder Crossing Plaza Inc.	10,158,156	10,158,156
	10,158,166	10,158,166

Financial information for Vedder Crossing Plaza Inc. is as follows:

	2015	2014
Investment in Vedder Crossing Plaza Limited Partnership	10,158,166	10,158,166
Share capital	10	10
Equity, beginning of year	10,158,156	10,158,156
Net income	-	-
Equity, end of year	10,158,156	10,158,156
	10,158,166	10,158,166

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

6. Investment in Shxw Kwimel Cha Limited Partnership

Investment in Shxw Kwimel Cha Limited Partnership consists of:

	2015	2014
Investment in Shxw Kwimel Cha Limited Partnership	(887,981)	(243,845)

Consolidated financial information for Shxw Kwimel Cha Limited Partnership is as follows:

	2015	2014
Current assets	3,722,213	5,585,000
Revenue producing property	13,234,532	13,585,926
Investments	1,497,506	-
	19,951,757	19,170,926
Current liabilities	474,333	329,697
Long term debt	8,704,790	8,926,422
Vedder Crossing Plaza Inc.	10,158,168	10,158,168
	19,337,291	19,414,287
Partnership capital, beginning of year	(243,361)	(85,491)
Net income	145,321	382,130
Distributions to TzFN	(785,000)	(540,000)
Partnership capital, end of year	(883,040)	(243,361)
	18,454,251	19,170,926

	2015	2014
Revenue	1,403,752	1,324,070
Operating expenses	399,642	248,392
Administrative expenses	71,201	22,356
Interest expense	334,815	218,420
Amortization expense	452,773	452,772
	1,258,431	941,940
	145,321	382,130

Tzeachten First Nation investment in Shxw Kwimel Cha Limited Partnership was established for the purpose of managing the activities of the Vedder Crossing Plaza Limited Partnership and to facilitate future business opportunities.

Shxw Kwimel Cha Management Ltd. is the general partner of Shxw Kwimel Cha Limited Partnership and its financial activity has been included in the consolidated financial information above.

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

7. Investments - other

Tzeachten First Nation has investments in the following entities:

	%	2015	2014
Centre Creek Limited Partnership	1/9	180,427	179,642
Centre Creek Management Limited - share capital	1/9	10	10
Ch-ihl-kway-uhk Forestry Limited Partnership	1/8	42,797	18,398
Ch-ihl-kway-uhk Forest Ltd. - share capital	1/8	10	10
Ch-ihl-kway-uhk Forest Ltd.	1/8	5,759	5,749
Ch-ihl-kway-uhk Tribe Society	1/9	51,507	45,768
Ts'elxweyeqw Tribe Limited Partnership	1/7	960,784	848,839
Ts'elxweyeqw Tribe Management Limited - share capital	1/7	10	10
SHAC Joint Venture	1/6	320,669	303,676
Four Corners Tribal Business Corporation - share capital	1/4	67,500	67,500
Okanagan Nation Alliance		-	6,000
		1,629,473	1,475,602

Consolidated financial information for Centre Creek Limited Partnership and Centre Creek Management Limited is as follows:

	2015	2014
Current assets	40,274	27,985
Property and equipment	2,499,512	2,539,492
	2,539,786	2,567,477
Current liabilities	543,170	639,109
Long-term debt	433,307	372,196
	976,477	1,011,305
Equity, beginning of year	1,556,172	1,570,162
Net income (loss)	7,137	(13,990)
Equity, end of year	1,563,309	1,556,172
	2,539,786	2,567,477

	2015	2014
Revenue	128,900	95,700
Expenses	121,763	109,690
Net income (loss)	7,137	(13,990)

Tzeachten First Nation investment in Centre Creek Limited Partnership was established for the purpose of purchasing or otherwise acquiring real and personal property of all kinds located in the Chilliwack River Valley. The partnership is also responsible for managing the acquired properties.

Tzeachten First Nation investment in Centre Creek Management Limited was established as the general partner of Centre Creek Limited Partnership.

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

7. Investments - other *(Continued from previous page)*

Consolidated financial information for Ch-ihl-kway-uhk Forestry Limited Partnership, Ch-ihl-kway-uhk Forest Limited, and Ch-ihl-kway-uhk Tribe Society is as follows:

	2015	2014
Current assets	848,559	718,095
Capital assets	239	320
Due from related party	128,897	128,897
	<u>977,695</u>	<u>847,312</u>
Current liabilities	123,920	242,590
Common shares	100	100
Equity, beginning of year	604,622	539,629
Net income	249,053	64,993
Equity, end of year	<u>853,675</u>	<u>604,622</u>
	<u>977,695</u>	<u>847,312</u>

	2015	2014
Revenue	776,423	313,039
Expenses	527,370	248,046
Net income	<u>249,053</u>	<u>64,993</u>

Tzeachten First Nation investment in Ch-ihl-kway-uhk Forestry Limited Partnership was established for the purpose of developing, operating and participating in various forestry operations and activities in and around Chilliwack, B.C.

Tzeachten First Nation investment in Ch-ihl-kway-uhk Forest Limited was established as the general partner of Ch-ihl-kway-uhk Forestry Limited Partnership.

Tzeachten First Nation investment in Ch-ihl-kway-uhk Tribe Society was established for the purpose of property rentals.

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

7. Investments - other *(Continued from previous page)*

Consolidated financial information for Ts'elxweyeqw Tribe Limited Partnership, Ts'elxweyeqw Tribe Management Limited, and Ts'elxweyeqw Forestry Limited Partnership is as follows:

	2015	2014
Current assets	6,020,989	5,490,634
Property and equipment	23,785	18,492
Due from related parties	401,357	393,922
	6,446,131	5,903,048
Current liabilities	124,903	410,304
Share capital	7	7
Equity, beginning of year	5,492,737	4,094,485
Net income	828,484	1,398,252
Equity, end of year	6,321,221	5,492,737
	6,446,131	5,903,048

	2015	2014
Revenue	1,889,286	3,231,631
Expenses	1,060,802	1,833,379
Net income	828,484	1,398,252

Tzeachten First Nation investment in Ts'elxweyeqw Tribe Limited Partnership was established for the purpose of managing the activities of the Ts'elxweyeqw Forestry Limited Partnership to ensure the protection of the tribe's interests and heritage.

Tzeachten First Nation investment in Ts'elxweyeqw Tribe Management Limited was established as the general partner of Ts'elxweyeqw Tribe Limited Partnership and Ts'elxweyeqw Forestry Limited Partnership.

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

7. Investments - other *(Continued from previous page)*

Consolidated financial information for SHAC Joint Venture is as follows:

	2015	2014
Current assets	1,897,072	1,861,603
Property and equipment	66,493	65,153
	1,963,565	1,926,756
Liabilities	39,549	104,700
Venturer's Capital, beginning of year	1,822,056	2,004,142
Net income	101,960	20,414
Withdrawals	-	(202,500)
Venturer's Capital, end of year	1,924,016	1,822,056
	1,963,565	1,926,756

	2015	2014
Revenue	839,005	767,572
Expenses	737,045	747,158
Net income	101,960	20,414

Tzeachten First Nation investments in SHAC Joint Venture was established for the purpose of managing the settlement of funds received from BC Hydro for the ILM transmission line project.

Financial information for Four Corners Tribal Business Corporation is as follows:

	2015	2014
Current assets	213,689	339,045
Property and equipment	25,631	32,665
	239,320	371,710
Current liabilities	4,002	4,098
Long term debt	16,088	38,696
	20,090	42,794
Share capital	270,000	270,000
Deficit	(196,832)	(87,146)
Contributed surplus	146,062	146,062
	219,230	328,916
	239,320	371,710

	2015	2014
Revenue	55,713	143,678
Expenses	165,399	215,076
Net loss	(109,686)	(71,398)

Tzeachten First Nation investments in Four Corners Tribal Business Corporation was established for the purpose of investing in viable business opportunities.

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

8. Long-term debt

	2015	2014
All Nations Trust Company mortgage, payments of \$598 per month including interest at 2.35% per annum; renewal and maturity July 2018	22,972	29,522
All Nations Trust Company mortgage, payments of \$1,703 per month including interest at 2.40% per annum; renewal on October 1, 2015; maturity June 2020	100,765	118,568
All Nations Trust Company mortgage, payments of \$2,234 per month including interest at 2.11% per annum; renewal and maturity October 2018	92,428	117,005
First Nations Finance Authority, bearing interest at 2.6%, with monthly payments of \$8,156 plus interest	5,415,650	5,489,053
	5,631,815	5,754,148

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2016	147,889
2017	149,025
2018	150,187
2019	135,368
2020	117,916
	<hr/>
	700,385

All Nations Trust Company debt is secured by Ministerial guarantees of the Minister of Aboriginal Affairs and Northern Development Canada. First Nation Finance Authority debt is secured by income distributions received from Shxw Kwimel Cha Limited Partnership investment.

9. Contingent liabilities

Tzeachten First Nation may be contingently liable for guaranteed housing mortgages, totalling \$551,539 (2014 - \$635,883), as per details provided by the Minister of Aboriginal Affairs and Northern Development Canada.

10. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

11. Segments

Tzeachten First Nation receives revenues and incurs expenses from many different projects and sources. For management and reporting purposes, the revenues, expenses and surpluses or deficits are organized by segments. Schedules 3 - 11 disclose TzFN's revenues and expenses in the following segments:

Administration

Includes general operations, support, and financial management of TzFN.

Economic development and employment

Includes activities related to the growth and revenue producing projects with TzFN.

Community Maintenance and Improvements

Includes revenues and expenditures related to maintenance of community infrastructure.

Education and awareness

Includes revenues and expenses related to education and awareness through prevention programs and after school programs for the members of TzFN.

Lands Management

Includes revenues and expenditures related to conservation and stewardship of TzFN's land and resources.

Housing

Includes rent collection and maintenance related to the mortgaged and non-mortgaged homes owned by TzFN.

Taxation

Includes revenues and expenditures related to property taxation.

Capital Fund

Includes revenue and expenditures related to capital projects.

Ottawa Trust Fund

Includes funds held in trust by the Government of Canada on behalf of TzFN.

12. Accumulated surplus

Accumulated surplus consists of the following:

	2015	2014
Equity in Ottawa Trust Funds	-	1,171
Equity in tangible capital assets	5,471,726	4,827,983
Equity in replacement reserve	36,766	36,051
Unrestricted surplus	15,545,415	15,387,068
	21,053,907	20,252,273

Tzeachten First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Land</i>	<i>Buildings</i>	<i>Housing units</i>	<i>Furniture and equipment</i>	<i>Roads, water and sewer</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	1,683,023	3,821,374	3,991,474	738,324	2,733,641	12,967,836
Acquisition of tangible capital assets	72,500	609,045	-	7,394	392,550	1,081,489
Disposal of tangible capital assets	-	-	(145,964)	-	-	(145,964)
Balance, end of year	1,755,523	4,430,419	3,845,510	745,718	3,126,191	13,903,361
Accumulated amortization						
Balance, beginning of year	-	1,037,711	947,136	259,388	812,154	3,056,389
Annual amortization	-	164,561	88,840	77,688	88,828	419,917
Balance, end of year	-	1,202,272	1,035,976	337,076	900,982	3,476,306
Net book value of tangible capital assets	1,755,523	3,228,147	2,809,534	408,642	2,225,209	10,427,055
2014 Net book value of tangible capital assets	1,683,023	2,783,663	3,044,338	478,936	1,921,487	9,911,447

Tzeachten First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	<i>Subtotal</i>	<i>Vehicles</i>	<i>2015</i>	<i>2014</i>
Cost				
Balance, beginning of year	12,967,836	52,667	13,020,503	9,995,979
Acquisition of tangible capital assets	1,081,489	-	1,081,489	3,024,524
Disposal of tangible capital assets	(145,964)	-	(145,964)	-
Balance, end of year	13,903,361	52,667	13,956,028	13,020,503
Accumulated amortization				
Balance, beginning of year	3,056,389	42,134	3,098,523	2,686,537
Annual amortization	419,917	10,533	430,450	411,986
Balance, end of year	3,476,306	52,667	3,528,973	3,098,523
Net book value of tangible capital assets	10,427,055	-	10,427,055	9,921,980
2014 Net book value of tangible capital assets	9,911,447	10,533	9,921,980	

Tzeachten First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2015

	<i>2015</i> <i>Budget</i>	<i>2015</i>	<i>2014</i> <i>(Note 10)</i>
Consolidated expenses by object			
Accounting Policy	308,000	437,748	411,986
Contracts and Agreements	1,275,300	1,251,757	1,123,610
Educational	50,000	52,754	52,678
Maintenance	245,800	294,728	305,847
Member Distributions	250,400	270,880	219,800
Membership Services and Benefits	153,300	212,997	290,429
Operating Overhead	436,300	432,218	551,608
Professional Services and Committees	360,500	495,821	427,922
Remunerations	1,122,400	1,143,538	1,071,612
	4,202,000	4,592,441	4,455,492