

Shxw'ow'hamel First Nation
Financial Statements
March 31, 2018

Shxw'ow'hamel First Nation

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For the year ended March 31, 2018

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Management's Responsibility

To the Members of Shxw'ow'hamel First Nation:

The accompanying financial statements of Shxw'ow'hamel First Nation are the responsibility of management and have been approved by the Si:yam Council.

Management is responsible for the preparation and presentation of the accompanying 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 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 financial statements.

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

MNP LLP is appointed by the Members to audit the 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 Si:yam Council and management to discuss their audit findings.

July 30, 2018

Original Signed by Jesse James

Administrator

Original Signed by Clara Paull

Si:yam

Independent Auditors' Report

To the Members of Shxw'ow'hamel First Nation:

We have audited the accompanying financial statements of Shxw'ow'hamel First Nation, which comprise the statement of financial position as at March 31, 2018, and the 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Shxw'ow'hamel First Nation as at March 31, 2018 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 30, 2018

MNP LLP

Chartered Professional Accountants

Shxw'ow'hamel First Nation

Statement of Financial Position

As at March 31, 2018

	2018	2017
Financial assets		
Cash	2,606,306	3,166,314
Accounts receivable (Note 3)	697,096	315,091
Investments in Nation partnerships (Note 4)	890,625	1,012,572
Funds held in trust (Note 5)	87,324	85,873
Replacement reserve (Note 6)	42,455	42,400
	4,323,806	4,622,250
Liabilities		
Bank indebtedness (Note 7)	-	125,119
Accounts payable and accruals (Note 8)	1,219,778	628,720
Deferred revenue (Note 9)	49,723	176,540
Long-term debt (Note 10)	2,291,544	1,212,508
	3,561,045	2,142,887
Net financial assets	762,761	2,479,363
Guarantees (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	5,581,988	3,471,049
Prepaid expenses	44,333	46,375
	5,626,321	3,517,424
Accumulated surplus (Note 12)	6,389,082	5,996,787

Approved on behalf of the Members

Original Signed by Clara Paull

Si:yam

Original Signed by Lucille Casimir

Si:yam

Original Signed by Shane James

Si:yam

Original Signed by Deanna Peters

Si:yam

Shxw'ow'hamel First Nation

Statement of Operations and Accumulated Surplus

For the year ended March 31, 2018

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue				
Indigenous Services Canada		1,221,024	1,412,691	2,796,554
Canada Mortgage and Housing Corporation (Note 13)		129,750	367,550	70,944
Indigenous Services Canada reimbursement (recoveries)		-	20,473	(42,420)
Community contributions		675,000	749,000	79,000
Province of British Columbia		67,181	214,362	113,678
Logging revenue		-	157,891	307,460
Rental income		101,695	123,699	83,816
Taxation		106,191	119,587	99,527
Sto:lo Aboriginal Skills and Employment Training		35,500	55,609	60,184
Other revenue		26,025	34,125	39,230
First Nations Health Authority		2,000	39,300	15,000
Interest income		6,600	20,894	16,532
Seabird Island		-	20,000	20,000
BC Hydro		-	18,232	-
Brighter Futures		8,428	16,856	16,856
Zella Holdings		-	13,708	52,587
Lease income		9,050	8,150	35,150
First Nations Financial Management Board		-	7,500	-
Fraser Basin Council Society		5,000	5,000	-
Fundraising		500	3,960	2,294
First Nations Education Steering Committee		3,129	3,410	8,362
New Relationship Trust		2,000	2,000	20,000
Earnings (loss) from investment in Nation partnership (Note 4)		-	(59,774)	4,014
Construction revenue		-	-	706,832
Insurance proceeds		-	-	193,947
First People's Heritage		-	-	15,000
		2,399,073	3,354,223	4,714,547
Expenses				
Administration	3	600,867	894,174	707,350
Education	4	316,936	380,906	306,006
Social Development	5	206,889	256,216	205,081
Capital Projects	6	98,543	14,542	308,469
Maintenance	7	371,135	567,755	341,507
Economic Development & Employment	8	60,200	300,638	1,626,087
Housing	9	-	145,048	54,726
Other	10	-	158,464	201,987
		1,654,570	2,717,743	3,751,213
Surplus		744,503	636,480	963,334
Accumulated surplus, beginning of year		5,996,787	5,996,787	5,033,453
Change in control status of business enterprise (Note 4)		-	(244,185)	-
Accumulated surplus, end of year		6,741,290	6,389,082	5,996,787

The accompanying notes are an integral part of these financial statements

Shxw'ow'hamel First Nation
Statement of Change in Net Financial Assets
For the year ended March 31, 2018

	2018 Budget	2018	2017
Annual surplus	744,503	636,480	963,334
Purchases of tangible capital assets	-	(2,354,361)	(906,135)
Amortization of tangible capital assets	-	146,084	127,984
Surplus effect of change in status of business enterprise (Note 4)	-	(244,185)	-
Adjustment to tangible capital assets on change in status of business enterprise (Note 4) (Schedule 1)	-	97,338	-
	-	(2,355,124)	(778,151)
Acquisition of prepaid expenses	-	(44,333)	(64,845)
Use of prepaid expenses	-	46,375	52,108
	-	2,042	(12,737)
Increase (decrease) in net financial assets	744,503	(1,716,602)	172,446
Net financial assets, beginning of year	2,479,363	2,479,363	2,306,917
Net financial assets, end of year	3,223,866	762,761	2,479,363

Shxw'ow'hamel First Nation
Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Surplus	636,480	963,334
Non-cash items		
Amortization	146,084	127,984
Loss (earnings) from investment in Nation partnership	59,774	(4,014)
	842,338	1,087,304
Changes in working capital accounts		
Accounts receivable	(382,006)	(50,870)
Prepaid expenses	2,042	(12,737)
Accounts payable and accruals	588,186	465,161
Deferred revenue	(126,817)	126,817
	923,743	1,615,675
Financing activities		
Advances of long-term debt	1,176,587	499,146
Repayment of long-term debt	(63,299)	(67,249)
Increase in bank indebtedness	-	125,119
	1,113,288	557,016
Capital activities		
Purchases of tangible capital assets	(2,354,361)	(906,135)
Investing activities		
Investments in Nation partnerships	(244,185)	(1,000,015)
Proceeds from investments in Nation partnerships	-	30,400
Funds held in Ottawa Trust accounts	1,452	(44)
Funds held in replacement reserve accounts	55	29,870
	(242,678)	(939,789)
Increase (decrease) in cash resources	(560,008)	326,767
Cash resources, beginning of year	3,166,314	2,839,547
Cash resources, end of year	2,606,306	3,166,314
Supplementary cash flow information		
Interest paid	16,970	11,462

1. Operations

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

2. Significant accounting policies

These 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.

Cash

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

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

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Land Improvements	10 - 20 years
Buildings	25 years
Vehicles and Equipment	5 - 10 years
Computer Hardware	4 years
Water and Sewer	50 years
Housing	40 years

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

Segments

The First Nation conducts its business through eight reportable segments: Administration, Education, Social Development, Capital Projects, Maintenance, Economic Development & Employment, Housing, and Other. These operating segments are established by senior management to facilitate the achievement of the First Nation'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 financial statements.

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.

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

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the First Nation 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.

Other revenue

Other revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

Measurement uncertainty

The preparation of 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 financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable 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.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites for which the First Nation is responsible.

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

The 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 the First Nation is determined by its financial assets less its liabilities. Net financial assets is comprised of two components, non-financial assets and accumulated surplus.

Long-lived assets

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 the First Nation determines that a long-lived asset no longer has any long-term service potential to the First Nation, 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.

Liability for contaminated sites

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2018, management has determined no liability is required to be recorded.

Shxw'ow'hamel First Nation
Notes to the Financial Statements
For the year ended March 31, 2018

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

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities.

Shxw'ow'hamel First Nation business entities, owned or controlled by the First Nation's Si:yam Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Shxw'ow'hamel Ventures Limited Partnership
- Shxw'ow'hamel Ventures GP Ltd.

3. Accounts receivable

Accounts receivable includes loans to Nation members in the amount of \$33,542 (2017 - \$91,464). Loans to Nation members are presented net of allowance for doubtful accounts of \$30,500 (2017 - \$115,142).

4. Investments in First Nation businesses

The First Nation's investment in Shxw'ow'hamel Ventures Limited Partnership was established to participate in business opportunities generated by economic activities occurring within the Shxw'ow'hamel Traditional Territory.

During the year, the investment in Shxw'ow'hamel Ventures Limited Partnership was assessed and it was determined that the Shxw'ow'hamel Ventures Limited Partnership was not dependent on the First Nation for their continuing operations. As a result, the Shxw'ow'hamel Ventures Limited Partnership, on a prospective basis, is accounted for using the modified equity method. Shxw'ow'hamel Ventures Limited Partnership was consolidated in the March 31, 2017 fiscal year. The effect of this assessment was a decrease in tangible capital assets of \$97,338 and an decrease in accumulated surplus of \$244,185.

The First Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of loss</i>	<i>2018 Total investment</i>
First Nation Business Enterprises – Modified Equity:				
Shxw'ow'hamel Ventures GP Ltd. (100%)	1	-	-	1
First Nation Business Partnerships – Modified Equity:				
Shxw'ow'hamel Ventures Limited Partnership (99.99%)	100	1,000,000	(109,476)	890,624
	101	1,000,000	(109,476)	890,625
				<i>2017</i>
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
First Nation Business Partnerships – Modified Equity:				
SFN-Jakes Construction LLP (51%)	51	(30,400)	43,806	13,457
Shxw'ow'hamel Clean Energy LP (100%)	100	1,000,015	(1,000)	999,115
	151	969,615	42,806	1,012,572

4. Investments in First Nation businesses *(Continued from previous page)*

Summary financial information for the First Nation business partnership, accounted for using the modified equity method, for its respective year-end is as follows:

	<i>Shxw'ow'hamel Ventures Limited Partnership As at December 31, 2017</i>
Assets	
Current assets	872,639
Non-current assets	2,197,811
Total assets	3,070,450
Liabilities	
Current liabilities	1,142,650
Non-current liabilities	1,037,175
Total liabilities	2,179,825
Partners' capital	890,625
Total revenue	3,047,962
Total expenses	3,107,742
Net income	(59,780)

Summary financial information for each First Nation business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

	<i>Shxw'ow'hamel Ventures GP Ltd. As at December 31, 2017</i>
Assets	
Cash	1
Investments	(11)
Total assets	(10)
Liabilities	
Accounts payable and accruals	2,522
Total liabilities	2,522
Shareholder's Equity	(2,532)
Total revenue	(6)
Total expenses	840
	(846)
Net loss	(846)

Shxw'ow'hamel First Nation
Notes to the Financial Statements
For the year ended March 31, 2018

5. Funds held in Ottawa Trust accounts

Capital and revenue trust moneys are transferred to the Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the Nation's Council.

	2018	2017
Capital Trust		
Balance, beginning of year	84,980	84,980
Revenue Trust		
Balance, beginning of year	893	848
Interest	1,893	1,617
BC special distribution	451	445
Less: Transfer to Nation	(893)	(2,017)
	2,344	893
	87,324	85,873

6. Replacement reserve

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Nation established a replacement reserve, funded by an annual allocation of \$12,325 (2017 - \$11,040), to ensure replacement of buildings financed by CMHC. At March 31, 2018, \$42,455 (2017 - \$42,400) has been set aside to fund this reserve.

In accordance with terms of the agreements, CMHC reserve funds 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.

7. Credit arrangements

Bank indebtedness includes an operating line of credit held with Bank of Montreal amounting to a maximum of \$500,000. The operating line of credit is secured by a guarantee from the First Nation. The operating line of credit bears interest of prime plus 0.50% per annum with monthly interest payments. The prime rate at March 31, 2018 was 3.45% (2017 - 2.70%).

The First Nation has a credit facility for the On Reserve Housing Loan Program to a maximum of \$1,000,000. As at March 31, 2018, this credit facility is undrawn.

The First Nation also has a credit facility for real estate financing to a maximum of \$6,800,000. As at March 31, 2018, this credit facility is undrawn. The credit facility bears interest of prime plus 0.75% per annum.

The total of the above credit facilities cannot exceed \$8,300,000. As at March 31, 2018, the First Nation is in compliance of this limit.

8. Accounts payable and accruals

Included in accounts payable and accruals are government remittances payable of \$10,844 (2017 - \$25,548).

Shxw'ow'hamel First Nation
Notes to the Financial Statements
For the year ended March 31, 2018

9. Deferred revenue

	2018	2017
Deferred revenue CMHC	43,232	43,232
Deferred revenue INAC - Community buildings	3,702	3,702
Deferred revenue INAC - Physical development plan	2,789	2,789
Deferred revenue RRAP	-	126,817
	49,723	176,540

10. Long-term debt

	2018	2017
Project VII - #19-359-967: All Nations Trust Company mortgage, payments of \$4,451 per month, including interest at 2.39% per annum, due February 2023	966,849	499,146
Project VIII - #19-359-967: All Nations Trust Company mortgage, payments of interest only at 1.40% per annum, terms will be established at interest adjustment date which will occur subsequent to year-end	665,731	-
Project VI - #19-359-967: All Nations Trust Company mortgage, payments of \$2,645 per month, including interest at 1.82% per annum; due September 2019	564,661	585,947
Project V - #19-359-967: All Nations Trust Company mortgage, payments of \$2,372 per month, including interest at 1.12% per annum; maturing December 2019	49,292	77,033
RBC demand loan non-interest bearing with monthly payments of \$676 secured by a vehicle with a net book value of \$35,132	35,808	-
RBC demand loan non-interest bearing with monthly principal payments of \$368 secured by a vehicle with a net book value of \$8,835	9,203	13,620
RBC demand loan	-	2,510
RBC demand loan	-	34,252
	2,291,544	1,212,508

Shxw'ow'hamel First Nation
Notes to the Financial Statements
For the year ended March 31, 2018

10. Long-term debt *(Continued from previous page)*

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

2019	92,664
2020	87,027
2021	62,939
2022	63,798
2023	50,318

All Nations Trust Company debt is secured by Ministerial guarantees of the Ministry of Indigenous Services Canada.

11. Guarantees

The First Nation has guaranteed an operating demand loan of Shxw'ow'hamel Ventures Limited Partnership to a maximum of \$500,000. As at March 31, 2018, the balance of the operating demand loan was \$262,077.

12. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
Operating surplus	2,945,459	2,985,829
Equity in Ottawa Trust Funds	87,324	85,873
Equity in tangible capital assets	3,356,299	2,925,085
	6,389,082	5,996,787

13. Federal assistance payments

The program has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56.1 of the National Housing Act to reduce mortgage interest expense to two percent to enable the project to provide housing to low income individuals. The amount of assistance received in 2018 was:

	2018	2017
Project V - #19-359-967	22,461	46,397
Project VI - #19-359-967	23,936	-
Project VII - #19-359-967	6,836	-
Capital Funding	119,300	132,964
Retrofit Funding	57,750	-
Add: deferred revenue	126,817	-
Less: deferred revenue	-	(126,817)
Housing Internship Initiative for First Nation and Inuit Youth	10,450	18,400
	367,550	70,944

14. Economic dependence

Shxw'ow'hamel First Nation receives a significant portion of its revenue from Indigenous Services Canada as a result of agreements entered into with the Government of Canada. These agreements are administered by Indigenous Services Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

15. Financial instruments

The Nation as part of its operations carries a number of financial instruments that consist of cash, accounts receivable, replacement reserve, Ottawa Trust funds, accounts payable and long-term debt. It is management's opinion that the Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

16. Budget information

The disclosed budget information has been approved by the Si:yam Council and presented to the members of the Shxw'ow'hamel First Nation.

17. Segments

The Shxw'ow'hamel First Nation receives revenues and incurs expenses from various projects and sources. For management and reporting purposes, the revenues, expenses and surplus or deficits are organized by segments. Schedules 3 to 10 disclose the Nation's revenues and expenses in the following segments:

Administration

Includes general operations, support and financial management of the First Nation.

Education

Includes revenues and expenses related to primary, secondary and post secondary education of the members of the First Nation.

Social Development

Includes revenues and expenses relating to the social assistance of the members of the First Nation.

Capital Projects

Includes revenues and expenditures related to capital projects.

Maintenance

Includes revenues and expenditures related to ongoing community maintenance.

Economic Development & Employment

Includes revenues and expenses related to economic development and employment programs of the First Nation.

Housing

Includes rent collection and maintenance related to the mortgaged homes owned by the First Nation.

Other

Includes revenues and expenses related to the Ottawa Trust fund, replacement reserve, and equity in capital assets.

Shxw'ow'hamel First Nation
Schedule 1 - Schedule of Tangible Capital Assets

For the year ended March 31, 2018

	<i>Land Improvements</i>	<i>Buildings</i>	<i>Vehicles and Equipment</i>	<i>Computer Hardware</i>	<i>Water and Sewer</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	93,452	191,889	249,801	38,275	1,382,409	1,955,826
Acquisition of tangible capital assets	-	-	40,537	13,757	187,071	241,365
Construction-in-progress	-	-	-	-	-	-
Change in status of business enterprise	-	-	(120,481)	(4,689)	-	(125,170)
Balance, end of year	93,452	191,889	169,857	47,343	1,569,480	2,072,021
Accumulated amortization						
Balance, beginning of year	66,075	35,013	90,555	23,926	268,515	484,084
Annual amortization	3,059	7,272	23,904	7,669	27,648	69,552
Change in status of business enterprise	-	-	(26,931)	(900)	-	(27,831)
Balance, end of year	69,134	42,285	87,528	30,695	296,163	525,805
Net book value of tangible capital assets	24,318	149,604	82,329	16,648	1,273,317	1,546,216
2017 Net book value of tangible capital assets	27,377	156,876	159,246	14,349	1,113,894	1,471,742

Shxw'ow'hamel First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Housing</i>	<i>2018</i>	<i>2017</i>
Cost				
Balance, beginning of year	1,955,826	2,912,892	4,868,718	3,962,583
Acquisition of tangible capital assets	241,365	-	241,365	152,950
Construction-in-progress	-	2,112,996	2,112,996	753,185
Change in status of business enterprise	(125,170)	-	(125,170)	-
Balance, end of year	2,072,021	5,025,888	7,097,909	4,868,718
Accumulated amortization				
Balance, beginning of year	484,084	913,585	1,397,669	1,269,685
Annual amortization	69,552	76,531	146,083	127,984
Change in status of business enterprise	(27,831)	-	(27,831)	-
Balance, end of year	525,805	990,116	1,515,921	1,397,669
Net book value of tangible capital assets	1,546,216	4,035,772	5,581,988	3,471,049
2017 Net book value of tangible capital assets	1,471,742	1,999,307	3,471,049	

Shxw'ow'hamel First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2018

	2018	2017
Consolidated expenses by object		
Advertising and promotion	-	3,859
Amortization	146,084	127,984
Ancillary support	12,830	12,870
Automotive	-	31,477
Bad debt expense	88,364	1,083
Band functions	92,393	64,161
Bank charges and interest	7,248	15,090
Basic needs	140,622	116,100
Board travel, training and honoraria	105,275	130,560
Contracted services	478,652	573,959
Distributions to members	300	33,100
Equipment rental	-	74,991
Fees and licenses	2,975	3,469
Financial assistance	5,305	7,944
Fire protection	15,966	20,899
In-home care	2,886	10,152
Insurance	56,974	56,706
Interest on long-term debt	16,970	11,462
Log brokerage	-	1,327
Logging expense	20,169	227,505
Office equipment lease	2,778	6,802
Office supplies	16,657	23,535
Post-secondary student support	53,377	30,090
Postage	1,921	1,342
Professional fees	235,590	267,716
Program expense	10,446	10,170
Repairs and maintenance	123,589	272,128
Road construction	-	11,975
Salaries and benefits	567,111	1,148,075
Silviculture	-	24,732
Special needs	3,643	3,867
Stumpage fees	-	10,655
Supplies	12,094	10,587
Telephone	17,088	19,026
Training	11,126	5,687
Travel and workshops	150,800	107,426
Tuition fees	294,431	235,005
Utilities	24,079	32,897
Vehicle	-	4,800
	2,717,743	3,751,213

**Shxw'ow'hamel First Nation
Administration**

Schedule 3 - Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Services Canada	240,942	234,798
Canada Mortgage and Housing Corporation	10,450	18,400
Community contributions	749,000	79,000
Logging revenue	157,891	2,813
Province of British Columbia	134,362	41,702
Taxation	119,587	99,527
Rental income	35,604	32,141
Other revenue	28,513	36,686
Seabird Island	20,000	20,000
Interest income	18,495	12,172
BC Hydro	18,232	-
Zella Holdings	13,708	52,587
Lease income	8,150	35,150
First Nations Financial Management Board	7,500	-
Fraser Basin Council Society	5,000	-
Fundraising	3,960	2,294
First Nations Health Authority	3,000	5,000
New Relationship Trust	2,000	-
Insurance proceeds	-	193,947
	1,576,394	866,217
Expenses		
Bad debts	88,364	1,082
Band functions	62,942	47,828
Bank charges and interest	6,482	9,349
Board travel, training and honoraria	72,745	76,203
Contracted services	109,311	13,970
Distributions to members	300	33,100
Fees and licenses	1,400	-
Insurance	40,380	26,514
Logging expense	20,169	-
Office equipment lease	1,077	4,535
Office supplies	12,638	8,140
Postage	1,577	1,342
Professional fees	66,865	84,802
Repairs and maintenance	33,877	57,976
Salaries and benefits	257,894	248,395
Supplies	6,859	3,907
Telephone	11,292	11,115
Training	7,212	1,900
Travel and workshops	82,682	66,835
Utilities	10,108	10,357
	894,174	707,350
Surplus before transfers	682,220	158,867

Continued on next page

**Shxw'ow'hamel First Nation
Administration**

Schedule 3 - Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2018

	2018	2017
Surplus before transfers <i>(Continued from previous page)</i>	682,220	158,867
Transfers between segments	(92,371)	(78,962)
Surplus	589,849	79,905
Accumulated surplus, beginning of year	2,557,974	2,478,069
Accumulated surplus, end of year	3,147,823	2,557,974

Shxw'ow'hamel First Nation
Education

Schedule 4 - Schedule of Revenue and Expenses and Accumulated Deficit

For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Services Canada	261,030	303,257
First Nations Education Steering Committee	3,410	8,362
Other revenue	2,225	1,200
	266,665	312,819
Expenses		
Ancillary support	12,830	12,870
Band functions	438	5,439
Board travel, training and honoraria	1,350	-
Financial assistance	5,305	7,944
Post-secondary student support	53,377	30,090
Salaries and benefits	10,482	12,482
Training	-	425
Travel and workshops	2,693	1,751
Tuition fees	294,431	235,005
	380,906	306,006
Surplus (deficit) before transfers	(114,241)	6,813
Transfers between segments	-	123
Surplus (deficit)	(114,241)	6,936
Accumulated deficit, beginning of year	(5,114)	(12,050)
Accumulated deficit, end of year	(119,355)	(5,114)

Shxw'ow'hamel First Nation
Social Development

Schedule 5 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)

For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Services Canada	226,575	164,911
Indigenous Services Canada program reimbursement (recoveries)	20,473	(42,420)
Province of British Columbia	30,000	-
Brighter Futures	16,856	16,856
Other revenue	1,500	844
First People's Heritage	-	15,000
	295,404	155,191
Expenses		
Band functions	18,768	6,096
Bank charges and interest	15	-
Basic needs	140,622	115,952
Board travel, training and honoraria	3,450	-
Contracted services	-	5,000
In-home care	2,886	10,152
Office supplies	424	309
Program expense	10,446	10,170
Repairs and maintenance	-	41
Salaries and benefits	67,419	48,833
Special needs	3,643	3,867
Supplies	718	82
Telephone	465	1,009
Travel and workshops	7,360	3,570
	256,216	205,081
Surplus (deficit)	39,188	(49,890)
Accumulated surplus (deficit), beginning of year	(32,282)	17,608
Accumulated surplus (deficit), end of year	6,906	(32,282)

Shxw'ow'hamel First Nation
Capital Projects

Schedule 6 - Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2018

	2018	2017
Revenue		
Canada Mortgage and Housing Corporation	246,117	6,147
Indigenous Services Canada	145,914	1,547,256
First Nations Health Authority	36,300	10,000
	428,331	1,563,403
Expenses		
Band functions	3,112	1,080
Board travel, training and honoraria	-	400
Contracted services	11,024	178,456
Repairs and maintenance	-	128,410
Supplies	-	123
Travel and workshops	406	-
	14,542	308,469
Surplus before transfers	413,789	1,254,934
Transfers between segments	(1,209,703)	(234,986)
Surplus (deficit)	(795,914)	1,019,948
Accumulated surplus, beginning of year	1,033,218	13,270
Accumulated surplus, end of year	237,304	1,033,218

Shxw'ow'hamel First Nation

Maintenance

Schedule 7 - Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Services Canada	338,404	326,332
Province of British Columbia	50,000	-
Other revenue	1,002	500
	389,406	326,832
Expenses		
Band functions	3,152	2,522
Bank charges and interest	751	566
Board travel, training and honoraria	27,730	27,441
Contracted services	105,510	4,729
Fees and licenses	1,575	1,282
Fire protection	15,966	20,899
Insurance	4,580	4,529
Office equipment lease	1,700	2,267
Office supplies	3,436	9,333
Postage	344	-
Professional fees	165,575	99,106
Repairs and maintenance	18,741	5,213
Salaries and benefits	141,756	133,676
Supplies	4,233	741
Telephone	4,791	2,755
Training	3,914	1,099
Travel and workshops	53,591	7,503
Utilities	10,410	13,046
Vehicle	-	4,800
	567,755	341,507
Deficit before transfers	(178,349)	(14,675)
Transfers between segments	34,546	37,502
Surplus (deficit)	(143,803)	22,827
Accumulated surplus, beginning of year	178,924	156,097
Accumulated surplus, end of year	35,121	178,924

Shxw'ow'hamel First Nation
Economic Development & Employment
Schedule 8 - Schedule of Revenue and Expenses and Accumulated Deficit
For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Services Canada	199,826	220,000
Sto:lo Aboriginal Skills and Employment Training	55,609	60,184
Logging revenue	-	304,648
Province of British Columbia	-	71,976
Construction revenue	-	706,832
New Relationship Trust	-	20,000
Interest income	-	3,166
Earnings (loss) from investment in Nation partnership	(59,774)	4,014
	195,661	1,390,820
Expenses		
Advertising and promotion	-	3,859
Automotive	-	31,477
Band functions	3,981	1,196
Bank charges and interest	-	5,175
Basic needs	-	148
Board travel, training and honoraria	-	26,517
Contracted services	218,707	355,640
Equipment rental	-	74,991
Fees and licenses	-	2,187
Insurance	-	17,663
Log brokerage	-	1,327
Logging expense	-	227,505
Office supplies	90	5,753
Professional fees	-	80,659
Repairs and maintenance	-	192
Road construction	-	11,975
Salaries and benefits	72,967	704,689
Silviculture	-	24,732
Stumpage fees	-	10,655
Supplies	284	5,571
Telephone	540	4,147
Training	-	2,263
Travel and workshops	4,069	27,766
	300,638	1,626,087
Deficit before transfers	(104,977)	(235,267)
Transfers between segments	757,657	(711,848)
Surplus (deficit)	652,680	(947,115)
Accumulated surplus (deficit), beginning of year	(774,874)	172,241
Change in status of business enterprise	(244,185)	-
Accumulated deficit, end of year	(366,379)	(774,874)

**Shxw'ow'hamel First Nation
Housing**

Schedule 9 - Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2018

	2018	2017
Revenue		
Canada Mortgage and Housing Corporation	110,983	46,397
Rental income	88,095	51,675
Other revenue	885	-
	199,963	98,072
Expenses		
Contracted services	34,100	16,165
Insurance	12,014	8,000
Interest on long-term debt	16,970	11,462
Office supplies	68	-
Professional fees	3,150	3,150
Repairs and maintenance	58,591	6,292
Salaries and benefits	16,594	-
Supplies	-	163
Utilities	3,561	9,494
	145,048	54,726
Surplus before transfers	54,915	43,346
Transfers between segments	(61,352)	(59,404)
Deficit	(6,437)	(16,058)
Accumulated surplus, beginning of year	8,460	24,518
Accumulated surplus, end of year	2,023	8,460

Shxw'ow'hamel First Nation
Other

Schedule 10 - Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2018

	2018	2017
Revenue		
Interest income	2,399	1,194
Expenses		
Amortization	146,084	127,984
Repairs and maintenance	12,380	74,003
	158,464	201,987
Deficit before transfers	(156,065)	(200,793)
Transfers between programs	571,223	1,047,575
Surplus	415,158	846,782
Accumulated surplus, beginning of year	3,030,482	2,183,700
Accumulated surplus, end of year	3,445,640	3,030,482