

**NORTHERN SHUSWAP TRIBAL
COUNCIL**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2009

**R. E. RASMUSSEN
CHARTERED ACCOUNTANT**

QUESNEL, BC

AUDITOR'S REPORT

To the Members,
Northern Shuswap Tribal Council,

I have audited the Statement of Financial Position of Northern Shuswap Tribal Council as at March 31, 2009 and the Statements of Changes in Net Assets, Operations, Expenditures and Changes in Financial Position for the year then ended. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Northern Shuswap Tribal Council as at March 31, 2009, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act (British Columbia), I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

R. E. Rasmussen

Quesnel, B.C.
May 26, 2009

Chartered Accountant


NORTHERN SHUSWAP TRIBAL COUNCIL

2.

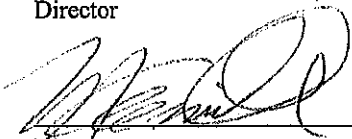
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2009

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT		
Cash	\$ 568,733	\$ 462,594
Accounts receivable	133,669	28,071
Prepaid expenses	<u>16,407</u>	<u>17,301</u>
	718,809	507,966
DUE FROM RELATED PARTY (note 4)	-	11,280
CAPITAL (note 5)	<u>78,272</u>	<u>62,751</u>
	\$ <u>797,081</u>	\$ <u>581,997</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 67,532	\$ 57,723
Due to related party (note 6)	-	26,545
Long term debt due within one year	<u>2,367</u>	<u>-</u>
	69,899	84,268
LONG TERM DEBT (note 7)	<u>9,504</u>	<u>-</u>
	<u>79,403</u>	<u>84,268</u>
MEMBERS' EQUITY		
EQUITY IN CAPITAL ASSETS - page 3	65,432	62,751
EQUITY IN OPERATING FUND - page 3	<u>652,246</u>	<u>434,978</u>
	<u>717,678</u>	<u>497,729</u>
	\$ <u>797,081</u>	\$ <u>581,997</u>

Approved on behalf of the Directors:



 Director



 Director

See accompanying notes.

NORTHERN SHUSWAP TRIBAL COUNCIL

3.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2009

	Equity In Capital Assets	Equity In Operating Fund	2009 Total	2008 Total
BALANCE - Beginning of year	\$ 62,751	\$ 434,978	\$ 497,729	\$ 461,937
CHANGE IN FUND BALANCE - page 4	-	217,268	217,268	44,353
CAPITAL ASSET TRANSACTIONS	26,716	-	26,716	9,788
AMORTIZATION	(24,035)	-	(24,035)	(18,349)
BALANCE - End of year - to page 2	\$ <u>65,432</u>	\$ <u>652,246</u>	\$ <u>717,678</u>	\$ <u>497,729</u>

See accompanying notes.

NORTHERN SHUSWAP TRIBAL COUNCIL

4.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2009

	<u>2009</u>	<u>2008</u>
REVENUES		
CIE litigation settlement	\$ 1,514,734	\$ -
INAC	482,974	411,572
DFO - Canada	312,374	266,710
Fee for service	74,093	96,745
Thompson Rivers University	67,886	67,886
Rebates, recoveries and other	73,019	73,756
Province of British Columbia	51,750	65,420
Fraser Salmon Watersheds	48,203	-
Pacific Salmon Foundation	39,560	-
Interest	12,530	3,340
CCATEC	12,286	1,699
First Nations community planning	11,534	-
HRSDC	-	181,741
First Nations Chiefs Health Committee	-	9,924
National Centre - First Nations Governance	-	7,511
Environment Canada	-	5,723
Status card fees	2,575	4,881
First Nations Summit Society	-	1,946
Video and book sales	70	104
	<u>2,703,588</u>	<u>1,198,958</u>
EXPENDITURES - page 5.2	<u>2,571,160</u>	<u>1,242,099</u>
EXCESS (DEFICIENCY) BEFORE RECOVERIES	132,428	(43,141)
RECOVERIES	<u>84,840</u>	<u>87,494</u>
CHANGE IN FUND BALANCE - to page 3	\$ <u>217,268</u>	\$ <u>44,353</u>

See accompanying notes.

NORTHERN SHUSWAP TRIBAL COUNCIL

5.1

STATEMENT OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2009

	<u>2009</u>	<u>2008</u>
Advertising	\$ 2,568	\$ 1,740
Audit	7,210	6,130
Bank charges	657	805
Building maintenance	135	751
Community fisheries awareness	7,634	5,150
Community fisheries representatives	83,674	80,594
Computer costs	5,908	2,301
Consultants	43,524	-
Contracts - Fisheries	32,235	11,448
Course purchase	150,298	145,181
Distribution to Member First Nations	1,514,734	-
DFO Canada - revenue adjustment	-	5,116
Donations	1,205	1,200
Equipment purchase	30,353	9,989
Equipment rental and maintenance	4,870	8,782
Governance capacity assessment	-	7,000
Fee for service - communities	1,500	4,400
Honoraria - Community members	4,950	6,460
Insurance - Board	-	913
Insurance	8,563	7,662
Janitorial	13,800	13,800
Legal - CIE Litigation	-	45,821
LMP	-	153,739
Meetings	3,489	3,418
Memberships	-	-
Office	8,527	13,819
Organizational planning	-	8,646
Property tax	9,493	8,738
Rent	20,653	20,459
Repayment of TRM - fisheries undisbursed surplus	-	16,888
Summer activities	288	4,327
Supplies	<u>13,820</u>	<u>6,866</u>
Carry forward	\$ <u>1,970,088</u>	\$ <u>602,143</u>

See accompanying notes.

NORTHERN SHUSWAP TRIBAL COUNCIL

5.2

STATEMENT OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2009

	<u>2009</u>	<u>2008</u>
Brought forward	\$ 1,970,088	\$ 602,143
Support services	2,105	5,876
Telephone, fax and internet	16,914	17,706
Staff development	3,037	-
Travel		
Staff	28,572	15,691
Indian registration/workshop	-	12,439
Board	1,457	1,625
Tutorial	3,554	590
Vehicle	38,255	19,098
Wages and benefits	493,112	553,633
Utilities	8,262	7,625
Payroll administration costs	<u>5,804</u>	<u>5,673</u>
TOTAL EXPENDITURES - to page 4	\$ <u>2,571,160</u>	\$ <u>1,242,099</u>

See accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2009

1. BASIS OF PRESENTATION

In order to satisfy the requirements of the year-end reporting handbook of Indian and Northern Affairs (INAC) these financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting Handbook, which encompasses the following:

a. Fund Accounting

Northern Shuswap Tribal Council uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the financial statements. Details of the operation of each fund are set out in the supplementary schedules. Northern Shuswap Tribal Council maintains the following funds:

- The Operations Fund which reports the general activities of the Council.
- The Capital Fund which reports the capital assets of the Council together with their related financing.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Capital Assets

Capital asset expenditures incurred are valued at acquisition cost and recorded in the Capital Fund. The acquisition costs of capital assets and payment on capital debts, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenditures are also recorded as an addition to assets of the Capital Fund with a corresponding increase in Equity in Capital assets.

Capital assets are amortized annually with a corresponding reduction in equity in capital assets. Assets are amortized over their expected useful life using the declining balance method at the following rates:

Automotive equipment	20% declining balance
Boat	20% declining balance
Computer equipment	30% declining balance
Furniture and equipment	20% declining balance

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Revenue Recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Statement of Financial Position.

c. Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. ECONOMIC DEPENDENCE

The Northern Shuswap Tribal Council receives a major portion of its revenues pursuant to funding arrangements with Indian & Northern Affairs Canada and Department of Fisheries and Oceans Canada. The Council's ability to continue operations would be severely hampered should this funding be discontinued.

4. DUE FROM RELATED PARTY		<u>2009</u>		<u>2008</u>
Northern Shuswap Treaty Society	\$	<u>-</u>	\$	<u>11,280</u>

There are no specific terms of repayment on these unsecured non-interest bearing advances.

5. CAPITAL ASSETS				<u>2009</u>		<u>2008</u>
	Cost	Accumulated Amortization		Net Book Value		
Automotive equipment	\$ -	\$ -	\$ -	\$		4,546
Boat	25,000	5,000	20,000	-		-
Computer equipment	137,940	118,019	19,921		24,014	
Furniture and equipment	<u>229,202</u>	<u>190,851</u>	<u>38,351</u>		<u>34,191</u>	
	\$ <u>392,142</u>	\$ <u>313,870</u>	\$ <u>78,272</u>	\$		<u>62,751</u>

NORTHERN SHUSWAP TRIBAL COUNCIL

7.3

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2009

6. DUE TO RELATED PARTY

	<u>2009</u>	<u>2008</u>
Northern Shuswap Treaty Society	\$ <u>-</u>	\$ <u>26,545</u>

There are no specific terms of repayment on these unsecured non-interest bearing advances.

7. LONG TERM DEBT

	<u>2009</u>	<u>2008</u>
Royal Bank of Canada		
Term loan		
Repayable at \$242 per month		
including interest at 5%	\$ 11,871	\$ -
LESS: Amount due within one year	<u>2,367</u>	<u>-</u>
	\$ <u>9,504</u>	\$ <u>-</u>

The term loan is unsecured.

Principal repayments required in each of the next five years are approximately as follows:

2010	\$ 2,367
2011	2,488
2012	2,614
2013	2,748
2014	<u>1,654</u>
	\$ <u>11,871</u>

8. CONTINGENT LIABILITIES

Under the terms of agreements with INAC and other government agencies, certain surpluses may be recovered and so repayable to the government. The amount of the liability, if any, of the Council is not determinable at this time.

The Council is contingently liable as guarantor for a first mortgage loan of the Interior Native Development Corporation. As at March 31, 2009, the balance owing by the Interior Native Development Corporation is \$79,218.

The Council is contingently liable as co-participant in the First Nation Negotiation Support Agreement for the loan funding provided by Canada to Northern Shuswap Treaty Society to enable participation in the Treaty process. As at March 31, 2009, the loan repayable to Canada was \$17,461,120 (2008 - \$15,967,548).

NORTHERN SHUSWAP TRIBAL COUNCIL

7.4

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2009

9. RELATED PARTY TRANSACTIONS

a. Northern Shuswap Treaty Society

During the year, the Council recovered occupancy costs of \$13,227 (2008 - \$11,963) administration costs of \$84,840 (2008 - \$87,494) and vehicle operating costs of \$2,500 (2008 - \$2,500) from the Northern Shuswap Treaty Society.

b. Interior Native Development Corporation

During the year, the Council paid rent of \$20,653 (2008 - \$20,459) to Interior Native Development Corporation. This amount is in the normal course of business and is measured by the exchange amount which is the consideration agreed by the related parties.

10. RECONCILIATION OF INAC FUNDING AGREEMENT REVENUE

In order to comply with the guidelines provided by the Indian and Northern Affairs Canada year-end Reporting Handbook for First Nations, Tribal Councils and First Nations Political Organizations dated November 2003, the following reconciliation has been prepared.

Recipient total as per 2008/2009 INAC funding confirmation	\$ <u>482,974</u>
INAC revenue as per Statement of Operations - page 4	\$ <u>482,974</u>

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Council's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, due to related party and long term debt. Unless otherwise noted, it is management's opinion that the Council is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The Council is exposed to financial risk that arises from the credit quality of the entities to which it provides services. Credit risk arises from the possibility that the entities to which the Council provides services may experience financial difficulty and be unable to fulfill their obligations.