
**SKOWKALE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2015**



SKOWKALE FIRST NATION
#10 – 3rd Floor – 7201 Vedder Road
Chilliwack, BC V2R 4G5

MANAGEMENT'S REPORT

Management's Responsibility for the Financial Statements

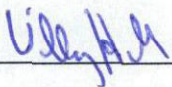
These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are *management's responsibility*. Management is also responsible for all of the notes to the financial statements, 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 Accountants and Business Advisors, 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 Skowkale First Nation 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 Skowkale First Nation:



Name:

Title:

Date:



Name:

Title:

Date:

INDEPENDENT AUDITORS' REPORT

To the Members of:
Skowkale First Nation

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Skowkale 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 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 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.



INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Skowkale 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.

Other Matters

The financial statements of Skowkale First Nation for the year ended March 31, 2014 were prepared by another firm of accountants who expressed an unqualified opinion on the financial statements on October 29, 2014.

Manning Elliott LLP

Chartered Accountants

Abbotsford, British Columbia

July 6, 2015

	2015	2014
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 627,124	\$ 755,485
Accounts receivable (Note 3)	103,083	48,907
Due from government and other government organizations (Note 4)	29,302	9,005
Loans receivable (Note 5)	3,947	5,914
Trust funds held by federal government (Note 6)	1,605	11,674
Investments in government business enterprises (Note 7)	119,028	113,289
Investment in government business partnerships (Note 8)	1,504,677	1,350,556
	<u>\$ 2,388,766</u>	<u>\$ 2,294,830</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	\$ 344,613	\$ 201,075
Due to government and other government organizations	6,905	4,487
Deferred revenue	91,083	106,146
Long-term debt (Note 9)	474,686	548,820
	<u>917,287</u>	<u>860,528</u>
NET FINANCIAL ASSETS	<u>1,471,479</u>	<u>1,434,302</u>
ACCUMULATED SURPLUS		
Tangible capital assets (Note 10)	4,702,182	4,759,882
Prepaid expenses and deposits	1,039	177
	<u>4,703,221</u>	<u>4,760,059</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 6,174,700</u>	<u>\$ 6,194,361</u>
CONTINGENT LIABILITIES (Note 12)		

Ulysses

Rita Sepase

Councilor

Drake

Councilor



SKOWKALE FIRST NATION**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS****FOR THE YEAR ENDED MARCH 31, 2015**

	2015	Budget	2014
REVENUE			
Federal Government			
Aboriginal Affairs and Northern Development Canada	\$ 419,182	\$ 405,100	\$ 286,403
Canadian Mortgage and Housing Corporation	24,560	-	34,838
Department of Fisheries and Oceans	6,700	-	3,000
Property taxes	600,582	646,387	571,599
Rental income	65,917	87,000	79,767
Land lease	10,826	14,850	8,713
New Relationship Trust Foundation	25,000	-	2,500
Sto:lo Nation	26,365	23,750	23,748
School District #33	5,500	-	5,500
First Nation's Education and Steering Committee	-	-	3,707
Interest	10,786	25,000	7,326
Water service and garbage collection fees	600	-	454
Honoraria and travel reimbursements	2,451	8,500	9,982
Net income from government business enterprises	5,739	-	39,224
Net income from government business partnerships	154,121	-	150,192
Net income from trust funds held by federal government	679	-	984
Other	2,361	45,000	7,439
	1,361,369	1,255,587	1,235,376
EXPENSES (Note 16)			
Administration	178,301	215,000	132,359
Amortization of tangible capital assets	164,181	-	329,927
Band revenue	227,224	152,500	72,423
Community development	85,203	75,000	85,000
Individual housing	40,192	-	-
Maintenance	121,468	99,600	96,935
Non-profit housing	45,224	87,000	96,749
Property taxation	519,237	646,387	550,911
Replacement reserve	-	-	23,884
	1,381,030	1,275,487	1,388,188
DEFICIT FOR THE YEAR	(19,661)	(19,900)	(152,812)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	6,194,361	6,194,361	6,347,173
ACCUMULATED SURPLUS, END OF YEAR	\$ 6,174,700	\$ 6,174,461	\$ 6,194,361



SKOWKALE FIRST NATION**CONSOLIDATED STATEMENT OF CHANGES CHANGES IN NET FINANCIAL ASSETS****FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
ANNUAL DEFICIT FOR THE YEAR	\$ (19,661)	\$ (152,812)
Purchase of tangible capital assets	(138,015)	(7,499)
Amortization of tangible capital assets	164,181	329,927
Disposal of tangible capital assets	31,533	230,953
	57,699	553,381
Acquisition of prepaid expenses and deposits	(1,038)	(177)
Use of prepaid expenses and deposits	177	125
	(861)	(52)
CHANGES IN NET FINANCIAL ASSETS	37,177	400,517
BALANCE, BEGINNING OF YEAR	1,434,302	1,033,785
BALANCE, END OF YEAR	\$ 1,471,479	\$ 1,434,302



SKOWKALE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Deficit for the year	\$ (19,661)	\$ (152,812)
Items not involving cash:		
Amortization of tangible capital assets	164,181	329,927
Disposal of tangible capital assets	31,533	230,953
Income from government business enterprises	(5,739)	(39,224)
Income from government business partnerships	(154,121)	(150,192)
	16,193	218,652
Change in non-cash working capital items:		
Accounts receivable	(54,176)	100,116
Due from government and other government organizations	(20,298)	22,204
Loans receivable	1,967	(234)
Prepaid expenses and deposits	(863)	(52)
Accounts payable and accrued liabilities	143,540	2,737
Due to government and other government organizations	2,418	(27,422)
Deferred revenue	(15,063)	(6,477)
	73,718	309,524
CAPITAL AND INVESTING TRANSACTIONS		
Purchase of tangible capital assets	(138,014)	(7,499)
Investments in trust funds held by federal government	10,069	(984)
	(127,945)	(8,483)
OTHER NON-FINANCIAL ASSETS		
Repayment of debt	(74,134)	(245,857)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS DURING THE YEAR	(128,361)	55,184
CASH AND EQUIVALENTS, BEGINNING OF YEAR	755,485	700,301
CASH AND EQUIVALENTS, END OF YEAR	\$ 627,124	\$ 755,485
CASH FLOW SUPPLEMENTAL INFORMATION		
Interest received	\$ 10,786	\$ 7,326
Interest paid	\$ 13,093	\$ 16,444



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NATURE OF OPERATIONS

The Skowkale First Nation (the "Band") is a band government of the Stó:lo people located in the Fraser Valley region near the City of Chilliwack in the Province of British Columbia. The Band is a member government of the Stó:lo Nation. 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:

- Skowkale Taxation Centre

Organizations accounted for on a modified equity basis include:

- Ch-Ihl-Kway-Uhk Tribe Society
- Ch-Ihl-Kway-Uhk Forestry Limited Partnership
- Ch-Ihl-Kway-Uhk Forest Ltd.
- Centre Creek Limited Partnership
- Centre Creek Management Ltd.
- The SHAC Joint Venture
- Ts'elxweyeqw Tribe Management Ltd.
- Ts'elxweyeqw Tribe Limited Partnership
- Four Corners Tribal Business Corporation

c) Cash and cash equivalents

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



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Tangible capital assets

Tangible capital assets are initially 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 assets are 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 Canada Mortgage and Housing Corporation (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. Annual amortization is charged in the year of disposal.

For all other assets, one-half of amortization is charged in the year of acquisition. No amortization is taken in the year of disposal.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings	25 years
Equipment and furnishings	10 years
Computer equipment	5 years
Maintenance equipment	5 years
Underground networks	50 years

e) 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.



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Use of estimates

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

g) 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 and prepaid expenses.

h) 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. Net financial assets are comprised of two components, non-financial assets and accumulated surplus.



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Recent accounting pronouncements

Financial instruments

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

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

Related party transactions

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

Assets

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

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

2. CASH AND CASH EQUIVALENTS

	2015	2014
Cash and cash equivalents is comprised of the following:		
Externally restricted		
Security deposit	\$ 25,000	\$ 25,000
Internally restricted		
Prepaid rents	11,846	5,843
Mortgage payouts	79,238	100,303
Unrestricted		
Operating	347,912	193,311
Taxation	163,128	431,028
Total cash and cash equivalents	\$ 627,124	\$ 755,485



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

3. ACCOUNTS RECEIVABLE

	2015	2014
Accounts receivable consists of the following:		
Due from members:		
Rent - Non-profit housing	\$ 9,177	\$ 5,966
Total due from members:	9,177	5,966
Due from others:		
Property taxes	80,865	36,541
Others	13,041	6,400
Total due from others:	93,906	42,941
Total accounts receivable	\$ 103,083	\$ 48,907

4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	2015	2014
Accounts receivable consists of the following:		
Due from Federal government		
Department of Fisheries and Oceans	\$ -	\$ 300
Canada Mortgage and Housing Corporation	-	2,768
Other First Nation governments	29,302	5,937
Total	\$ 29,302	\$ 9,005

5. LOANS RECEIVABLE

Loans receivable consists of amounts loaned to members. These loans are non-interest bearing and are without fixed repayment terms.

6. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2014	Additions	Withdrawals	2015
Revenue	\$ 10,086	\$ 679	\$ 10,748	\$ 17
Capital	1,588	-	-	1,588
Total	\$ 11,674	\$ 679	\$ 10,748	\$ 1,605

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.



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

7. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

Skowkale First Nation's investments in government business enterprises consist of the following:

			2015	2014
Ch-ihl-kway-uhk Tribe Society	1/9 ownership	\$	51,507	\$ 45,768
Ts'elxweyeqw Tribe Management Ltd.	1/7 ownership		1	1
Ch-ihl-kway-uhk Forest Ltd.	1/9 ownership		10	10
Centre Creek Management Ltd.	1/8 ownership		10	10
Four Corners Tribal Business Corporation	1/4 ownership		67,500	67,500
		\$	119,028	\$ 113,289

Ch-ihl-kway-uhk Tribe Society operates property rental and management activities.

Ts'elxweyeqw Tribe Management is the general partner for Ts'elxweyeqw Tribe Limited Partnership and Ts'elxweyeqw Forestry Limited Partnership. Its financial information is consolidated into the financial information for Ts'elxweyeqw Tribe Limited Partnership in Note 8.

Ch-ihl-kway-uhk Forest Ltd. is the general partner for Ch-ihl-kway-uhk Forestry Limited Partnership. Its financial information is consolidated into the financial information for Ch-ihl-kway-uhk Forestry Limited Partnership in Note 8.

Centre Creek Management Ltd. is the general partner for Centre Creek Limited Partnership. Its financial information is consolidated into the financial information for Centre Creek Limited Partnership in Note 8.

Four Corners Tribal Business Corporation is in the business of locating and developing viable and profitable business and investment opportunities for its aboriginal owners.

The summary of the unaudited financial statements for the year ended March 31, 2015 is as follows:

	Ch-ihl-kway-uhk Tribe Society	Four Corners Tribal Business Corporation	2015	2014
Current assets	\$ 343,573	\$ 213,689	\$ 557,262	\$ 607,635
Capital assets	239	25,631	25,870	32,985
Due from related party	128,897	-	128,897	152,086
Total assets	472,709	239,320	712,029	792,706
Current liabilities	9,149	4,002	13,151	13,183
Long-term debt	-	16,088	16,088	38,696
Total liabilities	9,149	20,090	29,239	51,879
Equity	463,560	219,230	682,790	740,827
Total liabilities and equity	\$ 472,709	\$ 239,320	\$ 712,029	\$ 792,706
Revenue	\$ 55,149	\$ 143,678	\$ 198,827	\$ 5,148,647
Expenses	5,892	215,076	220,968	4,838,755
Net income (loss)	\$ 49,257	\$ (71,398)	\$ (22,141)	\$ 309,892



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

8. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS

Skowkale First Nation's investments in government business partnerships consist of the following:

			2015	2014
Ch-ihl-Kway-Uhk Forestry Limited Partnership	11/89 ownership	\$	42,798	\$ 18,399
Centre Creek Limited Partnership	11/100 ownership		180,427	179,642
Ts'elxweyeqx Tribe Limited Partnership	10/71 ownership		960,783	848,839
The SHAC Joint Venture	1/6 ownership		320,669	303,676
		\$	1,504,677	\$ 1,350,556

Ch-ihl-Kway-Uhk Forestry Limited Partnership is in the business of developing, operating and participating in various forestry operations and activities in and around Chilliwack, B.C.

Centre Creek Partnership is in the business 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.

Ts'elxweyeqx Tribe Limited Partnership is in the business of managing the activities of Ts'elxweyeqx Forestry Limited Partnership to ensure the protection of the tribe's interests and heritage.

The SHAC Joint Venture is in the business of managing the settlement of funds received from BC Hydro for the ILM transmission line project.

The summary of the unaudited financial statements for the year ended March 31, 2015 is as follows:

	Ch-ihl-Kway-Uhk (consolidated)	Centre Creek (consolidated)	2015	2014
Current assets	\$ 504,986	\$ 40,274	\$ 545,260	\$ 444,303
Capital assets	-	2,499,512	2,499,512	2,539,492
Due from related parties	47,737	-	47,737	-
Total assets	552,723	2,539,786	3,092,509	2,983,795
Current liabilities	114,772	12,465	127,237	256,790
Due to related parties	-	530,704	530,704	478,242
Other liabilities	-	-	-	82,066
Long-term debt	-	433,307	433,307	372,197
Total liabilities	114,772	976,476	1,091,248	1,189,295
Equity	437,951	1,563,310	2,001,261	1,794,500
Total liabilities and equity	\$ 552,723	\$ 2,539,786	\$ 3,092,509	\$ 2,983,795
Revenue	\$ 702,777	\$ 128,900	\$ 831,677	\$ 353,763
Expenses	503,152	121,763	624,915	351,844
Net income	\$ 199,625	\$ 7,137	\$ 206,762	\$ 1,919



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

8. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS (Continued)

	Ts'elxweyeqx Tribe (consolidated)	The SHAC Joint Venture	2015	2014
Current assets	\$ 4,083,763	\$ 1,897,071	\$ 5,980,834	\$ 4,429,612
Capital assets	17,235	66,493	83,728	74,427
Due from related parties	2,367,110	-	2,367,110	3,384,304
Total assets	6,468,108	1,963,564	8,431,672	7,888,343
Current liabilities	116,881	34,235	151,116	537,420
Due to related parties	-	-	-	-
Other liabilities	-	-	-	-
Long-term debt	-	5,315	5,315	-
Total liabilities	116,881	39,550	156,431	537,420
Equity	6,351,227	1,924,014	8,275,241	7,350,923
Total liabilities and equity	\$ 6,468,108	\$ 1,963,564	\$ 8,431,672	\$ 7,888,343
Revenue	\$ 2,313,571	\$ 836,062	\$ 3,149,633	\$ 4,610,913
Expenses	1,387,387	734,102	2,121,489	3,157,629
Net income	\$ 926,184	\$ 101,960	\$ 1,028,144	\$ 1,453,284



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

9. LONG-TERM DEBT

	2015	2014
Project #6 - All Nations Trust Company - C.M.H.C. mortgage, payable in blended monthly payments of \$1,062 at 1.64% per annum, maturing December 1, 2016	\$ 21,985	\$ 34,270
Project #8 - All Nations Trust Company - C.M.H.C. mortgage, payable in blended monthly payments of \$574 at 2.61% per annum, maturing September 1, 2014	-	33,774
Project #9 - All Nations Trust Company - C.M.H.C. mortgage, payable in blended monthly payments of \$1,369 at 2.63% per annum, maturing February 1, 2021, renewal on June 1, 2016	89,929	103,801
Project #1 - All Nations Trust Company - C.M.H.C. mortgage, payable in blended monthly payments of \$1,830 at 1.83% per annum, maturing November 1, 2034, renewal on December 1, 2019	362,772	376,975
Total long-term debt	\$ 474,686	\$ 548,820

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

2016	\$ 42,172
2017	100,939
2018	16,031
2019	16,327
2020 and thereafter	299,217
	<u>\$ 474,686</u>



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015
10. TANGIBLE CAPITAL ASSETS

						2015
	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>		<i>Net book value</i>
Land	\$ 75,000	\$ 26,174	\$ -	\$ -	\$	101,174
Commercial buildings	49,565	63,067	-	39,237		73,395
Residential buildings	1,665,917	-	94,600	546,757		1,024,560
Equipment and furnishings	12,269	-	-	12,269		-
Computer equipment	11,366	-	-	11,366		-
Maintenance equipment	47,997	-	-	45,984		2,013
Underground networks	3,726,854	111,840	-	337,654		3,501,040
	\$ 5,588,968	\$ 201,081	\$ 94,600	\$ 993,267	\$	4,702,182

						2014
	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>		<i>Net book value</i>
Land	\$ 75,000	\$ -	\$ -	\$ -	\$	75,000
Commercial buildings	49,565	-	-	36,203		13,362
Residential buildings	2,463,993	-	798,076	472,624		1,193,293
Equipment and furnishings	12,269	-	-	12,062		207
Computer equipment	11,366	-	-	10,932		434
Maintenance equipment	40,498	7,499	-	36,385		11,612
Underground networks	3,726,854	-	-	260,880		3,465,974
	\$ 6,379,545	\$ 7,499	\$ 798,076	\$ 829,086	\$	4,759,882



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11. ACCUMULATED SURPLUS

	2015	2014
Operations fund	\$ 300,828	\$ 466,762
Tangible capital asset fund	4,248,561	4,211,063
Ottawa trust fund	1,605	11,674
Investments in government business enterprises	119,029	113,289
Investments in government business partnerships	1,504,677	1,350,556
Replacement reserve	-	21,393
Operating reserve	-	19,624
	\$ 6,174,700	\$ 6,194,361

12. CONTINGENT LIABILITIES

The Band has entered into the First Nations On Reserve Loan Program with the Royal Bank of Canada. The total amount available under the program to qualified members of the Band is \$2,000,000. The maximum individual amount under the program to qualified members of the Band is \$250,000. At March 31, 2015, the amount guaranteed under this program was \$1,054,344.

The Band is also contingently liable for guaranteed housing mortgages from various financial institutions registered with the National Housing Authority. As at March 31, 2015, the liability totaled \$810,984.

13. BUDGETED FIGURES

The unaudited budgets for the year April 1, 2014 to March 31, 2015 were approved by the Chief and Council at the Chief and Council meeting on December 8, 2014. The operating budget is based on projected operating expenses to be incurred during the year on a program-by-program basis.

14. CONTINGENT GAINS

The Band is in the final stages of a settlement with the Provincial Government related to lands in Chilliwack under claim by Skowkale and two other First Nations. The settlement requires the Provincial Government to provide joint lands to the three First Nations as well as a cash settlement, which is intended to cover the legal costs incurred as well as compensation. As at March 31, 2015, an amount of \$285,000 has been accrued in legal fees related to the court case in these financial statements.

These amounts will be reversed when the settlement receives court approval, which is expected in the 2016 fiscal year.

15. COMPARATIVE FIGURES

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



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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16. EXPENSES BY OBJECT

	2015	Budget	2014
Admin	\$ 12,000	\$ 12,968	\$ 12,000
Amortization of tangible capital assets	164,181	-	329,927
Disposal	-	-	47,513
BC School tax	193,280	232,500	232,298
Service agreements	281,864	271,864	263,465
Community development	15,892	13,500	1,522
Election expense	4,150	-	-
Student allowances	42,014	20,000	44,719
Fish hatchery expenses	12,713	-	3,000
Insurance	29,860	29,230	30,678
Interest and bank charges	2,699	2,000	3,126
Interest on long-term debt	13,093	60,552	24,445
Honoraria	45,075	34,400	34,225
Elder expenses	4,669	-	179
Band functions	15,437	24,400	2,507
Office and miscellaneous	33,486	34,750	25,041
Meeting expenses	7,022	9,773	7,405
Professional fees	257,849	211,050	49,124
Repairs and maintenance	56,119	58,000	99,463
General government expenses	37,889	60,000	42,148
Subcontracts	7,124	-	5,272
Telephone	6,965	7,000	7,251
Travel	8,763	8,500	6,658
Utilities	51,902	60,640	46,340
Wages and benefits	74,684	124,360	67,892
Other operating expenses	2,300	-	1,990
	\$ 1,381,030	\$ 1,275,487	\$ 1,388,188

