
**SKOWKALE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2017**



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: Stacey McNeil

Title: General Manager

Date: July 24/17

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, 2017, 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 financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our 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, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Manning Elliott LLP

Chartered Professional Accountants

Abbotsford, British Columbia

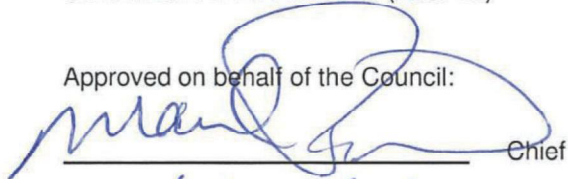
July 11, 2017

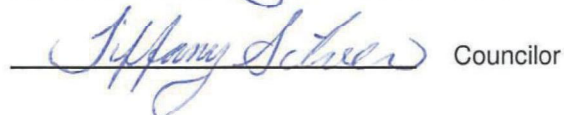
SKOWKALE FIRST NATION**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT MARCH 31, 2017**

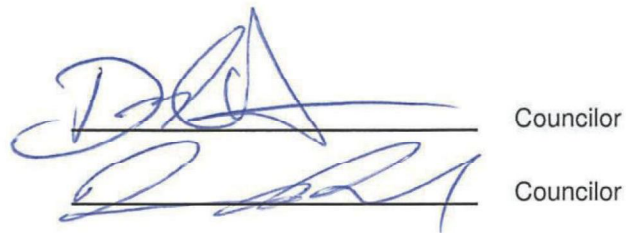
	2017	2016
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 2,153,539	\$ 1,388,605
Accounts receivable (Note 3)	90,765	95,453
Due from government and other government organizations (Note 4)	73,442	98,599
Loans receivable (Note 5)	3,947	3,947
Trust funds held by federal government (Note 6)	1,605	1,605
Investments in government business enterprises (Note 7)	134,492	93,502
Investment in government business partnerships (Note 8)	2,348,793	2,342,728
	<u>\$ 4,806,583</u>	<u>\$ 4,024,439</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	\$ 236,936	\$ 54,986
Deferred revenue	222,711	217,239
Long-term debt (Note 10)	128,875	433,216
	<u>588,522</u>	<u>705,441</u>
NET FINANCIAL ASSETS	<u>4,218,061</u>	<u>3,318,998</u>
ACCUMULATED SURPLUS		
Tangible capital assets (Note 11)	4,476,438	4,577,421
Prepaid expenses and deposits	1,800	2,950
	<u>4,478,238</u>	<u>4,580,371</u>
ACCUMULATED SURPLUS (Note 12)	<u>\$ 8,696,299</u>	<u>\$ 7,899,369</u>

CONTINGENT LIABILITIES (Note 13)

Approved on behalf of the Council:



Chief

Councilor

Councilor

SKOWKALE FIRST NATION**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS****FOR THE YEAR ENDED MARCH 31, 2017**

	2017	Budget	2016
REVENUE			
Federal Government			
Aboriginal Affairs and Northern Development Canada	\$ 347,504	\$ 233,637	\$ 326,792
Canadian Mortgage and Housing Corporation	92,358	25,545	105,310
Department of Fisheries and Oceans	3,000	-	2,775
Property taxes	741,113	655,000	613,909
Rental income	72,912	72,300	70,049
Land lease	11,086	14,400	19,735
New Horizons for Seniors Program	18,500	-	-
New Relationship Trust Foundation	2,000	-	9,000
Sto:lo Nation	65,129	66,163	26,472
School District #33	5,500	-	5,500
First Nation's Education and Steering Committee	2,500	-	3,441
Interest	7,484	500	8,475
Water service and garbage collection fees	2,125	700	2,695
Honoraria and travel reimbursements	5,710	7,000	8,988
Net income from government business enterprises	(61,738)	-	2,609
Net income from government business partnerships	507,744	-	1,058,051
Net income from trust funds held by federal government	628	-	625
Other	284,521	53,096	91,835
Income from CFB Lands claim settlement	-	-	600,000
	2,108,076	1,128,341	2,956,261
EXPENSES (Note 15)			
Administration	188,421	193,786	178,783
Amortization of tangible capital assets	118,575	-	125,741
Governance	88,052	96,795	110,351
Community development	-	-	64,797
Individual housing	35,570	-	9,808
Public works	119,739	150,056	115,152
Non-profit housing	25,871	48,860	23,935
Property taxation	536,098	516,290	603,025
Special projects	148,435	-	-
Youth and Elders	50,385	49,103	-
	1,311,146	1,054,890	1,231,592
SURPLUS FOR THE YEAR	796,930	73,451	1,724,669
ACCUMULATED SURPLUS, BEGINNING OF YEAR	7,899,369	7,899,369	6,174,700
ACCUMULATED SURPLUS, END OF YEAR	\$ 8,696,299	\$ 7,972,820	\$ 7,899,369



SKOWKALE FIRST NATION**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS****FOR THE YEAR ENDED MARCH 31, 2017**

	2017	2016
ANNUAL SURPLUS FOR THE YEAR	\$ 796,930	\$ 1,724,669
Purchase of tangible capital assets	(189,399)	(980)
Amortization of tangible capital assets	118,575	125,741
Disposal of tangible capital assets	171,807	-
	100,983	124,761
Acquisition of prepaid expenses and deposits	(1,798)	(2,949)
Use of prepaid expenses and deposits	2,948	1,038
	1,150	(1,911)
CHANGES IN NET FINANCIAL ASSETS	899,063	1,847,519
BALANCE, BEGINNING OF YEAR	3,318,998	1,471,479
BALANCE, END OF YEAR	\$ 4,218,061	\$ 3,318,998



SKOWKALE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Surplus for the year	\$ 796,930	\$ 1,724,669
Items not involving cash:		
Amortization of tangible capital assets	118,575	125,741
Income from government business enterprises	61,738	(2,609)
Income from government business partnerships	(507,744)	(1,058,051)
	469,499	789,750
Change in non-cash working capital items:		
Accounts receivable	4,688	7,630
Due from government and other government organizations	25,157	(69,297)
Prepaid expenses and deposits	1,150	(1,911)
Accounts payable and accrued liabilities	181,950	(289,628)
Due to government and other government organizations	-	(6,905)
Deferred revenue	5,472	126,156
	687,916	555,795
CAPITAL AND INVESTING TRANSACTIONS		
Purchase of tangible capital assets	(17,592)	(980)
Distributions from government business partnerships	-	220,000
Distributions from government business enterprises	398,951	28,136
	381,359	247,156
OTHER NON-FINANCIAL ASSETS		
Repayment of debt	(304,341)	(41,470)
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	764,934	761,481
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,388,605	627,124
CASH AND EQUIVALENTS, END OF YEAR	\$ 2,153,539	\$ 1,388,605
CASH FLOW SUPPLEMENTAL INFORMATION		
Interest received	\$ 7,484	\$ 8,475
Interest paid	\$ 6,086	\$ 9,673



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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.
- Seven Generations Environmental Services Ltd.
- Ts'elxweyeqw Tribe Management Ltd.
- Ts'elxweyeqw Tribe Limited Partnership

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, 2017

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.

Property tax revenues are recognized as earned over the property taxation year.

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, 2017

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, 2017

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

	2017	2016
Cash and cash equivalents is comprised of the following:		
Externally restricted		
Security deposit	\$ 25,000	\$ 25,000
Internally restricted		
Prepaid rents	8,536	38,419
Mortgage payouts	201,799	178,821
Unrestricted		
Operating	1,557,765	997,524
Taxation	360,439	148,841
Total cash and cash equivalents	\$ 2,153,539	\$ 1,388,605



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

3. ACCOUNTS RECEIVABLE

	2017	2016
Accounts receivable consists of the following:		
Due from members:		
Rent - Non-profit housing	\$ -	\$ 2,171
Due from others:		
Property taxes	87,289	89,635
Others	3,476	3,647
Total due from others:	90,765	93,282
Total accounts receivable	\$ 90,765	\$ 95,453

4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	2017	2016
Accounts receivable consists of the following:		
Canada Mortgage and Housing Corporation	\$ 6,400	\$ 75,609
Province of British Columbia	-	5,500
Sto:lo Nation	11,286	17,490
SAY Lands	52,022	-
Other	3,734	-
Total	\$ 73,442	\$ 98,599

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

	2016	Additions	Withdrawals	2017
Revenue	\$ 17	\$ 626	\$ 626	\$ 17
Capital	1,588	-	-	1,588
Total	\$ 1,605	\$ 626	\$ 626	\$ 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, 2017

7. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

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

			2017		2016
Ch-ihl-kway-uhk Tribe Society	1/9 ownership	\$	57,110	\$	54,117
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		-		39,364
Seven Generations Environmental Services Ltd.	1/6 ownership		77,361		-
		\$	134,492	\$	93,502

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.

Seven Generations is in the business of environmental monitoring.

The summary of the unaudited financial statements for the year ended March 31, 2017 is as follows:

	Ch-ihl-kway-uhk Tribe Society	Seven Generations Environmental Services Ltd.	2017	2016
Current assets	\$ 403,411	\$ 443,468	\$ 846,879	\$ 372,067
Capital assets	135	43,039	43,174	181
Due from related party	128,897	-	128,897	128,897
Total assets	532,443	486,507	1,018,950	501,145
Current liabilities	18,453	22,344	40,797	14,105
Due to shareholders	-	353,258	353,258	-
Total liabilities	18,453	375,602	394,055	14,105
Equity	513,990	110,905	624,895	487,040
Total liabilities and equity	\$ 532,443	\$ 486,507	\$ 1,018,950	\$ 501,145
Revenue	\$ 68,234	\$ 284,136	\$ 352,370	\$ 198,827
Expenses	41,284	436,344	477,628	220,968
Net income (loss)	\$ 26,994	\$ (152,208)	\$ (125,214)	\$ (22,141)



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

8. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS

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

		2017	2016
Ch-ihl-Kway-Uhk Forestry Limited Partnership	11/89 ownership	\$ 43,699	\$ 48,347
Centre Creek Limited Partnership	11/100 ownership	180,302	179,396
Ts'elxweyeqx Tribe Limited Partnership	10/71 ownership	2,124,792	2,011,723
The SHAC Joint Venture	1/6 ownership	-	103,262
		\$ 2,348,793	\$ 2,342,728

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, 2017 is as follows:

	Ch-ihl-Kway-Uhk (consolidated)	Centre Creek (consolidated)	2017	2016
Current assets	\$ 550,115	\$ 46,859	\$ 596,974	\$ 634,997
Capital assets	-	2,424,286	2,424,286	2,461,132
Due from related parties	-	-	-	-
Total assets	550,115	2,471,145	3,021,260	3,096,129
Current liabilities	152,703	25,850	178,553	182,652
Due to related parties	-	530,704	530,704	530,704
Other liabilities	-	-	-	-
Long-term debt	-	352,416	352,416	393,734
Total liabilities	152,703	908,970	1,061,673	1,107,090
Equity	397,412	1,562,175	1,959,587	2,036,776
Total liabilities and equity	\$ 550,115	\$ 2,471,145	\$ 3,021,260	\$ 3,143,866
Revenue	\$ 27,154	\$ 104,400	\$ 131,554	\$ 446,305
Expenses	64,753	96,150	160,903	391,877
Net income	\$ (37,599)	\$ 8,250	\$ (29,349)	\$ 54,428



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

8. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS (Continued)

	Ts'elxweyeqx Tribe (consolidated)	The SHAC Joint Venture	2017	2016
Current assets	\$ 10,616,655	\$ -	\$ 10,616,655	\$ 11,577,564
Capital assets	1,120	-	1,120	81,214
Due from related parties	4,348,479	-	4,348,479	3,069,981
Total assets	14,966,254	-	14,966,254	14,728,759
Current liabilities	496,297	-	496,297	526,844
Due to related parties	-	-	-	-
Other liabilities	-	-	-	-
Long-term debt	-	-	-	794
Total liabilities	496,297	-	496,297	527,638
Equity	14,469,957	-	14,469,957	14,201,121
Total liabilities and equity	\$ 14,966,254	\$ -	\$ 14,966,254	\$ 14,728,759
Revenue	\$ 4,409,764	\$ -	\$ 4,409,764	\$ 10,045,249
Expenses	821,677	-	821,677	2,792,005
Net income	\$ 3,588,087	\$ -	\$ 3,588,087	\$ 7,253,244

9. SETTLEMENT TRUST FUNDS

During the prior year, the Band, reached a settlement with the Federal Government related to lands in Chilliwack under claim by Skowkale and two other First Nations. The settlement required the Federal 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.

The Provincial government provided the three First Nations with \$4,479,000, to purchase joint lands and \$3,400,000 in settlement monies. On receipt of the settlement, a parcel of land was purchased for \$4,479,000; subsequently, a portion of land was sold for \$1,830,000, and the remaining land transferred to the federal government to be added to reserves.

The remaining cash settlement is being held in trust for the benefit of the three First Nations.



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

10. LONG-TERM DEBT

	2017	2016
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	\$ -	\$ 9,510
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	-	75,862
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	128,875	347,844
Total long-term debt	\$ 128,875	\$ 433,216

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

2018	\$ 16,000
2019	16,350
2020	16,900
2021	17,500
2020 and thereafter	62,125
	\$ 128,875



SKOWKALE FIRST NATION**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2016**

11. TANGIBLE CAPITAL ASSETS

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	2017 <i>Net book value</i>
Land	\$ 101,174	\$ 38,000	\$ -	\$ -	\$ 139,174
Commercial buildings	112,632	-	-	50,977	61,655
Residential buildings	1,442,947	110,130	281,337	495,022	776,718
Equipment and furnishings	12,269	-	-	12,269	-
Computer equipment	11,366	-	-	11,366	-
Maintenance equipment	48,977	-	-	48,977	-
Underground networks	3,838,694	151,399	-	491,202	3,498,891
	\$ 5,568,059	\$ 299,529	\$ 281,337	\$ 1,109,813	\$ 4,476,438

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	2016 <i>Net book value</i>
Land	\$ 101,174	\$ -	\$ -	\$ -	\$ 101,174
Commercial buildings	112,632	-	-	43,742	68,890
Residential buildings	1,442,947	-	-	459,856	983,091
Equipment and furnishings	12,269	-	-	12,269	-
Computer equipment	11,366	-	-	11,366	-
Maintenance equipment	47,997	980	-	48,977	-
Underground networks	3,838,694	-	-	414,428	3,424,266
	\$ 5,567,079	\$ 980	\$ -	\$ 990,638	\$ 4,577,421

SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

12. ACCUMULATED SURPLUS

	2017	2016
Operations fund	\$ 1,511,845	\$ 1,199,615
Tangible capital asset fund	4,699,565	4,261,920
Ottawa trust fund	1,604	1,604
Investments in government business enterprises	134,492	93,502
Investments in government business partnerships	2,348,793	2,342,728
	\$ 8,696,299	\$ 7,899,369

13. 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, 2017, the amount guaranteed under this program was \$1,061,049.

The Band is also contingently liable for guaranteed housing mortgages from various financial institutions registered with the National Housing Authority. As at March 31, 2017, the liability totaled \$293,807 (2016 - \$756,114).

14. BUDGETED FIGURES

The unaudited budgets for the year April 1, 2016 to March 31, 2017 were approved by the Chief and Council. The operating budget is based on projected operating expenses to be incurred during the year on a program-by-program basis.



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

15. EXPENSES BY OBJECT

	2017	Budget	2016
Administration	\$ -	\$ -	\$ 12,000
Amortization of tangible capital assets	118,575	-	125,741
BC School tax	190,134	190,134	139,069
Service agreements	291,639	291,639	308,913
Fish hatchery expenses	-	-	2,327
Insurance	19,796	14,667	25,884
Interest and bank charges	4,223	3,800	4,033
Interest on long-term debt	6,086	37,446	9,673
Honoraria	42,926	41,725	44,760
Band functions	21,604	19,357	-
Office and miscellaneous	18,028	18,770	13,833
Meeting expenses	7,034	10,320	8,603
Professional fees	193,145	55,885	76,386
Rent	-	8,400	4,984
Repairs and maintenance	22,519	31,525	130,214
General government expenses	49,624	-	88,230
Telephone	-	-	6,827
Travel	29,345	26,880	30,041
Utilities	59,695	68,529	50,503
Wages and benefits	176,019	194,896	141,132
Other operating expenses	60,754	40,917	8,439
	\$ 1,311,146	\$ 1,054,890	\$ 1,231,592

