
**SKOWKALE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2018**



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

MANAGEMENT'S REPORT

Management's Responsibility for the Financial Statements

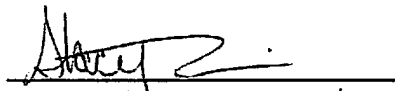
These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements,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

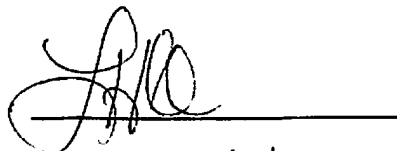
The external auditors, Manning Elliott Accountants and Business Advisors, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to the financial management 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: Stacy McNeil
Title: General Manager

Date: July 11/18



Name: Lisa Hall

Title: Finance

Date: July 13/18



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, 2018, and the consolidated statements of operations and accumulated surplus (deficit), 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, 2018, 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

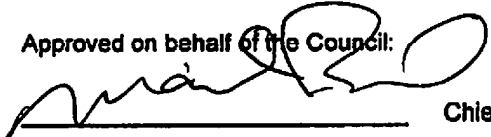
July 8, 2018

SKOWKALE FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 3,316,965	\$ 2,153,539
Accounts receivable (Note 3)	84,177	90,765
Due from government and other government organizations (Note 4)	316,197	73,442
Loans receivable	-	3,947
Trust funds held by federal government (Note 5)	1,625	1,605
Investments in government business enterprises (Note 6)	116,986	134,492
Investment in government business partnerships (Note 7)	2,585,615	2,348,793
	\$ 6,421,575	\$ 4,806,583
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	\$ 746,627	\$ 236,936
Deferred revenue (Note 9)	469,749	222,711
Long-term debt (Note 10)	2,021,807	128,875
	3,238,183	588,522
NET FINANCIAL ASSETS	3,183,392	4,218,061
Tangible capital assets (Note 8)	5,813,284	4,476,438
Prepaid expenses and deposits	3,171	1,800
	5,816,455	4,478,238
ACCUMULATED SURPLUS (Note 11)	\$ 8,999,847	\$ 8,686,299


CONTINGENT LIABILITIES (Note 12)

Approved on behalf of the Council:



Chief

 Councilor



Councilor

 Councilor



SKOWKALE FIRST NATION**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS (DEFICIT)****FOR THE YEAR ENDED MARCH 31, 2018**

	2018	Budget	2017
REVENUE			
Federal Government			
Indigenous Services Canada	\$ 614,494	\$ 243,887	\$ 347,504
CMHC - Retrofit Initiative	100,713	6,433	92,358
Department of Fisheries and Oceans	-	-	3,000
Property taxes	872,513	777,408	741,113
Rental income	42,900	42,900	72,912
Land lease	3,188	54,885	11,086
New Horizons for Seniors Program	-	-	18,500
New Relationship Trust Foundation	4,000	-	2,000
Sto:lo Nation	55,775	75,671	65,129
School District #33	5,500	-	5,500
First Nation's Education and Steering Committee	6,995	-	2,500
Interest	11,312	500	7,484
Water service and garbage collection fees	1,439	700	2,125
Honoraria and travel reimbursements	13,115	7,000	5,710
Net income from government business enterprises	(17,496)	-	(61,738)
Net income from government business partnerships	236,822	-	507,744
Net income from trust funds held by federal government	609	-	628
Other	147,244	38,308	284,521
	2,099,123	1,247,692	2,108,076
EXPENSES (Note 15)			
Administration	166,995	181,580	188,421
Amortization of tangible capital assets	98,982	-	118,575
Governance	84,669	130,109	88,052
Individual housing	-	-	35,570
Public works	119,195	239,190	119,739
Non-profit housing	207,303	20,418	25,871
Property taxation	637,334	621,533	536,098
Special projects	449,103	38,308	148,435
Youth and Elders	31,994	58,022	50,385
	1,795,575	1,289,160	1,311,146
SURPLUS FOR THE YEAR	303,548	(41,468)	796,930
ACCUMULATED SURPLUS, BEGINNING OF YEAR	8,696,299	8,696,299	7,899,369
ACCUMULATED SURPLUS, END OF YEAR	\$ 8,999,847	\$ 8,654,831	\$ 8,696,299



SKOWKALE FIRST NATION**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS****FOR THE YEAR ENDED MARCH 31, 2018**

	2018	2017
ANNUAL SURPLUS FOR THE YEAR	\$ 303,548	\$ 796,930
Purchase of tangible capital assets	(1,835,780)	(189,399)
Amortization of tangible capital assets	98,982	118,575
Disposal of tangible capital assets	399,952	171,807
	(1,336,846)	100,983
Acquisition of prepaid expenses and deposits	(3,171)	(1,798)
Use of prepaid expenses and deposits	1,800	2,948
	(1,371)	1,150
CHANGES IN NET FINANCIAL ASSETS	(1,034,669)	899,063
BALANCE, BEGINNING OF YEAR	4,218,061	3,318,998
BALANCE, END OF YEAR	\$ 3,183,392	\$ 4,218,061



SKOWKALE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Surplus for the year	\$ 303,548	\$ 796,930
Items not involving cash:		
Amortization of tangible capital assets	98,982	118,575
Income from government business enterprises	17,496	61,738
Income from government business partnerships	(236,822)	(507,744)
	183,204	469,499
Change in non-cash working capital items:		
Accounts receivable	6,588	4,688
Due from government and other government organizations	(242,755)	25,157
Loans receivable	3,947	-
Prepaid expenses and deposits	(1,371)	1,150
Accounts payable and accrued liabilities	509,691	181,950
Deferred revenue	247,038	5,472
	706,342	687,916
CAPITAL AND INVESTING TRANSACTIONS		
Purchase of tangible capital assets	(1,435,828)	(17,592)
Investments in trust funds held by federal government	(20)	-
Distributions from government business enterprises	-	398,951
	(1,435,848)	381,359
OTHER NON-FINANCIAL ASSETS		
Proceeds from long-term debt	2,000,000	-
Repayment of debt	(7,068)	(304,341)
Debt Reserve	(100,000)	-
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	1,163,426	764,934
CASH AND EQUIVALENTS, BEGINNING OF YEAR	2,153,539	1,388,605
CASH AND EQUIVALENTS, END OF YEAR	\$ 3,316,965	\$ 2,153,539
CASH FLOW SUPPLEMENTAL INFORMATION		
Interest received	\$ 11,312	\$ 7,484
Interest paid	\$ 10,792	\$ 6,086



SKOWKALE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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, 2018

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, 2018

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.

i) Recent accounting pronouncements

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

	2018	2017
Cash and cash equivalents is comprised of the following:		
Externally restricted		
Security deposit	\$ 25,000	\$ 25,000
Internally restricted		
Prepaid rents	15,355	8,536
Mortgage payouts	-	201,799
Unrestricted		
Operating	2,112,226	1,557,765
Taxation	1,164,384	360,439
Total cash and cash equivalents	\$ 3,316,965	\$ 2,153,539



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

3. ACCOUNTS RECEIVABLE

	2018	2017
Property taxes	\$ 77,937	\$ 87,289
Other receivables	6,240	3,476
	<u>\$ 84,177</u>	<u>\$ 90,765</u>

4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

Accounts receivable consists of the following:

	2018	2017
Canada Mortgage and Housing Corporation	\$ 58,850	\$ 6,400
First Nation Health Authority	18,500	-
Indigenous and Northern Affairs Canada	136,211	-
School District #33	5,500	-
SAY Lands	92,402	52,022
Sto:lo Aboriginal Skills and Employment Training	2,358	-
Sto:lo Nation	-	11,286
Other	2,376	3,734
Total	<u>\$ 316,197</u>	<u>\$ 73,442</u>

5. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2017	Additions	Withdrawals	2018
Revenue	\$ 17	\$ 629	\$ 609	\$ 37
Capital	1,588	-	-	1,588
Total	<u>\$ 1,605</u>	<u>\$ 629</u>	<u>\$ 609</u>	<u>\$ 1,625</u>

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, 2018

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

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

			2018	2017
Ch-ihl-kway-uhk Tribe Society	1/9 ownership	\$	60,790	\$ 57,110
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
Seven Generations Environmental Services Ltd.	1/6 ownership		56,185	77,361
		\$	116,996	\$ 134,492

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 7.

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 7.

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 7.

Seven Generations Environmental Services Ltd. (SGES Ltd) is in the business of environmental monitoring.

The summary of the unaudited financial statements for the year ended March 31, 2018 is as follows:

	Ch-ihl-kway-uhk Tribe Society	SGES Ltd.	2018	2017
Current assets	\$ 448,586	\$ 452,033	\$ 900,619	\$ 846,879
Capital assets	103	32,401	32,504	43,174
Due from related party	128,897	-	128,897	128,897
Total assets	577,586	484,434	1,062,020	1,018,950
Current liabilities	30,479	147,327	177,806	40,797
Due to shareholders	-	353,258	353,258	353,258
Total liabilities	30,479	500,585	531,064	394,055
Equity	547,107	(16,151)	530,956	624,895
Total liabilities and equity	\$ 577,586	\$ 484,434	\$ 1,062,020	\$ 1,018,950
Revenue	\$ 70,094	\$ 326,726	\$ 396,820	\$ 352,370
Expenses	36,977	453,782	490,759	477,628
Net income (loss)	\$ 33,117	\$ (127,056)	\$ (93,939)	\$ (125,214)



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

7. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS

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

			2018	2017
Ch-ihl-Kway-Uhk Forestry Limited Partnership	11/89 ownership	\$	91,865	\$ 43,699
Centre Creek Limited Partnership	11/100 ownership		179,453	180,302
Ts'elxweyeqx Tribe Limited Partnership	10/71 ownership		2,314,297	2,124,792
		\$	2,585,615	\$ 2,348,793

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 Limited 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, 2018 is as follows:

	Ch-ihl-Kway-Uhk (consolidated)	Centre Creek (consolidated)	2018	2017
Current assets	\$ 891,315	\$ 21,834	\$ 913,149	\$ 596,974
Capital assets	-	2,388,915	2,388,915	2,424,286
Due from related parties	-	-	-	-
Total assets	891,315	2,410,749	3,302,064	3,021,260
Current liabilities	104,207	16,322	120,529	178,553
Due to related parties	-	530,704	530,704	530,704
Other liabilities	-	-	-	-
Long-term debt	-	309,269	309,269	352,416
Total liabilities	104,207	856,295	960,502	1,061,673
Equity	787,108	1,554,454	2,341,562	1,959,587
Total liabilities and equity	\$ 891,315	\$ 2,410,749	\$ 3,302,064	\$ 3,021,260
Revenue	\$ 1,084,326	\$ 104,400	\$ 1,188,726	\$ 131,554
Expenses	694,630	112,119	806,749	160,903
Net income	\$ 389,696	\$ (7,719)	\$ 381,977	\$ (29,349)



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

7. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS (Continued)

	Ts'elxweyeqx Tribe (consolidated)	
	2018	2017
ASSETS		
Current assets	\$ 13,156,873	\$ 10,616,655
Capital assets	886	1,120
Due from related parties	2,812,759	4,348,479
Total assets	15,970,518	14,966,254
Current liabilities	172,688	496,297
Due to related parties	-	-
Other liabilities	-	-
Long-term debt	-	-
Total liabilities	172,688	496,297
Equity	15,797,830	14,469,957
Total liabilities and equity	\$ 15,970,518	\$ 14,966,254
Revenue	\$ 2,116,715	\$ 4,409,764
Expenses	788,842	821,677
Net income	\$ 1,327,873	\$ 3,588,087



SKOWKALE FIRST NATION**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2018**

8. TANGIBLE CAPITAL ASSETS

		<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	2018 <i>Net book value</i>
Land	\$	139,174	\$ -	\$ -	\$ -	\$ 139,174
Commercial buildings		374,161	-	-	65,943	308,218
Residential buildings		777,695	-	466,616	51,512	259,567
Equipment and furnishings		12,269	3,455	-	12,442	3,282
Computer equipment		11,366	-	-	11,366	-
Maintenance equipment		48,977	-	-	48,977	-
Underground networks		3,838,694	1,832,325	-	567,976	5,103,043
	\$	5,202,336	\$ 1,835,780	\$ 466,616	\$ 758,216	\$ 5,813,284

		<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



SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

9. DEFERRED REVENUE

	2018	2017
Prepaid Replacement Reserve	\$ 2,000	\$ -
Deferred Revenue	50,627	-
Deferred DCC's Revenue	401,767	-
Prepaid Sales/Deposits	(380)	8,536
Prepaid Mortgage Buyout	-	201,799
Prepaid Sales/Deposits	15,735	12,376
	<u>\$ 469,749</u>	<u>\$ 222,711</u>

10. LONG-TERM DEBT

	2018	2017
First Nations Finance Authority loan, authorized up to \$2,857,000 interest only payments due monthly at the Prime Lending Rate, secured by "local revenues" due January 18, 2023	\$ 2,000,000	\$ -
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	121,807	128,875
First Nations Finance Authority Debt Reserve Fund	(100,000)	-
Total long-term debt	<u>\$ 2,021,807</u>	<u>\$ 128,875</u>

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

2019	\$ 6,309
2020	6,425
2021	6,544
2022	6,665
2023 and thereafter	1,995,864
	<u>\$ 2,021,807</u>

11. ACCUMULATED SURPLUS

	2018	2017
Operations fund	\$ 1,634,794	\$ 1,511,845
Tangible capital asset fund	4,660,837	4,699,565
Ottawa trust fund	1,605	1,604
Investments in government business enterprises	116,996	134,492
Investments in government business partnerships	2,585,615	2,348,793
	<u>\$ 8,999,847</u>	<u>\$ 8,696,299</u>



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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, 2018, the amount guaranteed under this program was \$1,461,189 (2017 - \$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, 2018, the liability totaled \$279,857 (2017 - \$293,807).

13. SETTLEMENT TRUST FUNDS

During 2015, 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.

14. BUDGETED FIGURES

The unaudited budgets for the year April 1, 2017 to March 31, 2018 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.



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15. EXPENSES BY OBJECT

	2018	Budget	2017
Amortization of tangible capital assets	\$ 98,982	\$ -	\$ 118,575
Band functions	16,139	40,260	21,604
BC School tax	214,645	215,887	190,134
General government expenses	67,112	67,500	49,924
Honoraria	42,333	59,450	42,926
Insurance	12,573	9,267	19,796
Interest and bank charges	3,467	3,800	4,223
Interest on long-term debt	10,792	8,481	6,086
Loss on disposal of non-profit housing	198,154	-	-
Meeting expenses	13,181	11,350	7,034
Office and miscellaneous	20,786	29,880	18,028
Other operating expenses	376,899	154,082	60,754
Professional fees	38,201	20,250	193,145
Repairs and maintenance	29,795	46,225	22,519
Service agreements	336,202	338,146	291,639
Travel	30,214	29,380	29,345
Utilities	63,463	62,072	59,695
Wages and benefits	222,637	193,130	176,019
	\$ 1,795,575	\$ 1,289,160	\$ 1,311,446

