
**SKOWKALE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


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:



LISA HALL
SENIOR FINANCE OFFICER

Chilliwack, BC

INDEPENDENT AUDITORS' REPORT

To the Members of Skowkale First Nation

Opinion

We have audited the consolidated financial statements of Skowkale First Nation (the "Band"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Band in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Band's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT

- Obtain an understanding of internal control relevant to the audit 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 Band's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Manning Elliott LLP

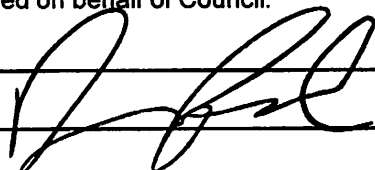
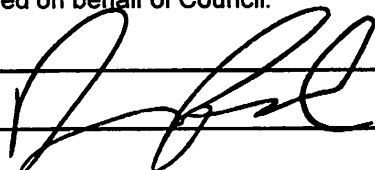
MANNING ELLIOTT LLP
Chartered Professional Accountants
Abbotsford, British Columbia
July 28, 2020

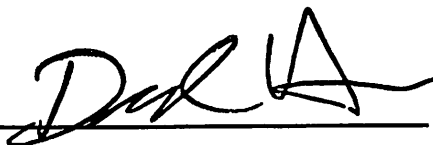
SKOWKALE FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 13,351,802	\$ 8,439,811
Term deposits	200,000	1,450,000
Accounts receivable (Note 3)	44,666	165,462
Due from government and other government organizations (Note 4)	206,301	457,970
Trust funds held by federal government (Note 5)	2,203	2,271
Investments in government business enterprises (Note 6)	125,210	121,747
Investment in government business partnerships (Note 7)	2,710,431	2,738,171
	16,640,613	13,375,432
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	299,372	245,567
Deferred revenue (Note 8)	42,676	673,751
Long term debt (Note 9)	2,726,795	2,792,037
	3,068,843	3,711,355
NET FINANCIAL ASSETS	13,571,770	9,664,077
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	8,127,259	6,785,769
Prepaid expenses and deposits	18,269	16,137
	8,145,528	6,801,906
ACCUMULATED SURPLUS (Note 11)	\$ 21,717,297	\$ 16,465,983

CONTINGENT LIABILITIES (Note 12)

Approved on behalf of Council:

 Chief
 Councillor

 Councillor
 Councillor

SKOWKALE FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2020

	Budget (Note 14)	Total 2020	Total 2019
REVENUE			
Indigenous Services Canada	\$ 1,349,731	\$ 1,350,713	\$ 894,260
CMHC - Retrofit Initiative	6,433	6,433	6,433
Ministry of Children and Family Development	-	90,000	90,000
Property taxes	1,161,253	1,205,589	1,035,246
Rental income	16,100	16,100	38,450
Land lease	6,750	9,000	9,563
Sto:lo Nation	30,030	45,854	37,615
School District #33	-	10,500	5,500
First Nation's Education and Steering Committee	-	22,138	6,354
Interest	120,000	222,557	48,242
Water service and garbage collection fees	372	2,583	1,404
Honoraria and travel reimbursements	7,800	18,635	22,072
Net income from government business enterprises	-	3,463	4,751
Net income from government business partnerships	-	190,327	152,556
Net income from trust funds held by federal government	-	-	645
Projects	351,557	331,398	544,252
Income from CFB Lands claim settlement (Note 13)	-	2,840,414	6,670,121
Gaming revenue	-	297,619	-
First Nation Goods and Services Tax	-	137,333	-
DCC revenue	-	602,651	-
	3,050,026	7,403,307	9,567,464
EXPENSES (Note 16)			
Administration	145,002	176,153	182,929
Amortization of tangible capital assets	-	98,530	99,137
Community benefits (FNGST)	-	11,300	-
Community programs	65,325	72,882	45,163
Gaming	-	46,185	-
Governance	139,450	143,769	85,281
Non-profit housing	16,949	6,044	14,631
Property taxation	2,047,604	926,984	767,562
Public works	147,917	174,959	144,238
Special projects	200,000	495,186	762,387
	2,762,247	2,151,992	2,101,328
SURPLUS FOR THE YEAR	287,779	5,251,315	7,466,136
ACCUMULATED SURPLUS - BEGINNING OF YEAR	16,465,982	16,465,983	8,999,847
ACCUMULATED SURPLUS - END OF YEAR	\$ 16,753,761	\$ 21,717,298	\$ 16,465,983

SKOWKALE FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
ANNUAL SURPLUS FOR THE YEAR	\$ 5,251,315	\$ 7,466,136
Net purchase of tangible capital assets	(1,440,020)	(1,071,622)
Amortization of tangible capital assets	98,530	99,137
Acquisition of prepaids	(18,269)	(16,137)
Use of prepaids	16,137	3,171
	(1,343,622)	(985,451)
INCREASE IN NET FINANCIAL ASSETS	3,907,693	6,480,685
NET FINANCIAL ASSETS - BEGINNING OF YEAR	9,664,077	3,183,392
NET FINANCIAL ASSETS - END OF YEAR	\$ 13,571,770	\$ 9,664,077

SKOWKALE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Surplus for the year	\$ 5,251,315	\$ 7,466,136
Items not affecting cash:		
Amortization of tangible capital assets	98,530	99,137
Net income from government business enterprises	(3,463)	(4,751)
Net income from government business partnerships	(190,327)	(152,556)
	5,156,055	7,407,966
Changes in non-cash working capital:		
Accounts receivable	120,796	(81,285)
Due from government and other government organizations	251,669	(141,773)
Prepaid expenses and deposits	(2,132)	(12,966)
Accounts payable and accrued liabilities	53,805	(501,060)
Deferred revenue	(631,075)	204,002
	(206,937)	(533,082)
	4,949,118	6,874,884
CAPITAL AND INVESTING TRANSACTION		
Net purchase of tangible capital assets	(1,440,020)	(1,071,622)
Partner withdrawal	218,067	-
Trust funds held by federal government	68	(646)
	(1,221,885)	(1,072,268)
OTHER NON-FINANCIAL ASSETS		
Proceeds from long term debt	-	776,786
Repayment of long term debt	(65,242)	(6,556)
	(65,242)	770,230
CHANGE IN CASH DURING THE YEAR	3,661,991	6,572,846
CASH - BEGINNING OF YEAR	9,889,811	3,316,965
CASH - END OF YEAR	\$ 13,551,802	\$ 9,889,811
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 221,855	\$ 48,242
Interest paid	\$ 100,074	\$ 94,789
Cash and equivalents consist of cash on hand and balances held with banks, bank overdrafts and investments in money market instruments. Cash and equivalents included in the cash flow statement comprise the following balance sheet accounts:		
Cash and cash equivalents	\$ 13,351,802	\$ 8,439,811
Term deposits	200,000	1,450,000
	\$ 13,551,802	\$ 9,889,811

SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

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, 2020

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, pro-rated amortization is charged in the year of acquisition based on when the assets are put into use. 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 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, 2020

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.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents is comprised of the following:

	2020	2019
Externally restricted		
Security deposit	\$ 25,000	\$ 25,000
Internally restricted		
Prepaid rents	27,745	20,212
Tangible capital asset reserve	9,627,973	6,670,121
Unrestricted		
Operating	2,853,040	1,388,984
Taxation	818,044	335,494
Total cash and cash equivalents	\$ 13,351,802	\$ 8,439,811

3. ACCOUNTS RECEIVABLE

	2020	2019
Property taxes	\$ 38,142	\$ 136,060
Other receivables	6,524	29,402
	\$ 44,666	\$ 165,462

SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

Accounts receivable consists of the following:

	2020	2019
First Nations Education Steering Committee	\$ 5,802	\$ -
First Nation Health Authority	-	127,516
First Nation Land Management	7,500	-
Indigenous Services Canada	140,589	205,974
School District #33	-	5,500
SAY Lands	30,633	-
Sto:lo Nation	-	8,639
Tzeachten First Nation	-	108,564
Yakweakwioose First Nation	20,000	-
Other	1,777	1,777
	\$ 206,301	\$ 457,970

5. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2019	Additions	Withdrawals	2020
Revenue	\$ 683	\$ 634	\$ (702)	\$ 615
Capital	1,588	-	-	1,588
Total	\$ 2,271	\$ 634	\$ (702)	\$ 2,203

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, 2020

6. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES

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

		2020	2019
Ch-Ihl-Kway-Uhk Tribe Society	1/9 ownership	\$ 69,900	\$ 64,888
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	55,289	56,838
		\$ 125,210	\$ 121,747

Ch-Ihl-Kway-Uhk Tribe Society operates property rental and management activities.

Ts'elxweyeqw Tribe Management (TTM) 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, 2020 is as follows:

	Ch-Ihl-Kway-Uhk Tribe Society	SGES Ltd.	2020	2019
Current assets	\$ 407,234	\$ 418,791	\$ 826,025	\$ 728,284
Capital assets	57	19,072	19,129	25,175
Due from related party	302,997	-	302,997	273,997
Total assets	710,288	437,863	1,148,151	1,027,456
Current liabilities	81,188	106,134	187,322	102,438
Due to shareholders	-	353,258	353,258	353,258
Total liabilities	81,188	459,392	540,580	455,696
Equity	629,100	(21,529)	607,571	571,760
Total liabilities and equity	710,288	437,863	1,148,151	1,027,456
Revenue	69,410	367,781	437,191	714,557
Expenses	24,302	377,077	401,379	673,754
Net income (loss)	45,108	(9,296)	35,812	40,803

SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

7. INVESTMENTS IN GOVERNMENT BUSINESS PARTNERSHIPS

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

			2020	2019
Ch-Ihl-Kway-Uhk Forestry Limited Partnership	11/89 ownership	\$	126,792	\$ 89,325
Centre Creek Limited Partnership	11/100 ownership		164,969	163,859
Ts'elxweyeqx Tribe Limited Partnership	10/71 ownership		2,418,670	2,484,987
		\$	2,710,431	\$ 2,738,171

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 (TTLP) 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.

During the year, the TTM and TTLP changed their year ends from March to December. The operating results include the nine months ended December 31, 2019.

The summary of the unaudited financial statements for the period ended December 31, 2019 and year ended March 31, 2019 is as follows:

	Ch-ihl-Kway-Uhk (consolidated)	Centre Creek (consolidated)	Ts'elxweyeqx Tribe (consolidated)	2020	2019
Current assets	\$ 1,137,988	\$ 26,979	\$ 15,274,047	\$ 16,439,014	\$ 17,267,997
Capital assets	-	2,336,554	51,782	2,388,336	2,365,744
Due from related parties	55,375	-	1,338,351	1,393,726	1,350,852
Total assets	1,193,363	2,363,533	16,664,180	20,221,076	20,984,593
Current liabilities	68,177	235,977	450,150	754,304	1,307,882
Due to related parties	-	704,804	-	704,804	675,804
Total liabilities	68,177	940,781	450,150	1,459,108	1,983,686
Equity	1,125,186	1,422,752	16,214,030	18,761,968	19,000,907
Total liabilities and equity	1,193,363	2,363,533	16,664,180	20,221,076	20,984,593
Revenue	630,502	114,000	2,474,434	3,218,936	2,561,552
Expenses	323,961	103,919	1,502,461	1,930,341	1,480,793
Net income	306,541	10,081	971,973	1,288,595	1,080,759

SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

8. DEFERRED REVENUE

	2020	2019
Prepaid Replacement Reserve	\$ 2,681	\$ 4,000
Deferred DCC's Revenue	-	593,520
Prepaid Sales/Deposits	12,250	(273)
ISC - deferred revenues	-	56,292
Prepaid Sales/Deposits	27,745	20,212
	<u>\$ 42,676</u>	<u>\$ 673,751</u>

9. LONG TERM DEBT

	2020	2019
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	\$ 2,764,807	\$ 2,819,636
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 12, 2024	109,071	115,251
First Nations Finance Authority Debt Reserve Fund	(147,083)	(142,850)
	<u>\$ 2,726,795</u>	<u>\$ 2,792,037</u>

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

2021	\$ 6,544
2022	6,665
2023 and thereafter	<u>2,713,586</u>
	<u>\$ 2,726,795</u>

SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

10. TANGIBLE CAPITAL ASSETS

	Cost	Additions (Disposal)	Accumulated amortization	2020 Net book value
Land	\$ 139,174	\$ -	\$ -	\$ 139,174
Commercial buildings	374,161	-	95,875	278,286
Residential buildings	311,078	-	64,591	246,487
Administration buildings	-	1,325,859	-	1,325,859
Equipment and furnishings	15,724	117,456	13,548	119,632
Computer equipment	11,366	-	11,366	-
Maintenance equipment	48,977	-	48,977	-
Underground networks	6,742,640	(3,295)	721,524	6,017,821
	\$ 7,643,120	\$ 1,440,020	\$ 955,881	\$ 8,127,259

	Cost	Additions	Accumulated amortization	2019 Net book value
Land	\$ 139,174	\$ -	\$ -	\$ 139,174
Commercial buildings	374,161	-	80,909	293,252
Residential buildings	311,079	-	58,580	252,499
Equipment and furnishings	15,724	-	12,770	2,954
Computer equipment	11,366	-	11,366	-
Maintenance equipment	48,977	-	48,977	-
Underground networks	5,671,019	1,071,621	644,750	6,097,890
	\$ 6,571,500	\$ 1,071,621	\$ 857,352	\$ 6,785,769

11. ACCUMULATED SURPLUS

	2020	2019
Operations fund	\$ 4,648,558	\$ 2,365,490
Tangible capital asset reserve	4,384,856	4,568,204
Ottawa trust fund	2,203	2,250
Investments in government business enterprises	125,210	121,747
Investments in government business partnerships	2,928,498	2,738,171
Capital plan reserve	9,627,973	6,670,121
	\$ 21,717,298	\$ 16,465,983

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, 2020, the amount guaranteed under this program was \$1,064,742 (2019 - \$1,252,287).

The Band is also contingently liable for guaranteed housing mortgages from various financial institutions registered with the National Housing Authority. As at March 31, 2020, the liability totaled \$213,750 (2019 - \$329,245).

SKOWKALE FIRST NATION
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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.

During the fiscal year, the Band sold land for proceeds of \$2,840,414 (2019- \$6,670,121). These funds have been internally restricted for the Band's tangible capital asset replacement reserve.

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, 2019 to March 31, 2020 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.

15. EXPENSES BY OBJECT

	Budget	2020	2019
Amortization of tangible capital assets	\$ -	\$ 98,530	\$ 99,137
Band functions	39,875	43,021	26,038
BC School tax	285,495	284,514	237,395
General government expenses	203,544	46,534	54,703
Honoraria	93,700	94,785	45,630
Insurance	15,138	19,013	16,270
Interest and bank charges	3,800	5,472	4,972
Interest on long term debt	-	100,074	94,789
Meeting expenses	19,320	13,525	16,602
Office and miscellaneous	19,080	13,275	14,283
Professional fees	52,250	51,477	43,903
Projects	200,000	530,659	742,388
Repairs and maintenance	35,225	26,223	21,611
Service agreements	1,548,546	489,667	375,104
Travel	31,030	32,623	39,552
Utilities	62,072	78,332	64,431
Wages and benefits	153,172	224,268	204,520
	\$ 2,762,247	\$ 2,151,992	\$ 2,101,328

16. SUBSEQUENT EVENTS

Subsequent to year-end, the COVID-19 pandemic is causing significant financial and social dislocation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. The Band continues to monitor and assess the impact COVID-19 will have on its business activities. The extent of the effect of the COVID-19 pandemic on the Band is uncertain.

SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

17. SEGMENTED INFORMATION

The Skowkale First Nation is a government institution that provides a range of programs and services to its members, including community operations, government business enterprises, capital projects, and tangible capital assets. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided for departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information.

SKOWKALE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
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17. SEGMENTED INFORMATION CONT'D

	Community Operations	Government Business Enterprises	Investments	Tangible Capital Asset Fund	2020	2019
Revenue						
I.S.C.	\$ 1,350,713	\$ -	\$ -	\$ -	\$ 1,350,713	\$ 894,260
Canada Mortgage Housing Corporation	6,433	-	-	-	6,433	6,433
Property taxes	1,205,589	-	-	-	1,205,589	1,035,246
Rental income	16,100	-	-	-	16,100	38,450
Land lease	9,000	-	-	-	9,000	9,563
Sto:lo Nation	45,854	-	-	-	45,854	37,615
School district #33	10,500	-	-	-	10,500	5,500
F.N.E.S.C	22,138	-	-	-	22,138	6,354
MCFD	90,000	-	-	-	90,000	90,000
Interest income	-	-	222,557	-	222,557	48,242
Water service and garbage collection	2,583	-	-	-	2,583	1,404
Honoraria and travel reimbursements	18,635	-	-	-	18,635	22,072
Income from trust funds held by government	-	-	-	-	-	645
First Nations Goods and Services tax	137,333	-	-	-	137,333	-
Projects	331,398	-	-	-	331,398	544,252
Income from CFB land claim settlement	-	-	-	2,840,414	2,840,414	6,670,121
Gaming revenue	297,619	-	-	-	297,619	-
Development Cost Charges	-	-	-	602,651	602,651	-
Business income	-	3,463	-	-	3,463	4,751
Partnership income	-	190,327	-	-	190,327	152,556
	<u>3,543,895</u>	<u>193,790</u>	<u>222,557</u>	<u>3,443,065</u>	<u>7,403,307</u>	<u>9,567,464</u>
Expenditures by object						
Amortization	-	-	-	98,530	98,530	99,137
Band functions	43,021	-	-	-	43,021	26,038
BC school tax	284,514	-	-	-	284,514	237,395
General government expenses	46,534	-	-	-	46,534	54,703
Honoraria	94,785	-	-	-	94,785	45,630
Insurance	19,013	-	-	-	19,013	16,270
Interest and bank charges	5,472	-	-	-	5,472	4,970
Interest on long term debt	100,074	-	-	-	100,074	94,789
Meeting expenses	13,525	-	-	-	13,525	16,602
Office and miscellaneous	13,275	-	-	-	13,275	14,283
Professional fees	51,477	-	-	-	51,477	43,905
Projects	530,659	-	-	-	530,659	742,388
Repairs and maintenance	26,223	-	-	-	26,223	21,611
Service agreements	489,667	-	-	-	489,667	375,104
Travel	32,623	-	-	-	32,623	39,552
Utilities	78,332	-	-	-	78,332	64,431
Wages and benefits	224,268	-	-	-	224,268	204,520
	<u>2,053,462</u>	<u>-</u>	<u>-</u>	<u>98,530</u>	<u>2,151,992</u>	<u>2,101,328</u>
Annual surplus (deficit)	1,490,433	193,790	222,557	3,344,535	5,251,315	7,466,136
Transfer between funds	-	-	-	-	-	-
Accumulated surplus, beginning of year	<u>2,365,490</u>	<u>2,250</u>	<u>2,859,918</u>	<u>11,238,325</u>	<u>16,465,983</u>	<u>8,999,847</u>
Accumulated surplus (deficit), end of year	<u>\$ 3,855,923</u>	<u>\$ 196,040</u>	<u>\$ 3,082,475</u>	<u>\$ 14,582,860</u>	<u>\$ 21,717,298</u>	<u>\$ 16,465,983</u>