
**SKOWKALE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

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 LLP, 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:



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 "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and annual surplus (deficit), 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 First Nation as at March 31, 2023, 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 First Nation 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 First Nation'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 First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation'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 First Nation'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 First Nation'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 First Nation 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.

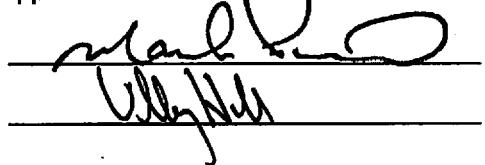
Manning Elliott LLP

MANNING ELLIOTT LLP
Chartered Professional Accountants
Abbotsford, British Columbia
July 10, 2023

SKOWKALE FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 18,283,400	\$ 10,852,725
Term deposits	5,131,632	5,000,000
Accounts receivable (Note 3)	568,409	720,311
Due from government and other government organizations (Note 4)	6,695,110	2,485,559
Trust funds held by federal government (Note 5)	629	2,240
Investments in government business enterprises (Note 6)	170,845	155,490
Investment in government business partnerships (Note 7)	3,403,268	3,197,488
	34,253,293	22,413,813
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	1,739,751	2,060,963
Deferred revenue (Note 8)	3,790,543	1,215,442
Long term debt (Note 9)	2,422,812	2,495,676
	7,953,106	5,772,081
NET FINANCIAL ASSETS	26,300,187	16,641,732
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	24,545,403	21,619,992
Prepaid expenses and deposits	-	347
	24,545,403	21,620,339
ACCUMULATED SURPLUS (Note 11)	\$ 50,845,590	\$ 38,262,071
CONTINGENT LIABILITIES (Note 12)		

Approved on behalf of Council:



Chief
 Councillor



Councillor
 Councillor

SKOWKALE FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ANNUAL SURPLUS (DEFICIT)
FOR THE YEAR ENDED MARCH 31, 2023

	Budget (Note 13)	Total 2023	Total 2022
REVENUE			
Indigenous Services Canada	\$ 396,842	\$ 10,262,467	\$ 5,055,804
Property taxes	2,187,456	2,191,147	1,949,146
Ministry of Transportation and Infrastructure	-	-	1,061,505
First Nation Goods and Services Tax	-	1,091,771	853,172
Grants and other revenues	-	1,568,057	826,228
First Nations Health Authority	-	327,185	511,269
Net income from government business partnerships	-	205,780	320,810
Gaming revenue	182,468	428,568	182,468
First Nation's Education and Steering Committee	-	171,769	166,230
Ministry of Children and Family Development	-	90,000	90,000
Interest	72,300	335,129	72,058
Sto:lo Service Agency Society	109,988	46,723	46,723
Rental income	93,715	133,548	15,000
Net income from government business enterprises	-	15,355	7,945
CMHC - Retrofit Initiative	-	-	5,897
School District #33	-	10,500	5,500
	3,042,769	16,877,999	11,169,755
EXPENSES (Note 14)			
Administration	245,395	222,556	291,304
Amortization of tangible capital assets	-	431,268	204,849
Childcare centre	-	103,236	-
Community benefits	323,400	142,237	82,783
Community building	208,655	221,608	4,078
Community programs	304,145	193,197	45,041
Economic development	80,000	2,330	27,000
Gaming	182,468	-	-
Governance	279,250	208,101	179,969
Non-profit housing	7,577	12,255	5,744
Property taxation	2,187,456	1,075,049	1,010,691
Public works	259,470	276,102	229,808
Special projects	-	1,406,541	2,334,096
	4,077,816	4,294,480	4,415,363
SURPLUS (DEFICIT) FOR THE YEAR	(1,035,047)	12,583,519	6,754,392
ACCUMULATED SURPLUS - BEGINNING OF YEAR	-	38,262,071	31,507,679
ACCUMULATED SURPLUS (DEFICIT) - END OF YEAR	\$ (1,035,047)	\$ 50,845,590	\$ 38,262,071

SKOWKALE FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
SURPLUS FOR THE YEAR	\$ 12,583,519	\$ 6,754,392
Net purchase of tangible capital assets	(3,356,678)	(7,521,878)
Amortization of tangible capital assets	431,268	204,849
Acquisition of prepaids	-	(346)
Use of prepaids	346	17,772
	(2,925,064)	(7,299,603)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	9,658,455	(545,211)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	16,641,732	17,186,943
NET FINANCIAL ASSETS - END OF YEAR	\$ 26,300,187	\$ 16,641,732

SKOWKALE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Surplus for the year	\$ 12,583,519	\$ 6,754,392
Items not affecting cash:		
Amortization of tangible capital assets	431,268	204,849
Net income from government business enterprises	(15,355)	(7,945)
Net income from government business partnerships	(205,780)	(320,810)
	<u>12,793,652</u>	<u>6,630,486</u>
Changes in non-cash working capital:		
Accounts receivable	151,902	(347,295)
Due from government and other government organizations	(4,209,551)	(239,285)
Prepaid expenses and deposits	347	17,425
Accounts payable and accrued liabilities	(321,212)	114,057
Deferred revenue	2,575,099	1,183,004
	<u>(1,803,415)</u>	<u>727,906</u>
	<u>10,990,237</u>	<u>7,358,392</u>
CAPITAL AND INVESTING TRANSACTION		
Net purchase of tangible capital assets	(3,356,678)	(7,521,878)
Trust funds held by federal government	1,611	(16)
	<u>(3,355,067)</u>	<u>(7,521,894)</u>
OTHER NON-FINANCIAL ASSETS		
Repayment of long term debt	(72,863)	(167,521)
CHANGE IN CASH DURING THE YEAR	7,562,307	(331,023)
CASH - BEGINNING OF YEAR	15,852,725	16,183,748
CASH - END OF YEAR	\$ 23,415,032	\$ 15,852,725
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 335,129	\$ 72,042
Interest paid	\$ 62,633	\$ 86,819
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	\$ 18,283,400	\$ 10,852,725
Term deposits	5,131,632	5,000,000
	<u>\$ 23,415,032</u>	<u>\$ 15,852,725</u>

SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

NATURE OF OPERATIONS

The Skowkale First Nation (the “First Nation”) 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 First Nation is a member government of the Stó:lo Nation. The First Nation provides various services to its members including the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

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 First Nation 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 First Nation and which are owned or controlled by the First Nation.

(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 First Nation'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 First Nation.

Organizations consolidated in the First Nations'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, 2023

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, 2023

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 and deposits.

(h) Net financial assets

The First Nation's financial statements are presented to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation 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:

	2023	2022
Externally restricted		
Security deposit	\$ 25,000	\$ 25,000
Internally restricted		
Prepaid rents	39,650	32,188
Tangible capital asset reserve	6,162,813	5,541,037
Unrestricted		
Operating	10,726,915	4,261,477
Taxation	1,329,022	993,023
Total cash and cash equivalents	\$ 18,283,400	\$ 10,852,725

3. ACCOUNTS RECEIVABLE

	2023	2022
Goods and services taxes receivable	\$ 424,922	\$ 653,962
Property taxes	14,365	14,308
Other receivables	129,122	52,041
	\$ 568,409	\$ 720,311

SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

Accounts receivable consists of the following:

	2023	2022
Aitchelitz First Nation	\$ 1,855,941	\$ -
Canada Mortgage and Housing Corporation	50,053	59,864
First Nation Health Authority	-	387,284
First People Cultural Council	50,000	-
Indigenous Services Canada	2,561,130	1,193,796
Ministry of Transportation & Infrastructure	-	537,257
SAY Lands	38,594	31,304
Tzaechten First Nation	-	276,054
Xyolhemeylh	276,909	-
Yakweakwioose First Nation	1,862,483	-
	\$ 6,695,110	\$ 2,485,559

5. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2022	Additions	Withdrawals	2023
Revenue	\$ 652	\$ 629	\$ (652)	\$ 629
Capital	1,588	-	(1,588)	-
Total	\$ 2,240	\$ 629	\$ (2,240)	\$ 629

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, 2023

6. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES

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

			2023	2022
Ch-Ihl-Kway-Uhk Tribe Society	1/9 ownership	\$ 99,037	\$ 83,970	
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	71,787	71,499	
		\$ 170,845	\$ 155,490	

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

Ts'elxweyeqw Tribe Management Ltd. (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 is as follows:

	Ch-Ihl-Kway-Uhk Tribe Society	SGES Ltd.	2023	2022
Current assets	\$ 761,597	\$ 461,472	\$ 1,223,069	\$ 1,063,214
Capital assets	19	8,570	8,589	11,247
Due from related party	335,010	-	335,010	315,010
Total assets	1,096,626	470,042	1,566,668	1,389,471
Current liabilities	205,285	39,331	244,616	204,752
Due to shareholders	-	353,258	353,258	353,258
Total liabilities	205,285	392,589	597,874	558,010
Equity	891,341	77,453	968,794	831,461
Total liabilities and equity	1,096,626	470,042	1,566,668	1,389,471
Revenue	165,117	517,407	682,524	448,140
Expenses	(29,510)	(515,681)	(545,191)	365,817
Net income (loss) for the year	135,607	1,726	137,333	82,323

SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

7. INVESTMENTS IN GOVERNMENT BUSINESS PARTNERSHIPS

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

			2023	2022
Ch-Ihl-Kway-Uhk Forestry Limited Partnership	11/89 ownership	\$ 240,742	\$ 191,848	
Centre Creek Limited Partnership	11/100 ownership	173,959	170,583	
Ts'elxwyeqx Tribe Limited Partnership	10/71 ownership	2,988,567	2,835,057	
		\$ 3,403,268	\$ 3,197,488	

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

The summary of the unaudited financial statements for the period ended December 31, 2021 and year ended December 31, 2020 is as follows:

	Ch-Ihl-Kway-Uhk (consolidated)	Centre Creek (consolidated)	Ts'elxwyeqx Tribe (consolidated)	2022 December	2021 December
Current assets	\$ 2,108,923	\$ 25,437	\$ 20,892,790	\$ 23,027,150	\$ 21,699,076
Capital assets	-	2,295,206	765,375	3,060,581	2,347,074
Due from related parties	63,295	-	2,105,056	2,168,351	2,007,157
Total assets	2,172,218	2,320,643	23,763,221	28,256,082	26,053,307
Current liabilities	117,184	21,335	2,982,707	3,121,226	3,304,808
Due to related parties	-	794,803	-	794,803	716,817
Total liabilities	117,184	816,138	2,982,707	3,916,029	4,021,625
Equity	2,055,034	1,504,505	20,780,514	24,340,053	22,031,682
Total liabilities and equity	2,172,218	2,320,643	23,763,221	28,256,082	26,053,307
Revenue	902,205	126,000	5,193,658	6,221,863	4,159,076
Expenses	(502,171)	(95,312)	(3,312,485)	(3,909,968)	1,934,437
Net income	400,034	30,688	1,881,173	2,311,895	(2,224,639)

SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

8. DEFERRED REVENUE

	2023	2022
Prepaid Replacement Reserve	\$ 8,682	\$ 6,680
Deferred Development Cost Charges	1,175,691	1,175,691
Deferred Revenue - Miscellaneous	2,561,130	2,000
Deposits	45,040	31,071
	<hr/> \$ 3,790,543	<hr/> \$ 1,215,442

9. LONG TERM DEBT

	2023	2022
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 2028	\$ 2,570,077	\$ 2,642,941
First Nations Finance Authority Debt Reserve Fund	(147,265)	(147,265)
	<hr/> \$ 2,422,812	<hr/> \$ 2,495,676

Anticipated annual principal repayments over the next year is as follows:

2024	\$ 74,631
2025	76,442
2026 and thereafter	78,297
2027	80,197
2028	82,143
Thereafter	<hr/> 2,031,102
	<hr/> \$ 2,422,812

SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

10. TANGIBLE CAPITAL ASSETS

During the year the First Nation completed construction of a building ("SAY Lands building") that is used jointly between two other First Nations, Aitchelitz, and Yakweakwioose First Nations. The First Nation holds the legal ownership of the building, with beneficial ownership being joint between the above three First Nations. The First Nations have formed a joint relationship to manage administration and lands.

	Cost	Additions (Adjustments)	Accumulated amortization	2023 Net book value
Land	\$ 315,969	\$ 23,653	\$ -	\$ 339,622
Commercial buildings	363,161	-	139,455	223,706
Residential buildings	311,078	-	173,662	137,416
Administration buildings	12,527,812	(1,918,792)	318,271	10,290,749
Daycare building	627,986	3,426,443	-	4,054,429
Equipment and furnishings	133,180	173,068	54,622	251,626
Computer equipment	16,764	-	15,142	1,622
Maintenance equipment	48,977	-	48,977	-
Underground networks	6,983,407	88,103	951,846	6,119,664
Projects in progress	1,562,364	1,564,205	-	3,126,569
	-	-	-	-
	\$ 22,890,698	\$ 3,359,680	\$ 1,701,975	\$ 24,545,403

During the year, the First Nation accrued \$3,517,712 related to Aitchelitz, and Yakweakwioose's contributions to the building project.

	Cost	Additions (Disposal)	Accumulated amortization	2022 Net book value
Land	\$ 315,969	\$ -	\$ -	\$ 315,969
Commercial buildings	363,161	-	124,928	238,233
Residential buildings	311,078	-	173,662	137,416
Administration buildings	7,240,701	5,915,097	-	13,155,798
Equipment and furnishings	133,180	-	36,278	96,902
Computer equipment	13,568	3,196	11,789	4,975
Maintenance equipment	48,977	-	48,977	-
Underground networks	6,856,634	126,773	875,072	6,108,335
Projects in progress	85,555	1,476,809	-	1,562,364
	\$ 15,368,823	\$ 7,521,877	\$ 1,270,706	\$ 21,619,992

SKOWKALE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

11. ACCUMULATED SURPLUS

	2023	2022
Operations fund	\$ 13,426,281	\$ 9,123,022
Tangible capital asset reserve	28,667,531	21,141,573
Ottawa trust fund	4,760	4,783
Investments in government business enterprises	170,845	155,490
Investments in government business partnerships	3,403,268	3,713,246
Capital plan reserve	5,172,905	4,123,957
	<hr/> \$ 50,845,590	<hr/> \$ 38,262,071

12. CONTINGENT LIABILITIES

The First Nation 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 First Nation is \$2,000,000. The maximum individual amount under the program to qualified members of the First Nation is \$250,000. At March 31, 2023, the amount guaranteed under this program was \$724,939 (2022 - \$871,211).

The First Nation is also contingently liable for guaranteed housing mortgages from various financial institutions registered with the National Housing Authority. As at March 31, 2023, the liability totaled \$213,750 (2022 - \$213,750).

13. BUDGETED FIGURES

The unaudited budgets for the year April 1, 2022 to March 31, 2023 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, 2023

14. EXPENSES BY OBJECT

	Budget	2023	2022
Amortization of tangible capital assets	\$ -	\$ 431,268	\$ 204,849
Band functions	664,868	92,319	21,283
BC School tax	295,000	310,385	289,455
General government expenses	53,600	59,901	51,294
Honoraria	176,250	143,100	100,275
Insurance	50,800	55,496	17,583
Interest and bank charges	6,250	7,988	5,929
Interest on long term debt	-	62,633	86,819
Meeting expenses	40,350	16,829	22,431
Office and miscellaneous	104,872	110,089	18,185
Professional fees	145,103	78,887	88,091
Projects	-	1,412,565	2,332,364
Repairs and maintenance	139,910	138,499	72,826
Service agreements	1,786,856	641,718	588,388
Supplies	-	148,867	-
Travel	12,930	8,558	5,337
Utilities	119,024	137,493	82,960
Wages and benefits	482,003	437,885	427,294
	\$ 4,077,816	\$ 4,294,480	\$ 4,415,363

15. 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
FOR THE YEAR ENDED MARCH 31, 2023

16. SEGMENTED INFORMATION CONT'D

	Community Operations	Government Business Enterprises	Investments	Tangible Capital Asset Fund	2023	2022
Revenue						
I.S.C.	\$ 10,262,467	\$ -	\$ -	\$ -	10,262,467	\$ 5,055,804
Canada Mortgage Housing Corporation	-	-	-	-	-	5,897
Property taxes	2,191,147	-	-	-	2,191,147	1,949,146
Rental income	133,549	-	-	-	133,549	15,000
Land lease	-	-	-	-	-	-
Sto:lo Service Agency Society	46,723	-	-	-	46,723	46,723
School district #33	10,500	-	-	-	10,500	5,500
F.N.E.S.C	171,769	-	-	-	171,769	166,230
MCFD	90,000	-	-	-	90,000	90,000
Interest income	-	-	335,129	-	335,129	72,058
Water service and garbage collection	3,303	-	-	-	3,303	2,395
Honoraria and travel reimbursements	-	-	-	-	-	-
Income from trust funds held by government	-	-	-	-	-	-
First Nations Goods and Services tax	1,091,771	-	-	-	1,091,771	853,172
Ministry of Transportation and Infrastructure	-	-	-	-	-	1,061,505
SAY Lands Code	-	-	-	-	-	-
Province of BC	-	-	-	-	-	-
First Nations Health Authority	327,185	-	-	-	327,185	511,269
Projects	1,564,754	-	-	-	1,564,754	823,833
Income from CFB land claim settlement	-	-	-	-	-	-
Gaming revenue	428,568	-	-	-	428,568	182,468
Development Cost Charges	-	-	-	-	-	-
Business income	-	15,355	-	-	15,355	7,945
Partnership income	-	205,780	-	-	205,780	320,810
	<u>16,321,736</u>	<u>221,135</u>	<u>335,129</u>	<u>-</u>	<u>16,878,000</u>	<u>11,169,755</u>
Expenditures by object						
Amortization	-	-	-	431,268	431,268	204,849
Band functions	92,319	-	-	-	92,319	21,283
BC school tax	310,385	-	-	-	310,385	289,455
General government expenses	59,901	-	-	-	59,901	51,294
Honoraria	143,100	-	-	-	143,100	100,275
Insurance	55,496	-	-	-	55,496	17,583
Interest and bank charges	7,988	-	-	-	7,988	5,929
Interest on long term debt	62,632	-	-	-	62,632	86,819
Meeting expenses	16,829	-	-	-	16,829	22,431
Office and miscellaneous	258,956	-	-	-	258,956	18,185
Professional fees	78,887	-	-	-	78,887	88,091
Projects	1,412,565	-	-	-	1,412,565	2,332,364
Repairs and maintenance	138,499	-	-	-	138,499	72,826
Service agreements	641,718	-	-	-	641,718	588,388
Travel	8,558	-	-	-	8,558	5,337
Utilities	137,493	-	-	-	137,493	82,960
Wages and benefits	437,886	-	-	-	437,886	427,294
	<u>3,863,212</u>	<u>-</u>	<u>-</u>	<u>431,268</u>	<u>4,294,480</u>	<u>4,415,363</u>
Annual surplus (deficit)	12,458,524	221,135	335,129	(431,268)	12,583,519	6,754,392
Transfer between funds	-	-	-	-	-	-
Accumulated surplus, beginning of year	<u>19,471,509</u>	<u>713,377</u>	<u>3,237,128</u>	<u>14,840,057</u>	<u>38,262,071</u>	<u>31,507,679</u>
Accumulated Surplus, end of year	<u>\$ 31,930,033</u>	<u>\$ 934,512</u>	<u>\$ 3,572,257</u>	<u>\$ 14,408,789</u>	<u>\$ 50,845,590</u>	<u>\$ 38,262,071</u>