

Soowahlie First Nation
Consolidated Financial Statements
March 31, 2019

Soowahlie First Nation
Contents
For the year ended March 31, 2019

	Page
Management's Responsibility	
Independent Auditors' Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Financial Assets (Net Debt).....	3
Consolidated Statement of Cash Flows.....	4
Notes to the Consolidated Financial Statements	5
Schedules	
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	15
Schedule 2 - Segmented Information	18

Management's Responsibility

To the Members of Soowahlie First Nation:

The accompanying consolidated financial statements of Soowahlie First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Soowahlie First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Band's external auditors.

MNP LLP is appointed by the Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

October 17, 2019

Original Signed by Brenda Wallace

Chief

Original Signed by Tanya Commodore

Councillor

Independent Auditor's Report

To the Members of Soowahlie First Nation:

Opinion

We have audited the consolidated financial statements of Soowahlie First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, accumulated surplus, changes in net financial assets (net debt) 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 consolidated financial position of the First Nation as at March 31, 2019, and the results of its consolidated operations and its consolidated 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 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 these 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 related 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chilliwack, British Columbia

October 17, 2019

MNP LLP

Chartered Professional Accountants

Soowahlie First Nation
Consolidated Statement of Financial Position
As at March 31, 2019

	2019	2018
Financial Assets		
Cash and cash equivalents	427,789	807,631
Restricted cash (Note 3)	5,041	5,041
Accounts receivable (Note 4)	188,734	68,712
CMHC subsidy receivable	11,391	927
Rent receivable (Note 5)	47,245	2,700
Funds held in trust (Note 6)	15,815	14,953
Investments (Note 7)	2,241,576	2,082,383
	2,937,591	2,982,347
Liabilities		
Accounts payable and accruals (Note 8)	178,313	233,385
Long-term debt (Note 9)	3,655,427	175,218
Capital lease obligations (Note 10)	28,778	71,944
	3,862,518	480,547
Net financial assets (net debt)	(924,927)	2,501,800
Contingent liabilities (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	6,438,106	2,773,410
Accumulated surplus (Note 12)	5,513,179	5,275,209

Approved on behalf of the Council

Original Signed by Brenda Wallace

Chief

Original Signed by Marcella Commodore

Councillor

Soowahlie First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2019

	<i>Schedules</i>	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue				
Indigenous Services Canada		682,909	1,946,602	1,767,730
Indigenous Services Canada recovery		-	(44,281)	-
First Nations Health Authority		431,986	620,856	461,367
Canada Mortgage and Housing Corporation		-	41,570	16,413
Gravel royalties		-	324,984	197,892
Rental income		-	220,752	155,367
Fish sales		40,000	194,679	38,530
Earnings from investment in Nation business entities		-	159,193	192,337
Other revenue		392,600	192,429	361,725
CMHC retrofit initiative		-	-	72,500
Sto:lo Aboriginal Skills and Employment Training		22,571	64,469	55,578
Taxation		-	12,918	13,928
Interest income		2,000	6,859	4,409
First Nations Education Steering Committee Society		-	5,253	5,672
New Relationship Trust		-	4,800	9,250
BC Hydro		2,000	2,000	2,000
Travel and honoraria reimbursements		-	1,500	6,321
BC special distribution		-	858	858
		1,574,066	3,755,441	3,361,877
Expenses				
Administration	3	420,734	865,552	800,722
Capital Fund	4	-	226,217	199,596
Education and Employment	5	631,380	808,936	568,075
Health	6	427,200	617,698	454,698
Non-Profit Housing	7	-	84,687	41,355
Maintenance	8	175,429	631,900	866,046
Social Development	10	268,713	282,482	313,866
		1,923,456	3,517,472	3,244,358
Surplus		(349,390)	237,970	117,519
Accumulated surplus, beginning of year		5,275,209	5,275,209	5,157,690
Accumulated surplus, end of year		4,925,819	5,513,179	5,275,209

The accompanying notes are an integral part of these financial statements

Soowahlie First Nation
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Annual surplus	(349,390)	237,970	117,519
Purchases of tangible capital assets	-	(3,890,913)	(168,545)
Amortization of tangible capital assets	-	226,216	199,596
	-	(3,664,697)	31,051
Increase in net financial assets (debt)	(349,390)	(3,426,727)	148,570
Net financial assets, beginning of year	2,501,800	2,501,800	2,353,230
Net assets (debt), end of year	2,152,410	(924,927)	2,501,800

The accompanying notes are an integral part of these financial statements

Soowahlie First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating activities		
Surplus	237,970	117,519
Non-cash items		
Amortization	226,216	199,596
Increase in funds held in trust	(862)	(16)
Equity earnings from investments	(159,193)	(192,337)
Bad debts	2,000	32,703
	306,131	157,465
Changes in working capital accounts		
Accounts receivable	(122,021)	(4,506)
CMHC subsidy receivable	(10,464)	481
Rent receivable	(44,545)	8,588
Accounts payable and accruals	(55,073)	(228,586)
	74,028	(66,558)
Financing activities		
Advances of long-term debt	3,525,474	-
Repayment of long-term debt	(45,265)	(55,067)
Repayment of capital lease obligations	(43,166)	(43,166)
	3,437,043	(98,233)
Capital activities		
Purchases of tangible capital assets	(3,890,913)	(168,545)
Decrease in cash resources	(379,842)	(333,336)
Cash resources, beginning of year	812,672	1,146,008
Cash resources, end of year	432,830	812,672
Cash resources are composed of:		
Cash	427,789	807,631
Restricted Cash	5,041	5,041
	432,830	812,672
Supplementary cash flow information		
Interest paid	21,624	13,189

The accompanying notes are an integral part of these financial statements

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

1. Operations

The Soowahlie First Nation (the "First Nation") is located in the Province of British Columbia and provides various services to its members. The Band includes the First Nation's government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian Public Sector Accounting Standards and include the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Net financial assets (debt)

The First Nation's consolidated financial statements are presented so as 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 combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets.

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purposes specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Funds held in Ottawa Trust

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Own source revenues

Own source revenues derived from such sources as housing rents, resource based revenues, campsite revenue, fish sales, interest income and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Tax revenue

The First Nation recognizes taxes as assets and revenue when they meet the definition of an asset; are authorized by a legislature, council, or legislative convention; and the taxable event has occurred.

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the First Nation evaluates the tax receivable for collectibility and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of the First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust funds consist of:

- Capital trust funds derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust funds generated primarily through land leasing transactions or interest earned on deposits held in trust.

Investments

The First Nation uses the modified equity method to account for its investments in various business partnerships and corporations whereby the acquisition cost is increased by the First Nation's proportionate share of earnings.

2. Significant accounting policies *(Continued from previous page)*

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records for all tangible capital assets. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the following method at terms intended to amortize the cost of assets over their estimated useful lives:

	Method	Term
Buildings	straight-line	40 years
Housing	straight-line	25 years
Computers	straight-line	5 years
Vehicles	straight-line	13 years
Equipment	straight-line	10 years
Bridges	straight-line	40 years
Water system infrastructure	straight-line	75 years
Water system buildings and reservoirs	straight-line	45 years
Roadway system	straight-line	60 years
Gate	straight-line	10 years
Capital lease - equipment	straight-line	5 years

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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 reporting period.

Accounts receivable, rent receivable and amounts due from related parties, are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Tax receivable

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. Tax receivables are evaluated as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities.

The First Nation has consolidated the assets, liabilities, revenues and expenses of the following entities and departments:

- Th'Ewali Forestry Ltd.
- Th'Ewali Fisheries Ltd.
- Th'Ewali Resources Ltd.
- Social Housing
- Health

All inter-entity balances have been eliminated on consolidation.

The First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

2. Significant accounting policies *(Continued from previous page)*

Segments

The First Nation conducts its business through a number of reportable segments as described in note 14. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2019.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2019, management has determined no liability is required to be recorded.

3. Restricted cash

Restricted cash consists of the following:

	2019	2018
Replacement reserve	5,041	5,041

Under agreements with Canada Mortgage and Housing Corporation (CMHC), the First Nation established the following replacement reserve, funded by an annual allocation of \$13,163 (2018 - \$14,779), to ensure replacement of buildings financed by CMHC. At March 31, 2019, \$5,041 (2018 - \$5,041) has been set aside to fund this reserve. The unfunded portion at March 31, 2019 was \$101,296 (2018 - \$180,784).

In accordance with terms of the agreements, CMHC reserve funds must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

4. Accounts receivable

Accounts receivable includes loans to Band members in the amount of \$23,400 (2018 - \$17,555). The loans do not have specific terms of repayment. Loans to Band members are presented net of allowance for doubtful accounts of \$23,749 (2018 - \$23,749).

5. Rent Receivable

Rent receivable is presented net of allowance for doubtful accounts of \$458,009 (2018 - \$541,486).

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

6. Funds held in trust

Capital and revenue trust funds are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

	2019	2018
Capital Trust		
Balance, beginning of year	14,783	14,783
Revenue Trust		
Balance, beginning of year	170	155
Interest	349	337
BC Special Distribution	858	858
Semi-annual interest transfer	(345)	(1,180)
Balance, end of year	1,032	170
	15,815	14,953

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

7. Investments

The Band has investments in the following entities:

	%	2019	2018
Centre Creek Limited Partnership	1/9	107,609	123,203
Centre Creek Management Limited - share capital	1/9	10	10
Ch-ihl-kway-uhk Tribe Society	1/9	64,888	60,790
Ts'elxweyeqw Tribe Limited Partnership	1/7	2,069,068	1,898,379
Ts'elxweyeqw Tribe Management Ltd. - share capital	1/7	1	1
		2,241,576	2,082,383

Consolidated financial information for Centre Creek Limited Partnership and Centre Creek Management Limited is as follows:

	2019	2018
Current assets	10,014	21,835
Property and equipment	2,354,958	2,388,915
	2,364,972	2,410,750
Current liabilities	282,310	20,709
Long-term debt	675,804	839,973
	958,114	860,682
Equity, beginning of year	1,550,068	1,557,865
Net income (loss)	(143,207)	(7,797)
	1,406,861	1,550,068
	2,364,972	2,410,750

	2019	2018
Revenue	36,568	104,322
Expenses	179,775	112,119
Net income (loss)	(143,207)	(7,797)

The First Nation's investment in Centre Creek Limited Partnership was established for the purpose of purchasing or acquiring real and personal properties located in Chilliwack River Valley. The partnership is also responsible for managing the acquired properties.

The First Nation's investment in Centre Creek Management Limited was established as the general partner of Centre Creek Limited Partnership.

The financial information for Ch-ihl-kway-uhk Tribe Society is as follows:

	2019	2018
Current assets	362,991	448,586
Capital assets	77	103
Due from Centre Creek Limited Partnership	273,997	128,897
	637,065	577,586
Current liabilities	53,072	30,479
Net assets, beginning of year	547,107	513,990
Excess of revenue over expenses	36,885	33,117
Net assets, end of year	583,992	547,107
	637,064	577,586

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

7. Investments *(Continued from previous page)*

	2019	2018
Revenue	68,687	70,094
Expenses	31,802	36,977
Excess of revenue over expenses	36,885	33,117

The First Nation's investment in Ch-ihl-kway-uhk Tribe Society was established for the purpose of property rentals.

Consolidated financial information for Ts'elxweyeqw Tribe Limited Partnership, Ts'elxweyeqw Tribe Management Ltd. and Ts'elxweyeqw Forestry Limited Partnership is as follows:

	2019	2018
Current assets	18,064,390	15,719,987
Property and equipment	11,105	12,640
Due from related parties	74,595	74,595
	18,161,195	15,807,222
Current liabilities	1,412,937	312,178
Share capital	7	7
Equity, beginning of year	15,495,037	14,394,751
Net income	1,242,110	1,100,286
Equity, end of year	16,737,147	15,495,037
	18,150,091	15,807,222

	2019	2018
Revenue	2,432,170	2,566,758
Expenses	1,190,060	1,466,472
Net income	1,242,110	1,100,286

The First Nation's investment in Ts'elxweyeqw Tribe Limited Partnership was established for the purpose of managing the activities of the Ts'elxweyeqw Forestry Limited Partnership to ensure the protection of the Tribe's interests and heritage.

The First Nation's investment in Ts'elxweyeqw Tribe Management Ltd. was established as the general partner of Ts'elxweyeqw Tribe Limited Partnership and Ts'elxweyeqw Forestry Limited Partnership.

The First Nation's investment in Ts'elxweyeqw Forestry Limited Partnership was established for the purpose of developing, operating and participating in various forestry operations and activities in and around Chilliwack, B.C.

Balances owing between the entities noted above have been eliminated for presentation purposes. This has no effect on the year end equity balance.

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

8. Accounts payable and accruals

Included in accounts payable and accruals are government remittances payable of \$10,811 (2018 - \$13,523).

9. Long-term debt

	2019	2018
Project VII - All Nations Trust Company mortgage - payments of \$1,500 per month, including interest at 1.05% per annum; secured by Ministerial Guarantee of the Minister of Indigenous Services Canada; maturity date of July 1, 2019.	5,986	23,825
Project IX - All Nations Trust Company mortgage - payments of \$2,064 per month, including interest at 1.11% per annum; secured by Ministerial Guarantee of the Minister of Indigenous Services Canada; renewal date of April 1, 2021; maturity date of July 1, 2024.	128,189	151,393
Project I - All Nations Trust Company mortgage - payments of \$3,584 per month, including interest at 2.22% per annum; secured by Ministerial Guarantee of the Minister of Indigenous Services Canada; renewal date of January 1, 2024; maturity date of January 1, 2044.	821,252	-
Royal Bank of Canada loan bearing interest at 4.45% payable in monthly instalments of \$11,250; due April 1, 2039.	2,700,000	-
	3,655,427	175,218

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed at similar rates and terms, are estimated as follows:

2020	69,631
2021	65,155
2022	66,713
2023	68,320
2024	69,977

The Royal Bank of Canada loan is secured by the following:

- General security agreement on the first ranking security interest in all personal property of the borrower;
- Certificate of insurance coverage on the assets of the borrower showing the bank as loss payee as its interests may appear.

10. Capital lease obligations

The First Nation has entered into a capital lease agreement with an option to purchase for \$1 at the end of the lease.

	2019	2018
Obligation under capital lease payable in equal monthly installments of \$3,597, due November 2019, with John Deere Loader Backhoe, having a net book value of \$51,800, pledged as collateral.	28,778	71,944

Minimum lease payments related to the obligation under capital lease are as follows:

2020	28,778
------	--------

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

11. Contingent liabilities

The First Nation is contingently liable in respect of guaranteed housing mortgages, which total \$955,428 (2018 - \$175,218).

12. Accumulated surplus

Accumulated surplus consists of the following:

	2019	2018
Equity in Ottawa Trust Funds	15,815	14,953
Equity in CMHC replacement reserve	106,337	185,826
Equity in tangible capital assets	2,753,901	2,526,248
Unrestricted surplus	2,637,125	2,548,182
	5,513,178	5,275,209

13. Economic dependence

The First Nation receives a significant portion of its revenue from Indigenous Services Canada (ISC) as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these funding agreements.

14. Segments

The First Nation receives revenues and incurs expenses from many different projects and sources. For management and reporting purposes, the revenues, expenses and surplus or deficit are organized by segments. Schedule 2 discloses the First Nation's revenues and expenses in the following segments:

Administration

Includes general operations, support, and financial management of the First Nation.

Capital Projects

Includes revenue and expenditures related to capital projects.

Education and employment

Includes revenues and expenses related to various levels of education programs and growth and revenue producing projects for the members of the First Nation.

Health

Includes activities related to the provision of health services within the First Nation.

Housing

Includes rent collection and maintenance related to the mortgaged and non-mortgaged homes owned by the First Nation.

Maintenance

Includes revenues and expenditures related to conservation and stewardship of the First Nation's land and resources.

Ottawa Trust

Includes funds held in trust by the Government of Canada on behalf of the First Nation.

Social Development

Includes revenues and expenses relating to the social assistance of the members of the First Nation.

15. Comparative figures

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

Soowahlie First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

	<i>Buildings</i>	<i>Housing</i>	<i>Equipment</i>	<i>Roads</i>	<i>Water System Infrastructure</i>	<i>Water System Buildings and Reservoirs</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	1,510,688	2,625,940	62,919	778,866	1,392,639	178,887	6,549,939
Acquisition of tangible capital assets	276,164	1,001,589	-	-	-	-	1,277,753
Balance, end of year	1,786,852	3,627,529	62,919	778,866	1,392,639	178,887	7,827,692
Accumulated amortization							
Balance, beginning of year	821,603	2,425,928	44,125	390,478	443,594	99,700	4,225,428
Annual amortization	40,581	91,844	3,347	13,007	18,522	3,971	171,272
Balance, end of year	862,184	2,517,772	47,472	403,485	462,116	103,671	4,396,700
Net book value of tangible capital assets	924,668	1,109,757	15,447	375,381	930,523	75,216	3,430,992
Net book value of tangible capital assets - 2018	689,085	200,012	18,794	388,388	949,045	79,187	2,324,511

Soowahlie First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

	<i>Subtotal</i>	<i>Bridges</i>	<i>Computers</i>	<i>Vehicles</i>	<i>Gate</i>	<i>Capital Lease - Equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	6,549,939	437,273	14,729	126,317	75,168	129,499	7,332,925
Acquisition of tangible capital assets	1,277,753	-	-	-	-	-	1,277,753
Balance, end of year	7,827,692	437,273	14,729	126,317	75,168	129,499	8,610,678
Accumulated amortization							
Balance, beginning of year	4,225,428	317,023	12,083	26,585	13,436	51,800	4,646,355
Annual amortization	171,272	10,932	882	9,714	7,517	25,900	226,217
Balance, end of year	4,396,700	327,955	12,965	36,299	20,953	77,700	4,872,572
Net book value of tangible capital assets	3,430,992	109,318	1,764	90,018	54,215	51,799	3,738,106
Net book value of tangible capital assets - 2018	2,324,511	120,250	2,647	99,732	61,732	77,698	2,686,570

Soowahlie First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

	<i>Subtotal</i>	<i>Land</i>	<i>Building under Construction</i>	<i>2019</i>	<i>2018</i>
Cost					
Balance, beginning of year	7,332,925	-	86,840	7,419,765	7,251,220
Acquisition of tangible capital assets	1,277,753	2,700,000	(86,840)	3,890,913	168,545
Balance, end of year	8,610,678	2,700,000	-	11,310,678	7,419,765
Accumulated amortization					
Balance, beginning of year	4,646,355	-	-	4,646,355	4,446,759
Annual amortization	226,217	-	-	226,217	199,596
Balance, end of year	4,872,572	-	-	4,872,572	4,646,355
Net book value of tangible capital assets	3,738,106	2,700,000	-	6,438,106	2,773,410
Net book value of tangible capital assets - 2018	2,686,570	-	86,840	2,773,410	

Soowahlie First Nation
Schedule 2 - Segmented Information
For the year ended March 31, 2019

	Administration	Capital	Employment	Health	Housing	Maintenance	Development	Ottawa Trust	2019
Revenue									
ISC	\$ 173,406	\$ -	\$ 760,121	\$ -	\$ -	\$ 700,081	\$ 268,713	\$ -	\$ 1,902,321
Other government	-	-	-	620,856	41,570	-	-	858	663,284
Economic activities and other	957,705	-	94,522	6,582	115,677	15,000	-	349	1,189,835
	1,131,111	-	854,643	627,440	157,247	715,079	268,713	1,207	3,755,440
Expenses									
Amortization	-	226,217	-	-	-	-	-	-	226,217
Operating expenses	151,382	-	3,478	239,048	34,046	17,780	28,377	-	474,113
Salaries, wages and benefits	315,756	-	129,246	236,933	-	133,348	20,193	-	835,477
Program and services expenses	398,412	-	676,213	141,717	50,641	480,772	233,909	-	1,981,664
	865,550	226,217	808,937	617,698	84,686	631,899	282,481	-	3,517,472
Annual surplus (deficit)	\$ 265,561	\$ (226,217)	\$ 45,706	\$ 9,742	\$ 72,561	\$ 83,180	\$ (13,768)	\$ 1,207	\$ 237,969

	Administration	Capital	Employment	Health	Housing	Maintenance	Development	Ottawa Trust	2018
Revenue									
ISC	\$ 253,614	\$ -	\$ 480,536	\$ -	\$ -	\$ 752,039	\$ 354,041	\$ -	\$ 1,840,230
Other government	-	-	-	461,367	16,413	-	-	858	478,638
Economic activities and other	675,236	-	170,500	1,607	67,202	128,126	-	337	1,043,008
	928,850	-	651,036	462,976	83,615	880,163	354,041	1,195	3,361,877
Expenses									
Amortization	-	199,595	-	-	-	-	-	-	199,595
Operating expenses	209,745	-	16,522	129,922	33,114	85,012	33,851	-	508,168
Salaries, wages and benefits	299,222	-	87,756	219,822	-	100,901	60,382	-	768,084
Program and services expenses	291,754	-	463,797	104,954	8,241	680,132	219,631	-	1,768,509
	800,721	199,595	568,075	454,698	41,355	866,044	313,866	-	3,244,358
Annual surplus (deficit)	\$ 128,129	\$ (199,595)	\$ 82,961	\$ 8,278	\$ 42,260	\$ 14,119	\$ 40,175	\$ 1,195	\$ 117,519