

Soowahlie First Nation
Consolidated Financial Statements
March 31, 2020

Soowahlie First Nation
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For the year ended March 31, 2020

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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.

May 2, 2022

Original signed by Brenda Wallace

Chief

Original signed by Marcella Commodore

Councillor

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, 2020, and the Consolidated statements of operations, accumulated surplus, changes in 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, 2020, and the results of its Consolidated operations, changes in its net debt and its Consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Responsibilities of Management 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.

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.

Chilliwack, British Columbia

May 2, 2022

MNP LLP

Chartered Professional Accountants

Soowahlie First Nation
Consolidated Statement of Financial Position
As at March 31, 2020

	2020	2019
Financial Assets		
Cash and cash equivalents	935,079	427,789
Restricted cash (Note 3)	25,429	5,040
Accounts receivable (Note 4)	300,260	188,734
Portfolio investments (Note 5)	110	-
CMHC subsidy receivable	19,572	11,391
Rent receivable (Note 6)	3,906	47,245
Investments (Note 7)	2,181,381	2,241,576
Funds held in trust (Note 8)	15,888	15,815
	3,481,625	2,937,590
Liabilities		
Accounts payable and accruals	325,912	178,313
Deferred revenue (Note 9)	461,352	-
Long-term debt (Note 10)	3,465,913	3,655,427
Capital lease obligations (Note 11)	-	28,778
	4,253,177	3,862,518
Net debt	(771,552)	(924,928)
Non-financial assets		
Tangible capital assets (Schedule 1)	6,211,890	6,438,106
Accumulated surplus (Note 12)	5,440,338	5,513,179

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, 2020

	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada	167,178	1,601,781	1,902,321
First Nations Health Authority	431,986	614,574	620,856
Canada Mortgage and Housing Corporation	-	32,851	41,570
Other revenue	595,171	599,733	192,429
Taxation	-	13,941	12,918
Rental income	-	150,085	220,752
Investment income	2,000	332,056	6,859
BC special distribution	-	862	858
Earnings from investment in Nation business entities	-	157,872	159,193
Gravel royalties	-	243,662	324,984
BC Hydro	2,000	-	2,000
New Relationship Trust	-	21,000	4,800
Sto:lo Aboriginal Skills and Employment Training	-	70,911	64,469
Fish sales	-	56,989	194,679
First Nations Education Steering Committee Society	-	5,124	5,253
Travel and honoraria reimbursements	20,000	-	1,500
	1,218,335	3,901,441	3,755,441
Program expenses			
Administration	408,734	1,333,171	865,551
Capital Fund	-	226,217	226,217
Education and Employment	631,380	663,428	808,936
Health	433,322	690,861	617,698
Non-Profit Housing	-	85,169	84,687
Maintenance	175,429	665,889	631,900
Social Development	-	309,547	282,482
Total expenditures	1,648,865	3,974,282	3,517,471
Annual surplus	(430,530)	(72,841)	237,970
Accumulated surplus, beginning of year	-	5,513,179	5,275,209
Accumulated surplus, end of year (Note 12)	-	5,440,338	5,513,179

The accompanying notes are an integral part of these financial statements

Soowahlie First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2020

	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
Annual surplus (deficit)	(430,530)	(72,841)	237,970
Purchases of tangible capital assets	-	-	(3,890,913)
Amortization of tangible capital assets	-	226,217	226,217
	-	226,217	(3,664,696)
Increase in net financial assets (debt)	(430,530)	153,376	(3,426,726)
Net Assets (debt), beginning of year	(924,928)	(924,928)	2,501,798
Net debt, end of year	(1,355,458)	(771,552)	(924,928)

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, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Annual Surplus (deficit)	(72,841)	237,970
Non-cash items		
Amortization	226,217	226,215
Bad debts	400	2,000
Equity earnings from investments	(157,872)	(159,193)
Increase in funds held in trust	(73)	(862)
	(4,169)	306,130
Changes in working capital accounts		
Accounts receivable	(111,424)	(122,021)
CMHC subsidy receivable	(8,181)	(10,464)
Rent receivable	43,339	(44,545)
Accounts payable and accruals	147,207	(55,073)
Deferred revenue	461,352	-
	528,124	74,027
Financing activities		
Advances of long-term debt	-	3,525,474
Repayment of long-term debt	(189,514)	(45,265)
Repayment of capital lease obligations	(28,778)	(43,166)
	(218,292)	3,437,043
Capital activities		
Purchases of tangible capital assets	-	(3,890,913)
Investing activities		
Purchase of Investments	(110)	-
Withdrawal from Investment in Nation Partnership	218,067	-
	217,957	-
Increase (decrease) in cash resources	527,789	(379,843)
Cash resources, beginning of year	432,829	812,672
Cash resources, end of year	960,618	432,829
Cash resources are composed of:		
Cash	935,079	427,789
Restricted Cash	25,539	5,040
	960,618	432,829
Supplementary cash flow information		
Interest paid	146,124	21,624

The accompanying notes are an integral part of these financial statements

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.

Impact of COVID-19 on operations

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation / quarantine orders.

The Nation's operations were not significantly impacted by COVID-19 during the 2020 fiscal year.

At this time, it is unknown the extent of the impact of COVID-19 outbreak may have on the Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and isolation / quarantine measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Company's business and financial condition.

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 debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt 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
Equipment	straight-line	10 years
Roads	straight-line	60 years
Water system infrastructure	straight-line	75 years
Water system buildings and reservoirs	straight-line	45 years
Bridges	straight-line	40 years
Computers	straight-line	5 years
Vehicles	straight-line	13 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, 2020

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 16. 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, 2020.

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, 2020, management has determined no liability is required to be recorded.

3. Restricted cash

Restricted cash consists of the following:

	2020	2019
Replacement reserve	25,429	5,040

Under agreements with Canada Mortgage and Housing Corporation (CMHC), the First Nation established the following replacement reserve, funded by an annual allocation of \$13,921 (2019 - \$13,163), to ensure replacement of buildings financed by CMHC. At March 31, 2020, \$25,429 (2019 - \$5,040) has been set aside to fund this reserve. The unfunded portion at March 31, 2020 was \$34,864 (2019 - \$101,295).

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 \$31,590 (2019 - \$23,400). The loans do not have specific terms of repayment. Loans to Band members are presented net of allowance for doubtful accounts of \$23,749 (2019 - \$23,749).

5. Portfolio investments

	2020	2019
Measured at cost:		
BC First Nations Gaming Revenue Sharing LP	100	-
BC First Nations Gaming Sharing General Partner Ltd.	10	-
	110	-

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

6. Rent Receivable

Rent receivable is presented net of allowance for doubtful accounts of \$131,922 (2019 - \$458,009).

7. Investments

The Band has investments in the following entities:

	%	2020	2019
Centre Creek Limited Partnership	1/9	108,718	107,609
Centre Creek Management Limited - share capital	1/9	10	10
Ch-ihl-kway-uhk Tribe Society	1/9	69,900	64,888
Ts'elxweyeqw Tribe Limited Partnership	1/7	2,002,752	2,069,068
Ts'elxweyeqw Tribe Management Ltd. - share capital	1/7	1	1
		2,181,381	2,241,576

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

7. Investments *(Continued from previous page)*

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

	2020	2019
Current assets	26,980	10,014
Property and equipment	2,336,554	2,354,961
	2,363,534	2,364,975
Current liabilities	241,689	282,310
Long-term debt	704,804	675,804
	946,493	958,114
Equity, beginning of year	1,406,861	1,550,068
Net income (loss)	10,183	(143,207)
	1,417,044	1,406,861
	2,363,534	2,364,975

	2020	2019
Revenue	114,102	36,568
Expenses	103,919	179,775
Net income (loss)	10,183	(143,207)

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:

	2020	2019
Current assets	407,234	362,990
Capital assets	57	77
Due from Centre Creek Limited Partnership	302,997	273,997
	710,288	637,064
Current liabilities	81,188	53,072
Net assets, beginning of year	583,992	547,107
Excess of revenue over expenses	45,108	36,885
Net assets, end of year	629,100	583,992
	710,288	637,064

	2020	2019
Revenue	69,410	68,687
Expenses	24,302	31,802
Excess of revenue over expenses	45,108	36,885

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

7. Investments *(Continued from previous page)*

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:

	2020	2019
Current assets	17,197,040	18,064,390
Property and equipment	52,053	11,105
Due from related parties	74,595	74,595
	17,323,688	18,150,090
Current liabilities	1,142,096	1,412,936
Share capital	7	7
Equity, beginning of year	16,737,151	15,495,037
Net income	970,903	1,242,110
Withdrawal	(1,526,469)	-
Equity, end of year	16,181,585	16,737,147
	17,323,688	18,150,090

	2020	2019
Revenue	2,472,419	2,432,170
Expenses	1,501,516	1,190,060
Net income	970,903	1,242,110

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, 2020

8. 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.

	2020	2019
Capital Trust		
Balance, beginning of year	14,783	14,783
Revenue Trust		
Balance, beginning of year	1,032	170
Interest	244	349
BC Special Distribution	862	858
Semi-annual interest transfer	(1,033)	(1,180)
Balance, end of year	1,105	1,032
	15,888	15,815

9. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each funding source:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Contributions recognized</i>	<i>Balance, end of year</i>
Indigenous Services Canada (Q38M-001)	-	78,484	40,827	37,657
Indigenous Services Canada (Q3AB-001)	-	159,900	-	159,900
Indigenous Services Canada (Q3AB-002)	-	223,795	-	223,795
Indigenous Services Canada (Q3AB-003)	-	40,000	-	40,000
	-	502,179	40,827	461,352

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

10. Long-term debt

	2020	2019
Project VII - All Nations Trust Company mortgage	-	5,986
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; maturing July 1, 2024.	104,728	128,189
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; maturing date of January 1, 2044.	796,185	821,252
Royal Bank of Canada loan bearing interest at 2.95% payable in monthly instalments of \$11,250; maturing April 1, 2039.	2,565,000	2,700,000
	3,465,913	3,655,427

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:

2021	109,452
2022	112,089
2023	114,796
2024	117,574
2025	120,425

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.

11. Capital lease obligations

	2020	2019
John Deere Financial Inc.	-	28,778

12. Accumulated surplus

Accumulated surplus consists of the following:

	2020	2019
Equity in Ottawa Trust Funds	15,888	15,815
Equity in CMHC replacement reserve	60,293	106,337
Equity in tangible capital assets	2,745,976	2,753,901
Unrestricted surplus	2,618,181	2,637,126
	5,440,338	5,513,179

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, 2020

	<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	1,786,852	3,627,529	62,919	778,866	1,392,639	178,887	7,827,692
Acquisition of tangible capital assets	-	-	-	-	-	-	-
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	862,184	2,517,772	47,472	403,485	462,116	103,671	4,396,700
Annual amortization	40,581	91,844	3,347	13,007	18,522	3,971	171,272
Balance, end of year	902,765	2,609,616	50,819	416,492	480,638	107,642	4,567,972
Net book value of tangible capital assets	884,087	1,017,913	12,100	362,374	912,001	71,245	3,259,720
Net book value of tangible capital assets - 2019	924,668	1,109,757	15,447	375,381	930,523	75,216	3,430,992

Soowahlie First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

	<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	7,827,692	437,273	14,729	126,317	75,168	129,500	8,610,679
Acquisition of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	7,827,692	437,273	14,729	126,317	75,168	129,500	8,610,679
Accumulated amortization							
Balance, beginning of year	4,396,700	327,955	12,965	36,299	20,953	77,700	4,872,572
Annual amortization	171,272	10,932	882	9,714	7,517	25,900	226,217
Balance, end of year	4,567,972	338,887	13,847	46,013	28,470	103,600	5,098,789
Net book value of tangible capital assets	3,259,720	98,386	882	80,304	46,698	25,900	3,511,890
Net book value of tangible capital assets - 2019	3,430,992	109,318	1,764	90,018	54,215	51,799	3,738,106