

Soowahlie First Nation
Consolidated Financial Statements
March 31, 2023

Soowahlie First Nation

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For the year ended March 31, 2023

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To the Members of Soowahlie First Nation:

Qualified 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, 2023, and the consolidated statements of operations and 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023, and the results of its consolidated operations, changes in its consolidated net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The consolidated financial statements do not include completed budgeted information. The exclusion of such information is a departure from Canadian Public Sector Accounting Standards as the comparison of budgeted to actual results is a significant measurement of performance.

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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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.

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

June 16, 2025

MNP LLP

Chartered Professional Accountants

Soowahlie First Nation

Consolidated Statement of Financial Position

As at March 31, 2023

	2023	2022
Financial assets		
Cash and cash equivalents	1,371,633	1,076,523
Restricted cash (Note 4)	123,410	123,530
Accounts receivable (Note 5)	232,373	224,087
Portfolio investments (Note 6)	110	110
Investments in Nation business entities (Note 7)	2,829,447	2,618,554
Funds held in trust (Note 8)	15,921	15,960
Total of financial assets	4,572,894	4,058,764
Liabilities		
Accounts payable and accruals	367,076	950,369
Deferred revenue (Note 9)	105,992	135,288
Long-term debt (Note 10)	4,481,622	4,011,144
Total of financial liabilities	4,954,690	5,096,801
Net debt	(381,796)	(1,038,037)
Non-financial assets		
Tangible capital assets (Schedule 1)	7,517,035	7,545,227
Accumulated surplus (Note 11)	7,135,239	6,507,190

Approved on behalf of the Council

	Chief		Councillor
	Councillor		Councillor

Soowahlie First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	2,722,076	3,829,608
First Nations Health Authority	698,597	767,555
Canada Mortgage and Housing Corporation	173,964	31,510
Other revenue	1,862,245	542,457
Rental income	333,804	262,166
Economic activities and other income	302,083	890,204
Earnings from investment in Nation business entities	210,893	256,665
Investment income	24,524	204,578
Sto:lo Aboriginal Skills and Employment Training	52,716	102,625
First Nations Education Steering Committee Society	52,641	47,231
Taxation	14,370	12,353
New Relationship Trust	-	5,000
	6,447,913	6,951,952
Expenditures		
Administration	1,990,916	2,449,238
Capital Fund	251,818	170,151
Education and Employment	1,005,112	762,102
Health	786,025	967,575
Non-Profit Housing	87,675	36,766
Lands and Maintenance	1,265,244	1,391,122
Social Development	433,074	448,662
	5,819,864	6,225,616
Annual surplus	628,049	726,336
Accumulated surplus, beginning of year	6,507,190	5,780,854
Accumulated surplus, end of year	7,135,239	6,507,190

The accompanying notes are an integral part of these consolidated financial statements

Soowahlie First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2023

	2023	2022
Annual surplus	628,049	726,336
Purchases of tangible capital assets	(223,626)	(1,858,766)
Amortization of tangible capital assets	251,818	170,151
Proceeds of disposal of tangible capital assets	-	190,515
Loss on sale of assets	-	29,834
	28,192	(1,468,266)
Decrease (increase) in net debt	656,241	(741,930)
Net debt, beginning of year	(1,038,037)	(296,107)
Net debt, end of year	(381,796)	(1,038,037)

The accompanying notes are an integral part of these consolidated financial statements

Soowahlie First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	628,049	726,336
Non-cash items		
Amortization	251,818	170,151
Bad debts	-	6,500
Earnings from investments in Nation business entities	(210,893)	(256,665)
Loss on sale of assets	-	29,834
	668,974	676,156
Changes in working capital accounts		
Accounts receivable	(8,294)	39,378
Restricted cash	120	90
Accounts payable and accruals	(583,285)	534,496
Deferred revenue	(29,296)	(203,829)
Funds held in trust	39	(133)
	48,258	1,046,158
Financing activities		
Advances of long-term debt	652,637	1,114,915
Repayment of long-term debt	(182,159)	(385,251)
	470,478	729,664
Capital activities		
Purchases of tangible capital assets	(223,626)	(1,858,766)
Proceeds of disposal of tangible capital assets	-	190,515
	(223,626)	(1,668,251)
Increase in cash resources	295,110	107,571
Cash resources, beginning of year	1,076,523	968,952
Cash resources, end of year	1,371,633	1,076,523

The accompanying notes are an integral part of these consolidated 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. Soowahlie First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity consolidated

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for government business entities. Trusts administered on behalf of third parties by Soowahlie First Nation are excluded from the First Nation reporting entity.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Government business entities, owned or controlled by the First Nation but not dependent on the First Nation for their continuing operations, are included in the 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 government 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. Entities accounted for by the modified equity basis include:

- Soowahlie Economic Development Limited Partnership
- Soowahlie Economic Development GP Ltd.
- Centre Creek Limited Partnership
- Centre Creek Management Ltd.
- Ch-ihl-kway-uhk Tribe Society
- Ts'elxweyeqw Tribe Limited Partnership
- Ts'elxweyeqw Tribe Management Ltd.

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.

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, prepaid expenses and inventories held for use.

Net financial assets (net debt)

The First Nation's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the First Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated annual surplus.

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

Cash

Cash include balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Portfolio investments

Long-term investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Funds held in Ottawa Trust Fund

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

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

Tangible capital assets

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

When conditions indicate that a tangible capital asset no longer contributes to the First Nation's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the First Nation reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

Amortization

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

	Method	Rate
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
Gates	straight-line	10 years
Capital lease - equipment	straight-line	5 years

Long-lived assets and discontinued operations

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

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

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

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 purpose 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 Fund

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

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. Taxes related to unreported taxable events or unidentified economic events that would be taxable events if disclosed or known to the First Nation are recognized when such events are known, the related taxes are quantifiable, and amounts are collectible.

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 collectability and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

Own source revenue

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 reasonable assured.

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, and amounts due from related First Nation entities and departments, are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

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

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

Segments

The First Nation conducts its business through eight reportable segments: Administration, Maintenance, Education and Employment, Social Development, Health, Non-Profit Housing, Capital Fund, and the Ottawa Trust Fund. 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.

3. Change in accounting policy

Financial instruments

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

Asset retirement obligations

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied retroactively, and prior periods have not been restated.

There was no material impact on the consolidated financial statements from the retroactive application of the new accounting recommendations.

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

4. Restricted cash

Restricted cash consists of the following:

	2023	2022
Replacement reserve	123,410	123,530

Replacement Reserve

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") the Nation established a replacement reserve, established by an annual allocation of \$87,024 (2022 - \$12,824), to ensure replacement of buildings financed by CMHC. At March 31, 2023, this reserve was under funded by \$49,565 (2022 - fully funded).

In accordance with terms of the agreements, CMHC reserve monies 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.

5. Accounts receivable

	2023	2022
Funding and trade receivables	153,033	175,998
Rent and member loan receivables, net of allowances	79,340	48,089
	232,373	224,087

6. Portfolio investments

	2023	2022
Measured at cost:		
BC First Nation Gaming Revenue Sharing LP	100	100
BC First Nation Gaming Revenue Sharing General Partner Ltd.	10	10
	110	110

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

7. Investments in Nation business entities

The First Nation has investments in the following entities:

			2023
	<i>Investment cost</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
Not for Profit:			
Ch-ihl-kway-uhk Tribe Society - 11%	-	99,038	99,038
Significantly Influenced Businesses:			
Centre Creek Management Ltd. - 11%	10	(553)	(543)
Ts'elxweyeqw Tribe Management Ltd. - 14%	1	39,493	39,494
	11	38,940	38,951
First Nation Government Business Enterprises			
Soowahlie Economic Development GP Ltd. - 100%	100	-	100
Soowahlie Economic Development Limited Partnership - 99%	1,000	-	1,000
Centre Creek Limited Partnership - 11%	11	117,699	117,710
Ts'elxweyeqw Tribe Limited Partnership - 14%	14	2,572,634	2,572,648
	1,125	2,690,333	2,691,458
	1,136	2,828,311	2,829,447
			2022
	<i>Investment cost</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
Not for Profit:			
Ch-ihl-kway-uhk Tribe Society - 11%	-	83,970	83,970
Significantly Influenced Businesses:			
Centre Creek Management Ltd. - 11%	10	-	10
Ts'elxweyeqw Tribe Management Ltd. - 14%	1	-	1
	11	-	11
First Nation Government Business Enterprises			
Soowahlie Economic Development GP Ltd. - 100%	100	-	100
Soowahlie Economic Development Limited Partnership - 99%	1,000	-	1,000
Centre Creek Limited Partnership - 11%	11	114,323	114,334
Ts'elxweyeqw Tribe Limited Partnership - 14%	14	2,419,125	2,419,139
	1,125	2,533,448	2,534,573
	1,136	2,617,418	2,618,554

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

7. Investments in Nation business entities *(Continued from previous page)*

Summary financial information for each business, accounted for using the modified equity method, for their respective year-end is as follows:

	Centre Creek Limited Partnership As at December 31, 2022	Ts'elxweyeqw Tribe Limited Partnership As at December 31, 2022	Soowahlie Economic Development GP Ltd. As at December 31, 2022	Soowahlie Economic Development Limited Partnership As at December 31, 2022
Assets				
Cash	4,141	5,297,645	100	1,000
Marketable securities	-	15,103,135	-	-
Accounts receivable	390	262,074	-	-
Prepaid expenses	20,906	6,369	-	-
Advances to related parties	-	326,762	-	-
Investments	-	1,698,493	-	-
Property, plant and equipment	2,295,206	734,040	-	-
Total assets	2,320,643	23,428,518	100	1,000
Liabilities				
Accounts payable and accruals	11,835	55,047	-	-
Deferred revenue	9,500	2,849,501	-	-
Term loans due on demand	57,986	-	-	-
Advances from related parties	736,817	-	-	-
Total liabilities	816,138	2,904,548	-	-
Equity	1,504,505	20,523,970	100	1,000
Total revenue	126,000	3,642,129	-	-
Total expenses	95,312	2,566,481	-	-
Net income	30,688	1,075,648	-	-

	Ch-ihl-kway-uhk Tribe Society As at December 31, 2022	Centre Creek Management Ltd. As at December 31, 2022	Ts'elxweyeqw Tribe Management Ltd. As at December 31, 2022
Assets			
Cash	142,698	1	50,760
Accounts receivable	387	-	168,913
Marketable securities	609,919	-	-
Prepaid expenses	8,593	-	3,894
Property, plant and equipment	19	-	31,335
Advances to related parties	335,010	-	74,595
Investments	-	(4,886)	25,119
Total assets	1,096,626	(4,885)	354,616
Liabilities			
Accounts payable and accruals	11,385	-	78,159
Deferred revenue	193,900	-	-
Total liabilities	205,285	-	78,159
Equity	891,341	(4,885)	276,457
Total revenue	165,117	310	1,551,529
Total expenses	29,510	-	746,004
Net income	135,607	310	805,525

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

8. Funds held in trust

Capital and revenue trust monies 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.

	2023	2022
Capital Trust		
Balance, beginning and end of year	14,783	14,783
Revenue Trust		
Balance, beginning of year	1,177	1,043
Interest	470	299
BC special distribution	892	879
	2,539	2,221
Less: Transfers to Nation	1,401	1,044
Balance, end of year	1,138	1,177
	15,921	15,960

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 (Q3AA-001)	20,105	-	20,105	-
Indigenous Services Canada (Q3XJ-001)	35,183	-	35,183	-
Indigenous Services Canada (Q3XJ-002)	80,000	-	80,000	-
Indigenous Services Canada (Q3XJ-001)	-	80,000	76,201	3,799
Indigenous Services Canada (Q3TE-001)	-	102,193	-	102,193
	135,288	182,193	211,489	105,992

Soowahlie First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. Long-term debt

	2023	2022
Royal Bank of Canada loan bearing interest at 3.20%, payable in blended monthly payments of \$17,739, maturing April 2039.	2,160,000	2,295,000
Project II - All Nations Trust Company mortgage bearing interest at 0.65%, secured by a Ministerial Guarantee of the Minister of Indigenous Services Canada, final maturity date and other details to be established upon Final Cost Certificate acceptance.	1,775,953	1,114,915
Project I - All Nations Trust Company mortgage bearing interest at 2.22%, payable in blended monthly payments of \$3,584, maturing January 2044.	512,999	544,289
Project IX - All Nations Trust Company mortgage bearing interest at 0.82%, payable in blended monthly payments of \$2,054, maturing July 2024.	32,671	56,940
	4,481,622	4,011,144

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

2024	202,290
2025	191,472
2026	188,896
2027	194,693
2028	200,674

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 interest may appear.

11. Accumulated surplus

Accumulated surplus consists of the following:

	2023	2022
Accumulated surplus	1,131,048	215,063
Equity in restricted cash	123,410	123,530
Equity in funds held in trust	15,921	15,960
Equity in tangible capital assets	3,035,413	3,534,083
Equity in investments in Nation business entities	2,829,447	2,618,554
	7,135,239	6,507,190

12. Economic dependence

Soowahlie First Nation receives a significant portion of its revenue from various government agreements. The ability of the First Nation to continue operations is dependent upon the continued financial commitments as guaranteed by these agreements.

13. Financial Instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Nation manages exposure through its normal operating and financing activities. The First Nation is exposed to interest rate price risk on its mortgages with fixed interest rates.

14. Segments

The First Nation conducts its business through eight reportable segments, which are differentiated by major activities, accountability and control relationship. The reportable segments and their activities are as follows:

Administration

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

Capital Fund

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.

Lands and Maintenance

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

Non-Profit Housing

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

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, 2023

	<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	3,393,020	3,627,529	65,120	778,866	1,392,639	178,887	9,436,061
Acquisition of tangible capital assets	-	223,625	-	-	-	-	223,625
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	3,393,020	3,851,154	65,120	778,866	1,392,639	178,887	9,659,686
Accumulated amortization							
Balance, beginning of year	983,927	2,697,904	57,733	442,506	517,682	115,584	4,815,336
Annual amortization	40,581	137,368	3,567	13,007	18,522	3,971	217,016
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	1,024,508	2,835,272	61,300	455,513	536,204	119,555	5,032,352
Net book value of tangible capital assets	2,368,512	1,015,882	3,820	323,353	856,435	59,332	4,627,334
2022 Net book value of tangible capital assets	2,409,093	929,625	7,387	336,360	874,957	63,303	4,620,725

Soowahlie First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Subtotal</i>	<i>Bridges</i>	<i>Computers</i>	<i>Vehicles</i>	<i>Gate</i>	<i>Heavy Equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	9,436,061	437,273	24,674	126,317	137,017	129,500	10,290,842
Acquisition of tangible capital assets	223,625	-	-	-	-	-	223,625
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	9,659,686	437,273	24,674	126,317	137,017	129,500	10,514,467
Accumulated amortization							
Balance, beginning of year	4,815,336	360,751	18,707	65,447	55,874	129,500	5,445,615
Annual amortization	217,016	10,932	1,989	8,179	13,701	-	251,817
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	5,032,352	371,683	20,696	73,626	69,575	129,500	5,697,432
Net book value of tangible capital assets	4,627,334	65,590	3,978	52,691	67,442	-	4,817,035
2022 Net book value of tangible capital assets	4,620,725	76,522	5,967	60,870	81,143	-	4,845,227

Soowahlie First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Subtotal</i>	<i>Land</i>	<i>2023</i>	<i>2022</i>
Cost				
Balance, beginning of year	10,290,842	2,700,000	12,990,842	11,382,473
Acquisition of tangible capital assets	223,625	-	223,625	2,201
Construction-in-progress	-	-	-	1,856,565
Disposal of tangible capital assets	-	-	-	(250,397)
Balance, end of year	10,514,467	2,700,000	13,214,467	12,990,842
Accumulated amortization				
Balance, beginning of year	5,445,615	-	5,445,615	5,305,512
Annual amortization	251,817	-	251,817	170,152
Accumulated amortization on disposals	-	-	-	(30,049)
Balance, end of year	5,697,432	-	5,697,432	5,445,615
Net book value of tangible capital assets	4,817,035	2,700,000	7,517,035	7,545,227
2022 Net book value of tangible capital assets	4,845,227	2,700,000	7,545,227	

Soowahlie First Nation
Schedule 2 - Segmented Information
For the year ended March 31, 2023

	Administration	Capital	Education and Employment	Health	Non-Profit Housing	Lands and Maintenance	Ottawa Trust	Social Development	2023
Revenue									
Indigenous Services Canada	\$ 297,358	\$ -	\$ 948,078	\$ -	\$ -	\$ 955,770	\$ -	\$ 520,870	\$ 2,722,076
Other government	-	-	52,716	698,597	146,164	27,800	-	-	925,277
Economic activities and other income	2,099,294	-	366,942	86,297	100,298	131,367	1,362	15,000	2,800,560
	2,396,652	-	1,367,736	784,894	246,462	1,114,937	1,362	535,870	6,447,913
Expenses									
Amortization	-	251,818	-	-	-	-	-	-	251,818
Operating expenses	1,013,074	-	26,003	106,839	29,050	215,517	-	11,372	1,401,856
Salaries, wages and benefits	731,363	-	100,779	436,308	-	233,214	-	5,042	1,506,706
Program and services expenses	246,480	-	878,330	242,878	58,626	816,513	-	416,660	2,659,486
	1,990,916	251,818	1,005,112	786,025	87,675	1,265,244	-	433,074	5,819,864
Surplus (deficit) before transfers	405,736	(251,818)	362,625	(1,131)	158,786	(150,307)	1,362	102,796	628,049
Transfers between programs	(11,831)	-	-	-	11,831	-	-	-	-
Annual surplus (deficit)	\$ 393,905	\$ (251,818)	\$ 362,625	\$ (1,131)	\$ 170,617	\$ (150,307)	\$ 1,362	\$ 102,796	\$ 628,049

	Administration	Capital	Education and Employment	Health	Non-Profit Housing	Lands and Maintenance	Ottawa Trust	Social Development	2022
Revenue									
Indigenous Services Canada	\$ 264,311	\$ -	\$ 696,674	\$ -	\$ 281,464	\$ 2,030,543	\$ -	\$ 556,616	\$ 3,829,608
Other government	201,227	-	-	767,555	31,510	-	-	-	1,000,292
Economic activities and other income (loss)	1,781,259	(29,835)	201,256	20,000	57,803	69,392	1,177	21,000	2,122,053
	2,246,797	(29,835)	897,930	787,555	370,777	2,099,935	1,177	577,616	6,951,952
Expenses									
Amortization	-	170,151	-	-	-	-	-	-	170,151
Operating expenses	940,341	-	6,742	160,174	29,904	158,581	-	21,208	1,316,950
Salaries, wages and benefits	617,283	-	163,656	435,870	-	308,791	-	28,754	1,554,354
Program and services expenses	891,614	-	591,704	371,531	6,862	923,750	-	398,700	3,184,161
	2,449,238	170,151	762,102	967,575	36,766	1,391,122	-	448,662	6,225,616
Surplus (deficit) before transfers	(202,441)	(199,986)	135,828	(180,020)	334,011	708,813	1,177	128,954	726,336
Transfers between programs	97,782	-	-	-	15,584	(112,322)	(1,044)	-	-
Annual surplus (deficit)	\$ (104,659)	\$ (199,986)	\$ 135,828	\$ (180,020)	\$ 349,595	\$ 596,490	\$ 133	\$ 128,954	\$ 726,336