

**Skwah First Nation**  
**Financial Statements**  
*March 31, 2024*

# Skwah First Nation

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For the year ended March 31, 2024

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## Independent Auditor's Report

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To the Members of Skwah First Nation:

### Opinion

We have audited the financial statements of Skwah First Nation (the "First Nation"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2024, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chilliwack, British Columbia

April 17, 2025

*MNP LLP*

Chartered Professional Accountants



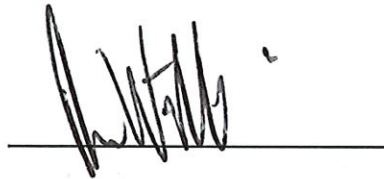
**Skwah First Nation**  
**Statement of Financial Position**  
*As at March 31, 2024*

	2024	2023
<b>Financial assets</b>		
Cash	23,378,610	16,199,503
Accounts receivable (Note 4)	2,216,620	196,543
Portfolio investments (Note 5)	1,418,660	1,345,920
Investment in Nation business entities (Note 6)	594,145	522,069
Funds held in Ottawa Trust Fund (Note 7)	313	25,032
<b>Total of financial assets</b>	<b>27,608,348</b>	<b>18,289,067</b>
<b>Liabilities</b>		
Accounts payable and accruals	245,839	173,360
Deferred revenue (Note 8)	3,880,029	205,025
Asset retirement obligation (Note 9)	842,765	810,351
<b>Total of financial liabilities</b>	<b>4,968,633</b>	<b>1,188,736</b>
<b>Net financial assets</b>	<b>22,639,715</b>	<b>17,100,331</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	5,085,282	5,193,348
Prepaid expenses	39,325	69,480
<b>Total non-financial assets</b>	<b>5,124,607</b>	<b>5,262,828</b>
<b>Accumulated surplus (Note 10)</b>	<b>27,764,322</b>	<b>22,363,159</b>

Approved on behalf of the Council



Chief



Councilor

**Skwah First Nation**  
**Statement of Operations and Accumulated Operating Surplus**  
*For the year ended March 31, 2024*

	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
<b>Revenue</b>			
Indigenous Services Canada	3,710,274	5,251,068	4,053,114
Other revenue	871,516	2,144,355	11,656,383
First Nations Health Authority	662,006	776,468	640,756
BC First Nation Gaming Revenue Sharing LP	500,000	626,287	430,826
Lease revenue	240,000	240,000	240,000
Rental income	90,000	81,750	97,160
First Nations Education Steering Committee	88,000	435,198	247,787
First Nation Tax Commission	76,058	76,360	78,427
Province of British Columbia	42,500	1,905,578	570,067
Investment Income	25,000	446,721	115,299
Earnings from investment in Nation business entities	-	72,076	67,890
	<b>6,305,354</b>	<b>12,055,861</b>	<b>18,197,709</b>
<b>Expenses</b>			
Administration	969,051	688,766	951,569
Education, Youth, Elders, Language, Culture and Employment	1,340,325	2,425,920	1,634,775
Health and Social Services	518,721	926,216	760,752
Housing, Infrastructure and Community Buildings	888,824	819,229	1,486,928
Social Development	855,482	926,276	788,573
Emergency Measures	-	124,799	93,116
Lands	648,720	364,853	475,758
Capital	-	378,639	316,985
	<b>5,221,123</b>	<b>6,654,698</b>	<b>6,508,456</b>
<b>Surplus</b>	<b>1,084,231</b>	<b>5,401,163</b>	<b>11,689,253</b>
<b>Accumulated surplus, beginning of year</b>	<b>22,363,159</b>	<b>22,363,159</b>	<b>10,673,906</b>
<b>Accumulated surplus, end of year</b>	<b>23,447,390</b>	<b>27,764,322</b>	<b>22,363,159</b>

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

**Skwah First Nation**  
**Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2024*

	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
<b>Surplus</b>	<b>1,084,231</b>	<b>5,401,163</b>	<b>11,689,253</b>
Purchases of tangible capital assets	-	(238,159)	(1,202,107)
Amortization of tangible capital assets	-	346,225	285,818
	-	108,066	(916,289)
Acquisition of prepaid expenses	-	(39,325)	(69,480)
Use of prepaid expenses	-	69,480	47,925
	-	30,155	(21,555)
<b>Increase in net financial assets</b>	<b>1,084,231</b>	<b>5,539,384</b>	<b>10,751,409</b>
<b>Net financial assets, beginning of year</b>	<b>17,100,331</b>	<b>17,100,331</b>	<b>6,348,922</b>
<b>Net financial assets, end of year</b>	<b>18,184,562</b>	<b>22,639,715</b>	<b>17,100,331</b>

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

**Skwah First Nation**  
**Statement of Cash Flows**  
*For the year ended March 31, 2024*

	2024	2023
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus	5,401,163	11,689,253
Non-cash items		
Amortization	346,225	285,818
Asset retirement obligations	-	779,184
Ottawa Trust Fund income	(2,279)	(2,265)
Earnings from investment in Nation business entities	(72,076)	(67,890)
Accretion expense	32,414	31,168
	5,705,447	12,715,268
Changes in working capital accounts		
Accounts receivable	(2,020,076)	205,111
Prepaid expenses	30,155	(21,555)
Accounts payable and accruals	72,478	(286,684)
Deferred revenue	3,675,004	(233,798)
	7,463,008	12,378,342
<b>Capital activities</b>		
Purchases of tangible capital assets	(238,159)	(1,202,107)
<b>Investing activities</b>		
Investment in portfolio investments	(72,740)	(42,801)
Ottawa Trust Fund withdrawal	26,998	-
	(45,742)	(42,801)
<b>Increase in cash resources</b>	7,179,107	11,133,434
<b>Cash resources, beginning of year</b>	16,199,503	5,066,069
<b>Cash resources, end of year</b>	23,378,610	16,199,503

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



**1. Operations**

The Skwah First Nation (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Skwah 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 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***

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 Skwah First Nation are excluded from the First Nation 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. Trusts administered on behalf of third parties by Skwah First Nation are excluded from the First Nation reporting entity.

Skwah 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 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. Entities accounted for by the modified equity basis include:

- Ch-ihl-kway-uhk Forestry Limited Partnership
- Ch-ihl-kway-uhk Forestry Ltd.
- Ch-ihl-kway-uhk Tribe Society
- Centre Creek Limited Partnership
- Centre Creek Management Limited

***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***

The First Nation's 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 and prepaid expenses.

***Cash***

Cash include balances with banks and short-term investments with maturities of three months or less.

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

***Portfolio investments***

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Portfolio investments with prices quoted in an active market include money market funds.

***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.

***Measurement uncertainty***

The preparation of 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 financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable, loans 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. Amortization is based on the estimated useful lives of tangible capital assets.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites for which the First Nation is responsible.

***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.

***Earnings from investment in Nation business entities***

Earnings from investment in Nation business entities is recognized as revenue when received or receivable based on the First Nation's proportion of the partnership's equity.

***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 (Note 7).

***Other revenue***

Other revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.



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.

***Amortization***

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	<b><i>Rate</i></b>
Buildings	40 years
Housing	40 years
Machinery and equipment	10 years
Roads	20 years
Water and sewer systems	75 years
Bridges	40 years
Office equipment	5 years
Vehicles	5 years
Land improvements	30 years

***Long-lived assets***

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

When the First Nation determines that a long-lived asset no longer has any long-term service potential to the First Nation, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write downs are not reversed.

***Segments***

The First Nation conducts its business through a number of reportable segment as described in Note 13. 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 these financial statements.

***Liability for contaminated sites***

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites 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, 2024.

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, 2024, management has determined no liability is required to be recorded.

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

***Asset retirement obligations***

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, 2024. 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.

***Financial instruments***

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers decline in funding in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.



**Skwah First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

**3. Change in accounting policy**

***Revenue***

Effective April 1, 2023, the First Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 *Revenue*. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

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

**4. Accounts receivable**

	<b>2024</b>	<b>2023</b>
Nation receivables	2,234,389	216,030
Member loans receivable	49,626	49,626
Rent to own housing loans	21,872	21,872
Less: Allowance for doubtful accounts	89,267	90,985
	<b>2,216,620</b>	<b>196,543</b>

Member loans receivable

The First Nation has member loans receivable for members' excess housing costs, insurance and renovations paid by the the First Nation. There were a total of 20 (2023 - 20) loans receivable at March 31, 2024. The loans are non-interest bearing with no fixed terms of repayment. The entire balance has been allowed for in the allowance for doubtful accounts line item.

Rent to own housing loan

The First Nation has agreements with various Members whereby title to the houses in which they reside may be transferred to those individuals upon full payment of the outstanding balance. There were a total of 6 (2023 - 6) housing loans receivable at March 31, 2024. The entire balance has been allowed for in the allowance for doubtful accounts line item.

**5. Portfolio investments**

	<b>2024</b>	<b>2023</b>
Measured at cost:		
BC First Nations Gaming Revenue Sharing LP	100	100
BC First Nations Gaming Revenue Sharing General Partner Ltd.	10	10
	<b>110</b>	<b>110</b>
Measured at fair value:		
First Nations Finance Authority - Money Market Fund, with interest at prime less 1.75%	1,418,550	1,345,810
	<b>1,418,660</b>	<b>1,345,920</b>



**Skwah First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

**6. Investments in Nation business entities**

The First Nation has investments in the following business entities:

	<i>Investment, beginning of year</i>	<i>Share of earnings(loss)</i>	<i>2024 Investment, end of year</i>
Ch-ihl-kway-uhk Forestry Limited Partnership (11% share)	240,737	53,713	294,450
Ch-ihl-kway-uhk Forestry Ltd. - share capital	10	-	10
Ch-ihl-kway-uhk Forestry Ltd. (12.5% ownership)	8,315	(89)	8,226
Ch-ihl-kway-uhk Tribe Society (11% share)	99,037	16,969	116,006
Centre Creek Limited Partnership (11% share)	173,960	1,483	175,443
Centre Creek Management Limited - share capital	10	-	10
	<b>522,069</b>	<b>72,076</b>	<b>594,145</b>

	<i>Investment, beginning of year</i>	<i>Share of earnings(loss)</i>	<i>2023 Investment, end of year</i>
Ch-ihl-kway-uhk Forestry Limited Partnership (11% share)	191,848	48,889	240,737
Ch-ihl-kway-uhk Forestry Ltd. - share capital	10	-	10
Ch-ihl-kway-uhk Forestry Ltd. (12.5% ownership)	7,759	556	8,315
Ch-ihl-kway-uhk Tribe Society (11% share)	83,969	15,068	99,037
Centre Creek Limited Partnership (11% share)	170,583	3,377	173,960
Centre Creek Management Limited - share capital	10	-	10
	<b>454,179</b>	<b>67,890</b>	<b>522,069</b>

The First Nation's investment in Ch-ihl-kway-uhk 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.

The First Nation's investment in Ch-ihl-kway-uhk Forestry Ltd. was established as the general partner for Ch-ihl-kway-uhk Forestry Limited Partnership.

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

The First Nation's investment in Centre Creek Limited Partnership was established to purchase or otherwise acquire real and personal property of all kinds or any interest therein certain land located in the Chilliwack River Valley and to manage the property.

**Skwah First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

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

Consolidated financial information for Ch-ihl-kway-uhk Forestry Limited Partnership, Ch-ihl-kway-uhk Forest Ltd., and Ch-ihl-kway-uhk Tribe Society are as follows:

	2024	2023
Current assets	3,537,496	2,936,252
Property, plant and equipment	-	19
Due from related parties	355,010	335,010
	<u>3,892,506</u>	<u>3,271,281</u>
Current liabilities	361,180	322,466
Common shares	100	100
	<u>361,280</u>	<u>322,566</u>
Equity, beginning of year	2,948,715	2,413,074
Net income	582,511	535,641
	<u>3,531,226</u>	<u>2,948,715</u>
	<u>3,892,506</u>	<u>3,271,281</u>
Revenue	866,651	1,067,322
Expenses	284,140	531,681
Net income	<u>582,511</u>	<u>535,641</u>

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

	2024	2023
Current assets	35,855	20,552
Property, plant and equipment	2,267,075	2,295,206
	<u>2,302,930</u>	<u>2,315,758</u>
Current liabilities	28,270	21,341
Long-term liabilities	761,699	794,803
	<u>789,969</u>	<u>816,144</u>
Common shares	1	1
	<u>789,970</u>	<u>816,145</u>
Equity, beginning of year	1,499,613	1,468,615
Net income	13,347	30,998
	<u>1,512,960</u>	<u>1,499,613</u>
	<u>2,302,930</u>	<u>2,315,758</u>
Revenue	126,001	126,310
Expenses	112,654	95,312
Net income	<u>13,347</u>	<u>30,998</u>

**Skwah First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

**7. Funds held in Ottawa Trust Fund**

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.

	2024	2023
<b>Revenue Trust</b>		
Balance, beginning of year	25,032	22,767
Interest	753	728
B.C. Special Distribution	1,526	1,537
	27,311	25,032
Less: Transfers to Nation	26,998	-
	313	25,032

**8. Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Contributions recognized</i>	<i>Balance, end of year</i>
Indigenous Services Canada Housing Management and Capacity Funding (Q3XK-001)	192,283	94,442	65,890	220,835
Indigenous Services Canada Flood Mitigation Funding (CMPS 11886)	12,742	-	12,742	-
First People's Cultural Council - Community and Education Renovations	-	162,334	-	162,334
CMHC Renovation Funding	-	179,502	-	179,502
UBCM Dyke Funding	-	2,945,000	24,069	2,920,931
Indigenous Services Canada Individual Housing New Construction (QA1A-001)	-	80,000	-	80,000
Indigenous Services Canada Housing Renovations (QA1B-001)	-	316,427	-	316,427
	205,025	3,777,705	102,701	3,880,029

**Skwah First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

**9. Asset retirement obligation**

The First Nation has an asset retirement obligation associated with the abatement of asbestos on its housing and community buildings. The First Nation recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the buildings. The asset retirement cost is amortized on a straight-line basis over the useful life of the asset.

The First Nation estimated the amount of the liability using undiscounted future expenditures estimated to retire the tangible capital asset. The significant assumptions used to determine the best estimate of the liability include the expected cost per square foot for the abatement, the anticipated discount rate, and the estimated number of periods.

	2024	2023
Balance, beginning of year	810,351	-
Liabilities incurred	-	779,184
Accretion	32,414	31,167
<b>Balance, end of year</b>	<b>842,765</b>	<b>810,351</b>

**10. Accumulated surplus**

Accumulated surplus consists of the following:

	2024	2023
Equity in Ottawa Trust Funds	313	25,032
Equity in tangible capital assets	4,242,517	4,382,997
Equity in Nation business entities	594,145	522,069
Surplus	22,927,347	17,433,061
	<b>27,764,322</b>	<b>22,363,159</b>

**11. Budget information**

The disclosed budget information has been approved by the Chief and Council of the Skwah First Nation at the Council meeting held on March 31, 2023.

**12. Economic dependence**

Skwah First Nation receives a significant portion of its revenue from various federal and provincial government agencies and is therefore, economically dependent on them.



**13. Segments**

The First Nation, receives revenue and incurs expenses from many different projects and sources. For management and reporting purposes, the revenue, expenses and surpluses or deficits are organized by segments.

*Administration*

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

*Education, Youth, Elders, Language, Culture and Employment*

Includes revenue and expenses related to primary, secondary and post-secondary education of the members of the First Nation.

*Health and Social Services*

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

*Housing, Infrastructure and Community Buildings*

Includes rent collection and maintenance related to homes, infrastructure and community buildings owned by the First Nation.

*Social Development*

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

*Emergency Measures*

Includes revenue and expenditures related to emergency response and preparedness of the First Nation.

*Lands*

Includes activities related to land management of the First Nation.

*Ottawa Trust Fund*

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

*Capital*

Includes revenue and expenditures related to capital projects.



**Skwah First Nation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

**14. 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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The First Nation is exposed to interest rate risk primarily relating to the following financial assets. The table summarizes the carrying amounts of financial instruments exposed to interest rate risk.

**Financial instruments exposed to interest rate risk:**

		<b>2024</b>	2023
	<i>Floating rate</i>	<i>Total</i>	<i>Total</i>
<b>Financial Assets</b>			
Cash and cash equivalents	23,378,610	23,378,610	16,199,503
Portfolio investments	1,418,549	1,418,549	1,345,810
	24,797,159	24,797,159	17,545,313

***Interest rate risk sensitivity analysis***

A 1% decrease in interest rates relating to floating rate financial instruments could decrease interest income by approximately \$247,971. The First Nation uses simulation modelling to simulate the effect of a change in the market rate of interest.

**Skwah First Nation**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2024*

	<i>Buildings</i>	<i>Housing</i>	<i>Machinery and Equipment</i>	<i>Roads</i>	<i>Water &amp; Sewer Systems</i>	<i>Bridges</i>	<i>Office Equipment</i>	<i>Vehicles</i>	<i>Land Improvements</i>	<i>2024</i>	<i>2023</i>
<b>Cost</b>											
Balance, beginning of year	4,930,692	3,191,980	377,170	381,709	500,564	807,269	211,664	258,766	42,252	10,702,066	9,499,959
Acquisition of tangible capital assets	5,552	-	18,793	-	-	-	121,871	91,943	-	238,159	422,923
Additions related to asset retirement obligations	-	-	-	-	-	-	-	-	-	-	779,184
Balance, end of year	4,936,244	3,191,980	395,963	381,709	500,564	807,269	333,535	350,709	42,252	10,940,225	10,702,066
<b>Accumulated amortization</b>											
Balance, beginning of year	1,563,275	2,563,243	84,611	278,020	241,916	416,975	143,520	194,639	22,519	5,508,718	5,222,900
Annual amortization	182,541	31,602	36,594	6,381	6,674	12,264	31,651	37,110	1,408	346,225	285,818
Balance, end of year	1,745,816	2,594,845	121,205	284,401	248,590	429,239	175,171	231,749	23,927	5,854,943	5,508,718
<b>Net book value of tangible capital assets</b>	<b>3,190,428</b>	<b>597,135</b>	<b>274,758</b>	<b>97,308</b>	<b>251,974</b>	<b>378,030</b>	<b>158,364</b>	<b>118,960</b>	<b>18,325</b>	<b>5,085,282</b>	<b>5,193,348</b>
2023 Net book value of tangible capital assets	3,367,417	628,737	292,559	103,689	258,648	390,294	68,144	64,127	19,733	5,193,348	

**Skwah First Nation**  
**Schedule 2 - Segmented Information**  
*For the year ended March 31, 2024*

	Administration	Education, Youth, Elders, Language, Culture and Employment	Health and Social Services	Housing, Infrastructure and Community Buildings	Social Development	Emergency Measures	Lands	Ottawa Trust Fund	Capital	2024
<b>Revenue</b>										
Indigenous Services Canada	\$ 330,152	\$ 2,095,255	\$ 1,014,100	\$ 471,772	\$ 1,003,468	\$ 149,294	\$ 187,027	\$ -	\$ -	\$ 5,251,068
Other government	751,840	1,896,492	893,943	29,069	25,000	201,038	821,198	2,279	-	4,620,859
Economic activities and other	1,128,557	56,161	582,884	164,811	-	41,300	210,221	-	-	2,183,934
	2,210,549	4,047,908	2,490,927	665,652	1,028,468	391,632	1,218,446	2,279	-	12,055,861
<b>Expenses</b>										
Amortization	-	-	-	-	-	-	-	-	378,639	378,639
Operating expenses	203,655	595,054	371,164	483,097	243,944	56,705	199,843	-	-	2,153,462
Salaries, wages and benefits	460,739	808,389	368,448	304,777	106,366	62,054	77,954	-	-	2,188,727
Program and services delivery expenses	24,372	1,022,477	186,604	31,355	575,966	6,040	87,056	-	-	1,933,870
	688,766	2,425,920	926,216	819,229	926,276	124,799	364,853	-	378,639	6,654,698
Surplus (deficit) before transfers	1,521,783	1,621,988	1,564,711	(153,577)	102,192	266,833	853,593	2,279	(378,639)	5,401,163
Transfers between programs	(120,810)	100,549	(178,638)	75,721	1,982	(22,223)	(64,944)	(26,998)	235,361	-
<b>Annual surplus (deficit)</b>	<b>\$ 1,400,974</b>	<b>\$ 1,722,537</b>	<b>\$ 1,386,073</b>	<b>\$ (77,856)</b>	<b>\$ 104,174</b>	<b>\$ 244,610</b>	<b>\$ 788,649</b>	<b>\$ (24,719)</b>	<b>\$ (143,278)</b>	<b>\$ 5,401,163</b>

	Administration	Education, Youth, Elders, Language, Culture and Employment	Health and Social Services	Housing, Infrastructure and Community Buildings	Social Development	Emergency Measures	Lands	Ottawa Trust Fund	Capital	2023
<b>Revenue</b>										
Indigenous Services Canada	\$ 313,993	\$ 1,050,405	\$ 354,387	\$ 1,278,018	\$ 945,017	\$ 111,294	\$ -	\$ -	\$ -	\$ 4,053,114
Other government	10,815,348	693,577	818,427	-	30,000	44,999	414,384	2,265	-	12,819,000
Economic activities and other	918,818	39,466	187,182	99,051	-	390	80,688	-	-	1,325,595
	12,048,158	1,783,448	1,359,996	1,377,069	975,017	156,683	495,072	2,265	-	18,197,709
<b>Expenses</b>										
Amortization	-	-	-	-	-	-	-	-	316,985	316,985
Operating expenses	616,267	356,973	307,454	1,296,590	173,291	77,953	386,303	-	-	3,214,831
Salaries, wages and benefits	293,317	722,511	237,853	146,846	98,555	15,163	45,994	-	-	1,560,239
Program and services delivery expenses	41,985	555,291	215,445	43,492	516,727	-	43,461	-	-	1,416,401
	951,569	1,634,775	760,752	1,486,928	788,573	93,116	475,758	-	316,985	6,508,456
Surplus (deficit) before transfers	11,096,589	148,673	599,244	(109,859)	186,444	63,567	19,314	2,265	(316,985)	11,689,253
Transfers between programs	(1,443,989)	42,253	(74,144)	1,362,550	(2,860)	(105,512)	(96,154)	-	317,857	-
<b>Annual surplus (deficit)</b>	<b>\$ 9,652,601</b>	<b>\$ 190,926</b>	<b>\$ 525,100</b>	<b>\$ 1,252,691</b>	<b>\$ 183,584</b>	<b>\$ (41,945)</b>	<b>\$ (76,840)</b>	<b>\$ 2,265</b>	<b>\$ 872</b>	<b>\$ 11,689,253</b>