

**Squiala First Nation  
Consolidated Financial Statements**  
*March 31, 2019*

**Squiala First Nation**  
**Contents**  
*For the year ended March 31, 2019*

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## **Management's Responsibility**

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To the Members of Squiala First Nation:

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 Squiala First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. 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 First Nation's external auditors.

Ribeyre Chang Haylock Ltd. is appointed by the members 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.

*Original signed by Tammy Bartz*

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Administrator

## INDEPENDENT AUDITOR'S REPORT

To: The Members of Squiala First Nation

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Squiala First Nation, which comprise the consolidated statement of financial position as at March 31, 2019 and March 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and the consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Squiala First Nation as at March 31, 2019 and March 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

### Basis for Opinion

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants, 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 Squiala 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 Squiala First Nation's assets or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 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 Squiala First Nation's internal controls.
- 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 Entity'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 Entity 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.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jason Haylock.

Port Coquitlam, B.C.  
July 9, 2019

Chartered Professional Accountants

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

	<b>2019</b>	<b>2018</b>
<b>Financial assets</b>		
Cash and cash equivalents	1,288,678	2,690,177
Restricted cash (Note 3)	1,102,206	1,098,221
Accounts receivable	606,238	530,078
Investments in Nation partnerships and business entities (Note 4)	32,819,296	32,376,162
Funds held in trust (Note 5)	12,758	12,246
<b>Total of assets</b>	<b>35,829,176</b>	36,706,884
<b>Liabilities</b>		
Accounts payable and accruals (Note 6)	1,510,959	1,254,711
Deferred revenue (Note 7)	15,254,814	16,715,080
Long-term debt (Note 8)	217,590	268,070
<b>Total of financial liabilities</b>	<b>16,983,363</b>	18,237,861
<b>Net financial assets</b>	<b>18,845,813</b>	18,469,023
<b>Contingencies (Note 9)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	9,647,925	8,448,541
Prepaid expenses	46,899	39,394
<b>Total non-financial assets</b>	<b>9,694,824</b>	8,487,935
<b>Accumulated surplus (Note 10)</b>	<b>28,540,637</b>	26,956,958

**Approved on behalf of the First Nation**

*Original signed by Chief David Jimmie*

Chief

*Original signed by Allen Jimmie*

Councilor

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

	<i>Schedules</i>	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
<b>Revenue</b>				
Indigenous Services Canada		1,555,889	3,039,049	1,675,126
Other revenue		2,778,754	2,023,075	2,195,975
Earnings (loss) from investment in Nation business		-	443,134	297,442
Rental and lease income		243,000	336,545	374,574
First Nation Education Steering Committee		155,000	228,996	235,042
Seabird Island Band		20,000	70,856	69,602
Canada Mortgage and Housing Corporation		31,000	25,705	26,876
Sto:lo Nation		35,000	-	14,244
Interest income		17,800	42,423	33,162
Ottawa Trust income		-	780	770
Repayment of funding		-	(43,498)	(9,521)
		<b>4,836,443</b>	<b>6,167,065</b>	4,913,292
<b>Program expenses</b>				
Band Government	3	429,554	511,111	532,344
Education & Training	4	1,252,080	1,136,311	1,200,984
Social Programs	5	428,772	457,375	449,095
Social Development	6	290,524	312,079	277,447
Community Infrastructure	7	340,000	494,734	363,576
Capital Projects	8	94,939	331,368	542,420
Economic Development	9	1,154,767	1,031,157	959,749
Investments	10	200,000	193,748	195,077
Social Housing	11	126,000	115,503	94,206
<b>Total expenditures</b>		<b>4,316,636</b>	<b>4,583,386</b>	4,614,898
<b>Annual surplus</b>		<b>519,807</b>	<b>1,583,679</b>	298,394
<b>Accumulated surplus, beginning of year</b>		<b>26,956,958</b>	<b>26,956,958</b>	26,658,564
<b>Accumulated surplus, end of year</b>		<b>27,476,765</b>	<b>28,540,637</b>	26,956,958

**Squiala First Nation**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2019*

	<b>2019 Budget</b>	<b>2019</b>	<b>2018</b>
<b>Annual surplus</b>	<b>534,307</b>	<b>1,583,679</b>	<b>298,394</b>
Purchases of tangible capital assets	(2,513,256)	(1,546,778)	(67,884)
Amortization of tangible capital assets	315,000	347,394	349,719
	<b>(2,198,256)</b>	<b>(1,199,384)</b>	<b>281,835</b>
Acquisition of prepaid expenses	-	(46,903)	(39,397)
Use of prepaid expenses	-	39,398	37,134
	<b>-</b>	<b>(7,505)</b>	<b>(2,263)</b>
<b>Increase (decrease) in net financial assets</b>	<b>(1,663,949)</b>	<b>376,790</b>	<b>577,966</b>
<b>Net financial assets, beginning of year</b>	<b>18,469,023</b>	<b>18,469,023</b>	<b>17,891,057</b>
<b>Net financial assets, end of year</b>	<b>16,805,074</b>	<b>18,845,813</b>	<b>18,469,023</b>

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

	<b>2019</b>	<b>2018</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Cash receipts from contributors	4,588,217	5,965,339
Cash paid to suppliers	(2,622,345)	(2,709,468)
Cash paid to employees for salaries, wages and benefits	(1,364,904)	(1,381,541)
Interest income	42,423	33,162
	<b>643,391</b>	1,907,492
<b>Financing activities</b>		
Repayment of long-term debt	(50,480)	(55,259)
<b>Capital activities</b>		
Purchases of tangible capital assets	(1,546,778)	(67,884)
<b>Investing activities</b>		
Net change in investments in Nation partnerships	(443,134)	(297,442)
Net change in restricted cash	(3,985)	(66,711)
Net change in Ottawa Trust Fund	(513)	(142)
	<b>(447,632)</b>	(364,295)
<b>Increase (decrease) in cash resources</b>	<b>(1,401,499)</b>	1,420,054
<b>Cash resources, beginning of year</b>	<b>2,690,177</b>	1,270,123
<b>Cash resources, end of year</b>	<b>1,288,678</b>	2,690,177
<b>Supplementary cash flow information</b>		
Interest paid	7,861	6,987

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

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**1. Operations**

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

Squiala 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:

- Squiala Investment Holdings Limited Partnership
- Squiala Holdings Limited Partnership
- Squiala Holdings GP Inc.
- Squiala Investment Holdings LP Inc.
- Ch-ihl-kway-uhk Forestry Limited Partnership
- Ch-ihl-kway-uhk Tribe Society
- Ts'elxwyeqw Tribe Limited Partnership
- Centre Creek Limited Partnership

***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 and prepaid expenses.

***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 annual surplus.

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

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

**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.

**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.

**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:

	<b>Method</b>	<b>Rate</b>
Office and Computer Equipment	straight-line	5 years
Infrastructure Assets	straight-line	40 years
Automotive Equipment	straight-line	10 years
Buildings	straight-line	40 years

**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.

**Revenue recognition**

**Own Source Revenue**

Own source revenue derived from such sources as resource based revenues, 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.

**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.

**Investments**

The First Nation uses the modified equity method to account for its investment listed under the reporting entity - consolidated accounting policy, whereby the First Nation records its proportionate share of annual earnings as 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.

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

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

***Long-lived assets and discontinued operations***

Long-lived assets consist of tangible capital assets with finite useful lives. 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 discounted future cash flows. Any impairment is included in surplus for the year.

***Liability for contaminated site***

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

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

***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.

***Segments***

The First Nation conducts its business through nine reportable segments: Band Government, Education & Training, Social Programs, Social Development, Community Infrastructure, Capital Projects, Economic Development, Investments and Social Housing. 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.

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

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**3. Restricted cash**

	<b>2019</b>	<b>2018</b>
Replacement Reserve Fund	279,848	295,817
Operating Reserve Fund	53,902	53,664
Children's Trust Fund	<u>768,456</u>	<u>748,740</u>
<b>Total</b>	<b>1,102,206</b>	1,098,221

**Notes to restricted assets**

**Replacement Reserve**

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Nation established a replacement reserve, funded by an annual allocation of \$17,235 (2018 - \$18,232) to ensure replacement of buildings financed by CMHC. At March 31, 2019, \$279,848 (2018 - \$295,817) has been set aside to fund this reserve. At March 31, 2019 this reserve was fully funded (2018 - overfunded by \$24,540).

In accordance with terms of the agreement, CMHC reserve moneys 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.

**Operating reserve**

Under agreements with Canada Mortgage and Housing Corporation (CMHC) 1997 On-Reserve Program requirements, the First Nation established an operating reserve retained by the First Nation resulting from annual surplus after the payment of all costs and expenses including allocation to the replacement reserve. These funds along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as otherwise mutually agreed to by the First Nation and CMHC.

These funds may only be used for the ongoing operating costs of the housing projects committed under the 1997 On-Reserve Program. Accordingly, future years' deficits may be recovered from the Operating Reserve fund. At March 31, 2019, \$53,902 (2018 - \$53,664) has been set aside to fund this reserve.

**Children's Trust Fund**

The First Nation maintains an internally restricted trust fund for members of the First Nation who are entitled to a member distribution, but are not yet 18 years of age. These distributions are invested in short-term investments and can be withdrawn by the members when they reach the age of 18. All investment income earned is attributed to the members.

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

**4. Investments in First Nation partnerships and business entities**

The First Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>	<i>2019</i>
<b>First Nation Business Entities - Modified Equity</b>					
Chi-ihl-kway-uhk Tribe Society - 11.1%	11	-	64,813	64,824	
Squiala Holdings GP Inc. - 100%	100	-	-	100	
Squiala Investment Holdings Inc. - 100%	100	(100)	-	-	
	<b>211</b>	<b>(100)</b>	<b>64,813</b>	<b>64,924</b>	
<b>First Nation Business Partnerships - Modified Equity:</b>					
Squiala Investment Holdings Limited Partnership - 100%	15,540,100	900	-	15,541,000	
Chi-ihl-kway-uhk Forestry Limited Partnership - 12.4%	12	-	89,313	89,325	
Ts'elxweyeqw Tribe Limited Partnership - 14.3%	14	-	2,484,973	2,484,987	
Centre Creek Limited Partnership - 11%	11	-	163,848	163,859	
Squiala Holdings Limited Partnership - 100%	100	6,952,881	7,522,220	14,475,201	
	<b>15,540,237</b>	<b>6,953,781</b>	<b>10,260,354</b>	<b>32,754,372</b>	
	<b>15,540,448</b>	<b>6,953,681</b>	<b>10,325,167</b>	<b>32,819,296</b>	
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>	<i>2018</i>
<b>First Nation Business Entities - Modified Equity</b>					
Chi-ihl-kway-uhk Tribe Society - 11.1%	11	-	60,718	60,729	
Squiala Holdings GP Inc. - 100%	100	-	-	100	
Squiala Investment Holdings Inc. - 100%	100	(100)	-	-	
	<b>211</b>	<b>(100)</b>	<b>60,718</b>	<b>60,829</b>	
<b>First Nation Business Partnerships - Modified Equity:</b>					
Squiala Investment Holdings Limited Partnership - 100%	15,540,100	900	-	15,541,000	
Chi-ihl-kway-uhk Forestry Limited Partnership - 12.4%	12	-	91,853	91,865	
Ts'elxweyeqw Tribe Limited Partnership - 14.3%	14	-	2,314,284	2,314,298	
Centre Creek Limited Partnership - 11%	11	-	179,442	179,453	
Squiala Holdings Limited Partnership - 100%	100	6,952,981	7,235,636	14,188,717	
	<b>15,540,237</b>	<b>6,953,881</b>	<b>9,821,215</b>	<b>32,315,333</b>	
	<b>15,540,448</b>	<b>6,953,781</b>	<b>9,881,933</b>	<b>32,376,162</b>	

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

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**4. Investment in First Nation partnerships and business entities (Continued from previous page)**

Financial information for the investments in First Nation partnerships and business entities is as follows:

	Chi-ihl-kway-uhk Tribe Society	Squiala Holdings GP Inc.	Squiala Investment Holdings Inc.	Squiala Investment Holdings LP	2019	2018
<b>Balance Sheet</b>						
Assets	637,065	212	100	15,541,000	<b>16,178,377</b>	16,118,864
Liabilities	53,072	610	-	900	<b>54,582</b>	31,989
Equity	583,993	(398)	100	15,540,100	<b>16,123,795</b>	16,086,875
<b>Total Liabilities and Equity</b>	<b>637,065</b>	<b>212</b>	<b>100</b>	<b>15,541,000</b>	<b>16,178,377</b>	<b>16,118,864</b>
<b>Income Statement</b>						
Revenue	68,687	34	-	-	<b>68,721</b>	70,122
Expenses	31,802	-	-	-	<b>31,802</b>	37,327
<b>Net Income (Loss)</b>	<b>36,885</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>36,919</b>	<b>32,795</b>

	Chi-ihl-kway-uhk Forestry LP	Ts'elxweweyew Tribe LP	Centre Creek LP	Squiala Holdings LP	2019	2018
<b>Balance Sheet</b>						
Assets	858,428	17,864,031	2,364,971	14,475,413	<b>35,562,843</b>	33,405,751
Liabilities	91,852	870,185	952,301	6,952,981	<b>8,867,319</b>	8,086,180
Equity	766,576	16,993,846	1,412,670	7,522,432	<b>26,695,524</b>	25,319,571
<b>Total Liabilities and Equity</b>	<b>858,428</b>	<b>17,864,031</b>	<b>2,364,971</b>	<b>14,475,413</b>	<b>35,562,843</b>	<b>33,405,751</b>
<b>Income Statement</b>						
Revenue	89,860	1,753,759	38,000	342,317	<b>2,223,936</b>	3,582,836
Expenses	110,400	557,742	179,775	73	<b>847,990</b>	1,595,666
<b>Net Income (Loss)</b>	<b>(20,540)</b>	<b>1,196,017</b>	<b>(141,775)</b>	<b>342,244</b>	<b>1,375,946</b>	<b>1,987,170</b>

Squiala First Nation holds investments in Ts'elxweweyew Tribe Management Ltd., Centre Creek Management Ltd., and Chi-ihl-Kway-Uhk Forest Ltd. which were established as the general partner corporations of Ts'elxweweyew Tribe LP, Centre Creek LP and Chi-ihl-kway-uhk Forestry LP. The financial activity of these entities has been included in the consolidated financial information above.

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

**5. 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.

	<b>2019</b>	<b>2018</b>
<b>Capital Trust</b>		
Balance, beginning and end of year	<b>11,978</b>	11,978
<b>Revenue Trust</b>		
Balance, beginning of year	268	126
Interest	280	267
BC Special Distribution	500	503
	1,048	896
Less: Transfers to Nation	<b>268</b>	628
	780	268
	<b>12,758</b>	12,246

**6. Accounts payable and accruals**

Included in accounts payable and accruals are government remittances payable of \$14,814 (2018 - \$21,092).

**7. Deferred revenue**

	<b>2019</b>	<b>2018</b>
Eagle Landing Development Limited Partnership lease	15,254,355	15,423,535
Deferred INAC capital funding	-	1,290,122
Hall rental security deposits	39	739
Deferred social housing rent	420	684
	<b>15,254,814</b>	16,715,080

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

**8. Long-term debt**

	<b>2019</b>	<b>2018</b>
ANTCO mortgage payable with interest at 2.22%, maturing December 1, 2023, with monthly payments of \$1,620, secured by real property and a ministerial guarantee.	87,570	104,912
ANTCO mortgage payable with interest at 1.43%, maturing February 1, 2022, with monthly payments of \$1,780, secured by real property and a ministerial guarantee.	60,971	81,299
ANTCO mortgage payable with interest at 1.86%, maturing April 1, 2024, with monthly payments of \$1,187, secured by real property and a ministerial guarantee.	69,049	81,860
	<b>217,590</b>	268,071

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:

2020	51,369
2021	52,308
2022	51,469
2023	32,712
2024	28,535

**9. Contingencies**

The First Nation has been named as defendant in a lawsuit on behalf of a member of Squiala First Nation, seeking to recover damages allegedly sustained by them as a result of eviction from a home. The complaint with respect to this action generally alleges the First Nation was unlawful in the eviction from the home. This lawsuit remains at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of these lawsuits or to estimate the loss, if any, which may result. Any amount awarded as a result of this action will be recorded when reasonably estimable.

**10. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2019</b>	<b>2018</b>
Operating Surplus	18,769,588	18,497,173
Equity in Tangible Capital Assets	9,430,335	8,180,471
Equity in Ottawa Trust Fund	12,758	12,246
CMHC Section 95 Housing Reserves	327,956	267,068
	<b>28,540,637</b>	26,956,958

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

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**11. Segments**

The First Nation receives revenues and incurs expenses from many different projects and sources. For management and reporting purposes, the revenues, expenses and surpluses or deficits are organized by segments. Schedules 3 - 11 disclose the First Nation's revenues and expenses in the following segments.

***Band Government***

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

***Education & Training***

Includes revenues and expenses related to various education, employment and training programs maintained by the First Nation.

***Social Programs***

Includes revenues and expenses for a variety of social programs provided to membership which are primarily funded by the First Nation's own sources revenue and centered around community needs.

***Social Development***

Includes services offered to community members in need of assistance for themselves and their dependents. Services include, but are not limited to, income assistance, child and family support, assisted living and early childhood development.

***Community Infrastructure***

Includes revenues and expenses for services related to general community infrastructure maintenance and public works.

***Capital Projects***

Includes large capital projects and contracts funded both internally and externally, and includes the First Nation's tangible capital assets.

***Economic Development***

Includes activities related to the growth of revenue producing projects within the First Nation.

***Investments***

Includes activities related to the growth of revenue producing projects of entities owned by the First Nation.

***Social Housing***

Includes the First Nation's CMHC Section 95 housing operation.

**Squiaala First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**

For the year ended March 31, 2019

	<b>Office and Computer Equipment</b>	<b>Infrastructure Assets</b>	<b>Automotive Equipment</b>	<b>Buildings</b>	<b>Housing</b>	<b>2019</b>	<b>2018</b>
<b>Cost</b>							
Balance, beginning of year	<b>493,052</b>	<b>2,708,529</b>	<b>244,944</b>	<b>7,429,945</b>	<b>1,420,541</b>	<b>12,297,011</b>	<b>12,465,839</b>
Acquisition of tangible capital assets	<b>22,109</b>	<b>-</b>	<b>-</b>	<b>1,524,669</b>	<b>-</b>	<b>1,546,778</b>	<b>67,884</b>
<b>Balance, end of year</b>	<b>515,161</b>	<b>2,708,529</b>	<b>244,944</b>	<b>8,954,614</b>	<b>1,420,541</b>	<b>13,843,789</b>	<b>12,533,723</b>
<b>Accumulated amortization</b>							
Balance, beginning of year	<b>463,659</b>	<b>1,039,026</b>	<b>97,270</b>	<b>1,555,955</b>	<b>692,560</b>	<b>3,848,470</b>	<b>3,735,462</b>
Annual amortization	<b>15,164</b>	<b>67,713</b>	<b>24,144</b>	<b>189,892</b>	<b>50,481</b>	<b>347,394</b>	<b>349,720</b>
<b>Balance, end of year</b>	<b>478,823</b>	<b>1,106,739</b>	<b>121,414</b>	<b>1,745,847</b>	<b>743,041</b>	<b>4,195,864</b>	<b>4,085,182</b>
<b>Net book value of tangible capital assets</b>	<b>36,338</b>	<b>1,601,790</b>	<b>123,530</b>	<b>7,208,767</b>	<b>677,500</b>	<b>9,647,925</b>	<b>8,448,541</b>
2018 Net book value of tangible capital assets	29,393	1,669,503	147,674	5,873,990	727,981	8,448,541	

**Squiala First Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Consolidated expenses by object</b>		
Administration	4,500	1,102
Amortization	347,394	349,719
Bad debts	408	-
Bank charges and interest	7,861	6,987
Basic needs, shelter and social assistance	237,872	210,595
Community events	1,664	3,639
Contracted services	578,249	655,463
Dental	18,009	15,654
Funeral	9,769	33,494
Honoraria	62,370	58,388
Insurance	67,164	58,969
Materials, supplies and equipment	170,018	267,735
Meeting	-	254
Member support	334,161	316,428
Miscellaneous	-	499
Office expenses	18,153	37,123
Professional development	-	2,030
Professional fees	179,121	82,748
Property tax	773,745	781,816
Repairs and maintenance	36,075	15,364
Replacement reserve	26,598	8,541
Salaries and benefits	1,364,904	1,381,541
Special needs	4,400	4,489
Student expenses	37,112	41,321
Telephone and internet	20,230	22,000
Training	1,219	5,821
Transportation	23,751	20,112
Travel	16,994	5,294
Tuition	124,308	109,132
Utilities	117,337	118,640
	<b>4,583,386</b>	<b>4,614,898</b>

**Squiala First Nation**  
**Band Government**  
**Schedule 3 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Other revenue	280,475	294,793
Indigenous Services Canada	284,005	237,957
Rental and lease income	29,435	43,885
Interest income	38,768	27,734
	<b>632,683</b>	604,369
<b>Expenses</b>		
Administration	8,500	5,012
Bank charges and interest	2,770	936
Community events	1,664	3,639
Contracted services	59,147	45,155
Dental	-	100
Funeral	-	600
Honoraria	60,100	54,800
Insurance	11,518	19,284
Materials, supplies and equipment	41,466	64,844
Member support	2,479	2,146
Office expenses	14,736	11,116
Professional development	-	899
Professional fees	100,335	58,262
Repairs and maintenance	1,277	702
Salaries and benefits	187,004	250,915
Telephone and internet	15,900	13,029
Transportation	24	-
Travel	4,189	905
Utilities	2	-
	<b>511,111</b>	532,344
<b>Surplus before transfers</b>	<b>121,572</b>	72,025
<b>Transfers between programs</b>	<b>(302,584)</b>	666,684
<b>Surplus (deficit)</b>	<b>(181,012)</b>	738,709

**Squiala First Nation**  
**Education & Training**  
**Schedule 4 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Indigenous Services Canada	728,874	778,691
First Nation Education Steering Committee	217,746	220,290
Other revenue	172,634	232,193
Seabird Island Band	28,002	21,600
Sto:lo Nation	-	14,244
Repayment of funding	(42,866)	-
	<b>1,104,390</b>	1,267,018
<b>Expenses</b>		
Bad debts	408	-
Bank charges and interest	2	-
Contracted services	75,782	55,105
Honoraria	170	2,388
Insurance	9,389	6,889
Materials, supplies and equipment	69,882	117,768
Meeting	-	254
Member support	1,006	2,736
Miscellaneous	-	499
Office expenses	33	23,650
Professional development	-	1,131
Professional fees	2,965	-
Repairs and maintenance	3,599	1,920
Salaries and benefits	791,620	800,626
Student expenses	37,112	41,321
Telephone and internet	623	1,262
Training	1,069	5,821
Transportation	10,296	11,842
Travel	7,365	681
Tuition	124,308	109,132
Utilities	682	17,959
	<b>1,136,311</b>	1,200,984
<b>Surplus (deficit) before transfers</b>	<b>(31,921)</b>	66,034
<b>Transfers between programs</b>	<b>6,350</b>	(61,497)
<b>Surplus (deficit)</b>	<b>(25,571)</b>	4,537

**Squiala First Nation**  
**Social Programs**  
**Schedule 5 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Seabird Island Band	30,760	36,692
First Nation Education Steering Committee	11,250	14,752
Other revenue	-	12
	<b>42,010</b>	51,456
<b>Expenses</b>		
Member support	330,013	311,110
Contracted services	55,713	52,073
Materials, supplies and equipment	26,901	21,048
Dental	18,009	15,554
Utilities	9,919	7,071
Funeral	9,769	32,894
Travel	5,162	3,662
Telephone and internet	1,689	2,770
Office expenses	200	-
Repairs and maintenance	-	1,138
Salaries and benefits	-	1,775
	<b>457,375</b>	449,095
<b>Deficit before transfers</b>	<b>(415,365)</b>	(397,639)
<b>Transfers between programs</b>	<b>380,511</b>	452,812
<b>Surplus (deficit)</b>	<b>(34,854)</b>	55,173

**Squiala First Nation**  
**Social Development**  
**Schedule 6 - Schedule of Revenue and Expenses and Surplus**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Indigenous Services Canada	312,711	286,968
Repayment of funding	(632)	(9,521)
	<b>312,079</b>	<b>277,447</b>
 <b>Expenses</b>		
Basic needs, shelter and social assistance	237,872	210,595
Contracted services	10,677	9,895
Honoraria	-	600
Materials, supplies and equipment	-	300
Office expenses	-	213
Repairs and maintenance	50	-
Salaries and benefits	58,802	51,355
Special needs	4,400	4,489
Travel	278	-
	<b>312,079</b>	<b>277,447</b>
 <b>Surplus</b>	-	-

**Squiala First Nation**  
**Community Infrastructure**  
**Schedule 7 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Indigenous Services Canada	98,835	101,925
Rental and lease income	66,151	82,188
Seabird Island Band	12,094	11,310
	<b>177,080</b>	195,423
<b>Expenses</b>		
Bank charges and interest	2	-
Contracted services	141,692	113,850
Insurance	35,119	20,797
Materials, supplies and equipment	29,438	16,234
Member support	63	137
Office expenses	-	1,400
Repairs and maintenance	13,032	6,736
Salaries and benefits	160,972	104,245
Telephone and internet	867	3,954
Transportation	13,431	8,269
Utilities	100,118	87,954
	<b>494,734</b>	363,576
<b>Deficit before transfers</b>	<b>(317,654)</b>	(168,153)
<b>Transfers between programs</b>	<b>309,413</b>	230,757
<b>Surplus (deficit)</b>	<b>(8,241)</b>	62,604

**Squiala First Nation**  
**Capital Projects**  
**Schedule 8 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Indigenous Services Canada	<b>1,332,122</b>	54,991
<b>Expenses</b>		
Amortization	296,914	294,460
Contracted services	18,144	201,972
Materials, supplies and equipment	560	39,328
Professional fees	5,135	1,006
Repairs and maintenance	4,000	-
Utilities	6,615	5,654
	<b>331,368</b>	542,420
<b>Surplus (deficit) before transfers</b>	<b>1,000,754</b>	(487,429)
<b>Transfers between programs</b>	<b>351,042</b>	(416,020)
<b>Surplus (deficit)</b>	<b>1,351,796</b>	(903,449)

**Squiala First Nation**  
**Economic Development**  
**Schedule 9 - Schedule of Revenue and Expenses and Surplus**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Other revenue	<b>1,569,966</b>	1,668,978
Indigenous Services Canada	<b>282,502</b>	214,594
	<b>1,852,468</b>	1,883,572
<b>Expenses</b>		
Administration (recovery)	(8,500)	(8,500)
Contracted services	<b>126,464</b>	109,210
Honoria	<b>2,100</b>	600
Materials, supplies and equipment	<b>1,772</b>	8,213
Member support	<b>600</b>	300
Office expenses	<b>3,184</b>	744
Professional fees	<b>62,188</b>	14,128
Property tax	<b>773,745</b>	781,816
Repairs and maintenance	-	612
Salaries and benefits	<b>68,304</b>	51,821
Telephone and internet	<b>1,150</b>	805
Training	<b>150</b>	-
	<b>1,031,157</b>	959,749
<b>Surplus before transfers</b>	<b>821,311</b>	923,823
<b>Transfers between programs</b>	<b>(756,582)</b>	(842,933)
<b>Surplus</b>	<b>64,729</b>	80,890

**Squiala First Nation**  
**Investments**  
**Schedule 10 - Schedule of Revenue and Expenses and Surplus**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Earnings from investment in Nation business	443,134	297,442
Rental and lease income	169,180	169,180
Ottawa Trust income	780	770
	<b>613,094</b>	467,392
<b>Expenses</b>		
Contracted services	90,397	68,044
Professional fees	5,149	6,002
Salaries and benefits	98,202	120,804
Telephone and internet	-	180
Travel	-	47
	<b>193,748</b>	195,077
<b>Surplus</b>	<b>419,346</b>	272,315

**Squiala First Nation**  
**Social Housing**  
**Schedule 11 - Schedule of Revenue and Expenses and Deficit**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Rental and lease income	71,779	79,321
Canada Mortgage and Housing Corporation	25,705	26,876
Interest income	3,655	5,428
	<b>101,139</b>	111,625
<b>Expenses</b>		
Administration	4,500	4,590
Amortization	50,480	55,259
Bank charges and interest	5,086	6,051
Contracted services	234	160
Insurance	11,138	11,999
Professional fees	3,350	3,350
Repairs and maintenance	14,117	4,256
Replacement reserve	26,598	8,541
	<b>115,503</b>	94,206
<b>Surplus (deficit) before transfers</b>	<b>(14,364)</b>	17,419
<b>Transfers between programs</b>	<b>11,850</b>	(29,803)
<b>Deficit</b>	<b>(2,514)</b>	(12,384)