

Squiala First Nation
Financial Statements
March 31, 2023

Squiala First Nation

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For the year ended March 31, 2023

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Management's Responsibility

To the Members of Squiala First Nation:

Management is responsible for the preparation and presentation of the accompanying 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 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 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.

Manning Elliott LLP is appointed by the members to audit the 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 Laureen Wilde

Administrator

INDEPENDENT AUDITORS' REPORT

To the Members of Squiala First Nation

Report on the Financial Statements

Opinion

We have audited the financial statements of Squiala First Nation (the "First Nation"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations and accumulated surplus, remeasurement gains and losses, 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, 2023, and the results of its operations and 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the First Nation in accordance with 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 PSAS, 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.

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT

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 auditors' 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 auditors' 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.

Manning Elliott LLP

MANNING ELLIOTT LLP
Chartered Professional Accountants
Abbotsford, British Columbia
July 27, 2023

Squiala First Nation
Statement of Financial Position
As at March 31, 2023

	2023	2022
Financial assets		
Cash and cash equivalents	6,017,301	2,775,426
Accounts receivable	67,770	395,149
Restricted cash (Note 4)	1,033,513	1,300,045
Portfolio investments (Note 5)	3,126,802	110
Investments in First Nation partnerships and business entities (Note 6)	20,061,978	19,780,897
Funds held in trust (Note 7)	487	566
Total of assets	30,307,851	24,252,193
Liabilities		
Accounts payable and accruals	2,744,333	1,200,625
Deferred revenue (Note 8)	14,582,719	15,176,776
Total of financial liabilities	17,327,052	16,377,401
Net financial assets	12,980,799	7,874,792
Non-financial assets		
Tangible capital assets (Schedule 1)	10,824,869	10,203,965
Prepaid expenses	76,014	67,052
Total non-financial assets	10,900,883	10,271,017
Accumulated surplus (Note 9)	23,881,682	18,145,809
Accumulated surplus is comprised of:		
Accumulated surplus	24,289,580	18,145,809
Accumulated remeasurement losses	(407,898)	-
	23,881,682	18,145,809

Approved on behalf of the First Nation

Original signed by David Jimmie

Chief

Original signed by Alvin Jimmie

Councilor

Original signed by Allen Jimmie

Councilor

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

	2023 Budget	2023	2022
Revenue			
Economic activity and other revenue	10,115,251	10,049,955	2,726,792
Indigenous Services Canada	1,725,633	3,323,073	3,629,128
Rental and lease income	200,000	354,080	356,480
First Nation Education Steering Committee	265,000	303,576	379,176
Seabird Island Band	37,000	128,664	170,665
Canada Mortgage and Housing Corporation	-	-	24,646
Earnings from investment in Nation partnerships and business entities	600,000	300,361	725,699
Investment income	316,779	568,095	188,453
Ottawa Trust income	800	493	566
	13,260,463	15,028,297	8,201,605
Expenditures			
Band Government	2,878,980	3,292,643	684,955
Education & Training	1,477,388	1,622,865	1,398,196
Social Programs	873,809	566,124	372,018
Social Development	615,793	479,810	374,374
Community Infrastructure	519,070	1,035,545	1,082,201
Capital Projects	910,553	415,022	392,789
Economic Development	935,935	1,247,526	1,155,222
Investments	235,000	224,991	263,731
Social Housing	-	-	217,198
Total expenditures	8,446,528	8,884,526	5,940,684
Annual surplus	4,813,935	6,143,771	2,260,921
Accumulated surplus, beginning of year	18,145,808	18,145,809	15,884,888
Accumulated surplus, end of year	22,959,743	24,289,580	18,145,809

Squiala First Nation
Statement of Remeasurement Gains and Losses
For the year ended March 31, 2023

	2023	2022
Accumulated remeasurement gains, beginning of year	-	-
Unrealized losses attributable to:		
Foreign exchange	(54,970)	-
Portfolio investments	(696,794)	-
Amounts reclassified to the statement of operations:		
Foreign exchange	68,479	-
Portfolio investments	275,387	-
Accumulated remeasurement losses, end of year	(407,898)	-

Squiala First Nation
Statement of Change in Net Financial Assets
For the year ended March 31, 2023

	<i>2023 Budget</i>	<i>2023</i>	<i>2022</i>
Annual surplus	4,813,935	6,143,771	2,260,921
Purchases of tangible capital assets	(100,000)	(1,009,364)	(162,116)
Amortization of tangible capital assets	450,000	388,460	487,607
	350,000	(620,904)	325,491
Acquisition of prepaid expenses	-	(76,016)	(67,054)
Use of prepaid expenses	-	67,054	59,606
Change in remeasurement losses for the year	-	(407,898)	-
	-	(416,860)	(7,448)
Increase in net financial assets	5,163,935	5,106,007	2,578,964
Net financial assets, beginning of year	7,874,792	7,874,792	5,295,828
Net financial assets, end of year	13,038,727	12,980,799	7,874,792

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

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from contributors	14,193,525	8,101,633
Cash paid to suppliers	(5,175,692)	(3,733,508)
Cash paid to employees for salaries, wages and benefits	(1,785,629)	(1,726,009)
Investment income	568,095	188,453
Change in remeasurement losses for the year	(407,898)	-
	7,392,401	2,830,569
Financing activities		
Repayment of long-term debt	-	(113,907)
Capital activities		
Purchases of tangible capital assets	(1,009,364)	(162,116)
Investing activities		
Net change in portfolio investments	(3,126,692)	-
Net change in investments in Nation partnerships and business entities	(281,081)	(1,507,814)
Net change in restricted cash	266,532	(55,387)
Net change in funds held in trust	79	12,050
	(3,141,162)	(1,551,151)
Increase in cash resources	3,241,875	1,003,395
Cash resources, beginning of year	2,775,426	1,772,031
Cash resources, end of year	6,017,301	2,775,426

1. Operations

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 First Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the First 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 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 Holdings Limited Partnership
- Squiala Holdings GP Inc.
- Ch-ihl-kway-uhk Forestry Limited Partnership
- Ch-ihl-kway-uhk Tribe Society
- Ts'elxweyew 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.

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 bonds and equities. Changes in fair value are recorded in the statement of remeasurement gains (losses).

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.

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:

	Method	Rate
Office	straight-line	5 years
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 in Nation partnerships and business entities

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

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 First 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.

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.

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 financial statements.

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.

Management has determined that no liability exists as at March 31, 2023.

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

Statement of Remeasurement Gains and Losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the statement of operations. The statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the statement of remeasurement gains and losses. Taken together, the two statements account for changes in a First Nation's net assets (liabilities) in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to all financial instruments are reported in the statement of operations.

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 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. Fair value is determined by published price quotations. 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. 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. 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. 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.

3. Change in accounting policies

Effective April 1, 2022, the First Nation adopted the recommendations relating to the following accounting policies, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 3450 *Financial Instruments*
- PS 3280 *Asset Retirement Obligations*

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. The adoption of PS 3450 had a material impact on the financial statements, due to the nature of investment income earned from the First Nation's investment in Nation business entities. The adoption of PS 3280 did not have a material impact on the financial statements.

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

4. Restricted cash

	2023	2022
Replacement Reserve Fund	-	296,853
Operating Reserve Fund	-	53,911
Children's Trust Fund	1,033,513	949,281
	<hr/>	<hr/>
Total	1,033,513	1,300,045

Notes to restricted assets

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.

5. Portfolio investments

	2023	2022
Measured at cost:		
BC First Nations Gaming Revenue Sharing LP	100	100
BC First Nations Gaming Sharing General Partner Ltd.	10	10
	<hr/>	<hr/>
	110	110
Measured at fair value:		
BMO term deposits	3,126,692	-
	<hr/>	<hr/>
	3,126,802	110
	<hr/>	<hr/>

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

6. Investments in First Nation partnerships and business entities

The First Nation has investments in the following business entities:

			2023	
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings</i>	<i>Total investment</i>
Nation Business Entities - Modified Equity				
Squiala Holdings Limited Partnership - 100%	100	8,123,816	8,435,658	16,559,574
Squiala Holdings GP Inc. - 100%	100	-	-	100
	200	8,123,816	8,435,658	16,559,674
Nation Business Partnerships - Modified Equity:				
Chi-ihl-kway-uhk Forestry Limited Partnership - 12.4%	12	-	240,726	240,738
Ts'elxweyeqw Tribe Limited Partnership - 14.3%	14	-	2,988,554	2,988,568
Centre Creek Limited Partnership - 11%	11	-	173,949	173,960
Chi-ihl-kway-uhk Tribe Society - 11.1%	11	-	99,027	99,038
	48	-	3,502,256	3,502,304
	248	8,123,816	11,937,914	20,061,978
				2022
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings</i>	<i>Total investment</i>
Nation Business Entities - Modified Equity				
Squiala Holdings Limited Partnership - 100%	100	7,735,198	8,764,038	16,499,336
Squiala Holdings GP Inc. - 100%	100	-	-	100
	200	7,735,198	8,764,038	16,499,436
Nation Business Partnerships - Modified Equity:				
Chi-ihl-kway-uhk Tribe Society - 11.1%	11	-	83,959	83,970
Chi-ihl-kway-uhk Forestry Limited Partnership - 12.4%	12	-	191,837	191,849
Ts'elxweyeqw Tribe Limited Partnership - 14.3%	14	-	2,835,044	2,835,058
Centre Creek Limited Partnership - 11%	11	-	170,573	170,584
	48	-	3,281,413	3,281,461
	248	7,735,198	12,045,451	19,780,897

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

6. 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 Holdings LP	2023	2022
Balance Sheet					
Assets	1,096,626	369	16,520,005	17,617,000	17,360,332
Liabilities	205,285	610	8,083,945	8,289,840	7,840,399
Equity	891,341	(241)	8,436,060	9,327,160	9,519,933
Total Liabilities and Equity	1,096,626	369	16,520,005	17,617,000	17,360,332
Income Statement					
Revenue	165,117	33	(275,164)	(110,014)	528,567
Expenses	29,510	-	53,249	82,759	31,191
Net Income	135,607	33	(328,413)	(192,773)	497,376

	Chi-ihl-kway- uhk Forestry LP	Ts'elxweyeqw Tribe LP	Centre Creek LP	2023	2022
Balance Sheet					
Assets	2,108,823	23,783,134	2,320,643	28,212,600	26,464,112
Liabilities	117,184	2,982,707	816,138	3,916,029	3,945,922
Equity	1,991,639	20,800,427	1,504,505	24,296,571	22,518,190
Total Liabilities and Equity	2,108,823	23,783,134	2,320,643	28,212,600	26,464,112
Income Statement					
Revenue	897,760	4,276,044	126,000	5,299,804	4,008,644
Expenses	502,171	2,394,871	95,312	2,992,354	1,670,512
Net Income	395,589	1,881,173	30,688	2,307,450	2,338,132

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

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

7. 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 of year	-	11,978
Less: Transfers to Nation	-	11,978
Balance, end of year	-	-
Revenue Trust		
Balance, beginning of year	566	639
Interest	15	77
BC special distribution	478	489
	1,059	1,205
Less: Transfers to Nation	572	639
Balance, end of year	487	566
	487	566

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>
Eagle Landing Development LP land lease	14,746,815	-	169,180	14,577,635
Deferred ISC Renovation Funding (Q3XK-001)	424,335	-	424,335	-
Deferred housing rents	3,808	3,266	3,808	3,266
Other deferred income	1,818	1,818	1,818	1,818
	15,176,776	5,084	599,141	14,582,719

9. Accumulated surplus

Accumulated surplus consists of the following:

	2023	2022
Operating surplus	13,464,224	7,590,514
Accumulated remeasurement losses	(407,898)	-
CMHC Section 95 reserves	-	350,764
Equity in Tangible Capital Assets	10,824,869	10,203,965
Equity in Ottawa Trust Fund	487	566
	23,881,682	18,145,809

10. 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. Schedule 3 discloses 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.

11. 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 with respect to cash and cash equivalents, portfolio investments and restricted cash, all of which are expected to be realized within one year, and which are subject to fixed rates of interest.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The First Nation enters into transactions to purchase and sell portfolio investments for which market price fluctuations.

12. Comparative figures

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

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

	<i>Office and Computer Equipment</i>	<i>Infrastructure Assets</i>	<i>Automotive Equipment</i>	<i>Buildings</i>	<i>2023</i>	<i>2022</i>
Cost						
Balance, beginning of year	586,272	2,833,011	332,366	10,965,713	14,717,362	15,515,876
Acquisition of tangible capital assets	62,149	-	113,357	-	175,506	162,116
Transfer of matured CMHC housing units	-	-	-	-	-	459,911
Disposal of tangible capital assets	-	-	-	-	-	(1,420,541)
Assets under construction	-	-	-	833,858	833,858	-
Balance, end of year	648,421	2,833,011	445,723	11,799,571	15,726,726	14,717,362
Accumulated amortization						
Balance, beginning of year	526,948	1,312,618	193,690	2,480,141	4,513,397	4,986,422
Annual amortization	23,493	70,825	25,384	268,758	388,460	487,607
Transfer of matured CMHC housing units	-	-	-	-	-	(960,632)
Balance, end of year	550,441	1,383,443	219,074	2,748,899	4,901,857	4,513,397
Net book value of tangible capital assets	97,980	1,449,568	226,649	9,050,672	10,824,869	10,203,965
Net book value of tangible capital assets (2022)	59,324	1,520,393	138,676	8,485,572	10,203,965	

Squiala First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2023

	2023	2022
Consolidated expenses by object		
Amortization	388,460	487,607
Bank charges and interest	4,037	3,749
Basic needs, shelter and social assistance	345,488	330,948
Community events	6,999	13,427
Consulting	-	63,500
Contracted services	797,467	1,040,690
Funeral	200	11,048
Honoraria	63,900	69,420
Insurance	98,969	100,509
Materials, supplies and equipment	329,749	148,683
Member support	3,267,016	393,686
Office expenses	25,920	25,503
Professional fees	663,611	309,167
Property tax	550,733	675,181
Repairs and maintenance	129,875	70,174
Replacement reserve	-	66,918
Salaries and benefits	1,785,629	1,726,009
Special needs	4,516	2,040
Student expenses	48,372	66,308
Telephone and internet	24,467	26,300
Training	1,925	366
Transportation	25,688	20,139
Travel	-	986
Tuition	179,457	158,897
Utilities	142,048	129,429
	8,884,526	5,940,684

Squiala First Nation
Schedule 3 - Segmented Information
For the year ended March 31, 2023

	Band Government	Economic Development	Education & Training	Social Programs	Social Development	Community Infrastructure	Capital Projects	Investments	Social Housing	2023
Revenue										
Indigenous Services Canada	\$ 298,756	\$ 298,313	\$ 1,218,785	\$ 61,033	\$ 696,660	\$ 749,526	\$ -	\$ -	\$ -	\$ 3,323,073
Other government	8,134,973	10,000	867,270	93,146	-	5,103	-	-	-	9,110,493
Economic activities and other	736,032	1,191,156	-	40,000	-	157,510	-	470,034	-	2,594,731
	9,169,761	1,499,469	2,086,055	194,179	696,660	912,139	-	470,034	-	15,028,297
Expenses										
Amortization	-	-	-	-	-	-	388,460	-	-	388,460
Operating expenses	365,616	1,097,349	290,006	101,400	56,683	833,406	26,562	118,460	-	2,889,483
Salaries, wages and benefits	136,684	149,862	1,072,767	-	121,728	198,057	-	106,531	-	1,785,629
Program and services delivery expenses	2,790,343	314	260,092	464,724	301,399	4,082	-	-	-	3,820,954
	3,292,643	1,247,526	1,622,865	566,124	479,810	1,035,545	415,022	224,991	-	8,884,526
Surplus (deficit) before transfers	5,877,118	251,943	463,190	(371,945)	216,850	(123,406)	(415,022)	245,043	-	6,143,771
Transfers between programs	(224,230)	(473,936)	(947,218)	446,308	-	181,397	1,017,679	-	-	-
Annual surplus (deficit)	\$ 5,652,888	\$ (221,993)	\$ (484,028)	\$ 74,363	\$ 216,850	\$ 57,991	\$ 602,657	\$ 245,043	\$ -	\$ 6,143,771

	Band Government	Economic Development	Education & Training	Social Programs	Social Development	Community Infrastructure	Capital Projects	Investments	Social Housing	2022
Revenue										
Indigenous Services Canada	\$ 576,797	\$ 359,008	\$ 1,056,194	\$ 186,440	\$ 519,469	\$ 931,220	\$ -	\$ -	\$ -	\$ 3,629,128
Other government	311,215	675	903,475	153,595	-	14,269	-	5,000	24,646	1,412,876
Economic activities and other	603,700	1,496,325	-	-	-	87,505	-	895,445	76,626	3,159,601
	1,491,712	1,856,008	1,959,669	340,035	519,469	1,032,994	-	900,445	101,272	8,201,605
Expenses										
Amortization	-	-	-	-	-	-	373,700	-	113,907	487,607
Operating expenses	372,301	959,707	160,677	66,686	53,783	893,991	19,089	152,573	97,791	2,776,597
Salaries, wages and benefits	210,512	195,350	993,740	-	30,999	184,250	-	111,158	-	1,726,009
Program and services delivery expenses	102,142	165	243,779	305,331	289,593	3,961	-	-	5,500	950,471
	684,955	1,155,222	1,398,196	372,018	374,374	1,082,201	392,789	263,731	217,198	5,940,684
Surplus (deficit) before transfers	806,757	700,786	561,473	(31,982)	145,095	(49,208)	(392,789)	636,714	(115,925)	2,260,921
Transfers between programs	50,852	(662,482)	9,118	217,996	-	852,739	181,205	8,022	(657,449)	-
Annual surplus (deficit)	\$ 857,610	\$ 38,304	\$ 570,590	\$ 186,013	\$ 145,095	\$ 803,532	\$ (211,584)	\$ 644,736	\$ (773,374)	\$ 2,260,921