
**KWAW-KWAW-APILT FIRST NATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


The financial statements of Kwaw-kwaw-Apilt First Nation have been prepared in accordance with Canadian public sector accounting standards (PSAS), and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Council also discusses any significant financial reporting or internal control matters prior to its approval of the financial statements.

The external auditors, Manning Elliott LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to the financial management of the Kwaw-kwaw-Apilt First Nation and we meet when required. The accompanying Independent Auditors' Report reiterates management's responsibility for the financial statements, outlines the auditors' responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the Kwaw-kwaw-Apilt First Nation:



Lisa Hall

Finance Officer

Chilliwack, BC

INDEPENDENT AUDITORS' REPORT

To the Members of Kwaw-kwaw-Apilt First Nation

Report on the Financial Statements

Opinion

We have audited the financial statements of Kwaw-kwaw-Apilt First Nation (the First Nation), which comprise the statement of financial position as at March 31, 2020, 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, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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.

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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.

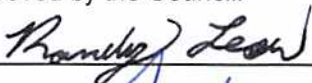
Manning Elliott LLP

MANNING ELLIOTT LLP
Chartered Professional Accountants
Abbotsford, British Columbia
September 14, 2020

**KWAW-KWAW-APILT FIRST NATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020**

| | 2020 | 2019 |
|---|---------------------|-------------------|
| FINANCIAL ASSETS | | |
| Cash | \$ 881,527 | \$ 550,328 |
| Accounts receivable | 7,767 | 13,728 |
| Property taxes receivable | 86,475 | 76,077 |
| Investments in government business enterprises (Note 2) | 361,660 | 318,073 |
| Ottawa Trust Funds (Note 3) | 14,844 | 14,730 |
| | <u>1,352,273</u> | <u>972,936</u> |
| FINANCIAL LIABILITIES | | |
| Accounts payable and accrued liabilities (Note 4) | 352,551 | 169,815 |
| Deferred revenue (Note 5) | 129,660 | 55,000 |
| | <u>482,211</u> | <u>224,815</u> |
| NET FINANCIAL ASSETS | <u>870,062</u> | <u>748,121</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Note 6) | 458,180 | 112,915 |
| Prepaid expenses and deposits | 2,181 | 5,697 |
| | <u>460,361</u> | <u>118,612</u> |
| ACCUMULATED SURPLUS | <u>\$ 1,330,423</u> | <u>\$ 866,733</u> |

Approved by the Council:

 _____ Chief

 _____ Councillor

KWAW-KWAW-APILT FIRST NATION
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2020

| | Budget 2020 | 2020 | 2019 |
|--|----------------|--------------|------------|
| REVENUES | | | |
| Indigenous Services Canada | \$ 470,191 | \$ 523,733 | \$ 536,045 |
| Province of British Columbia | | | |
| First Nations Gaming Revenue Sharing LP | - | 241,832 | - |
| First Nations Goods and Services Tax | 195,855 | 201,688 | 190,011 |
| Property tax revenue (<i>Note 7</i>) | 230,053 | 159,648 | 124,062 |
| Interest and other revenue | 42,100 | 91,292 | 11,324 |
| Seabird Island Band | 13,000 | 44,620 | 38,368 |
| Net income (loss) from government business enterprises (<i>Note 2</i>) | - | 43,587 | (14,035) |
| Province of British Columbia | | | |
| Forest Consultation and Revenue Sharing Agreement | 35,000 | 35,000 | 35,000 |
| Ministry of Children and Family Development | - | 30,000 | 30,188 |
| BC Hydro | - | 2,000 | 2,000 |
| | 986,199 | 1,373,400 | 952,963 |
| EXPENSES (<i>Note 8</i>) | | | |
| Community Operations | 1,073,348 | 876,870 | 974,387 |
| Tangible Capital Asset Fund | 10,000 | 32,840 | 44,973 |
| | 1,083,348 | 909,710 | 1,019,360 |
| ANNUAL SURPLUS (DEFICIT) | (97,149) | 463,690 | (66,397) |
| ACCUMULATED SURPLUS - BEGINNING OF YEAR | 866,733 | 866,733 | 933,130 |
| ACCUMULATED SURPLUS - END OF YEAR | \$ 769,584 | \$ 1,330,423 | \$ 866,733 |

KWAW-KWAW-APILT FIRST NATION
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2020

| | 2020 | 2019 |
|--|------------|-------------|
| ANNUAL SURPLUS (DEFICIT) FOR THE YEAR | \$ 463,690 | \$ (66,397) |
| Acquisition of tangible capital assets | (378,104) | (12,847) |
| Amortization of tangible capital assets | 32,840 | 44,973 |
| Acquisition of prepaid expenses | (2,181) | (4,010) |
| Use of prepaid expenses | 5,696 | - |
| | (341,749) | 28,116 |
| CHANGES IN NET FINANCIAL ASSETS | 121,941 | (38,281) |
| NET FINANCIAL ASSETS - BEGINNING OF YEAR | 748,121 | 786,402 |
| NET FINANCIAL ASSETS - END OF YEAR | \$ 870,062 | \$ 748,121 |

KWAW-KWAW-APILT FIRST NATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

| | 2020 | 2019 |
|--|------------|-------------|
| OPERATING ACTIVITIES | | |
| Annual surplus (deficit) for the year | \$ 463,690 | \$ (66,397) |
| Items not affecting cash: | | |
| Amortization | 32,840 | 44,973 |
| Net income (loss) from government business enterprises | (43,587) | 14,035 |
| | 452,943 | (7,389) |
| Changes in non-cash working capital: | | |
| Accounts receivable | 5,961 | 59,688 |
| Property taxes receivable | (10,398) | 9,364 |
| Prepaid expenses and deposits | 3,516 | (4,010) |
| Accounts payable and accrued liabilities | 182,735 | 112,991 |
| Deferred revenue | 74,660 | 4,375 |
| | 256,474 | 182,408 |
| | 709,417 | 175,019 |
| CAPITAL AND INVESTING ACTIVITIES | | |
| Acquisition of tangible capital assets | (378,104) | (12,847) |
| Ottawa Trust Funds | (114) | 13,789 |
| | (378,218) | 942 |
| INCREASE IN CASH DURING THE YEAR | 331,199 | 175,961 |
| CASH - BEGINNING OF YEAR | 550,328 | 374,367 |
| CASH - END OF YEAR | \$ 881,527 | \$ 550,328 |

**KWAW-KWAW-APILT FIRST NATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

NATURE OF OPERATIONS

Kwaw-kwaw-Apilt First Nation (the "First Nation") is a band government of the Stó:lo people located in the Fraser Valley region near the City of Chilliwack in the Province of British Columbia. The First Nation is a member government of the Stó:lo Tribal Council.

The First Nation provides various services to its members including the First Nation's members, government and all related entities that are accountable to the Band and are either owned or controlled by the First Nation.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards (PSAS) and include the following significant accounting policies:

(a) 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.

(b) 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.

(c) 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 and deposits.

(d) Cash resources

Cash resources includes balances held with financial institutions at year-end.

(e) 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. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

| | |
|----------------------|-----|
| Recreational vehicle | 30% |
| Mobile homes | 30% |
| Equipment | 20% |

Tangible capital assets acquired or capital projects in progress during the year but not placed into use are not amortized until they are placed into use.

**KWAW-KWAW-APILT FIRST NATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(f) Revenue recognition

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purposes specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Funding

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

Investments in Government Business Enterprises

The First Nation uses the modified equity method to account for its investments in various business entities whereby acquisition costs are increased by the First Nation's proportionate share of post-acquisition earnings and decreased by post-acquisition losses and distributions received.

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.

(g) 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Accounts receivable, and amounts due from related 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.

**KWAW-KWAW-APILT FIRST NATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for the First Nation's business entities. All inter-entity balances have been eliminated upon consolidation.

The First Nation's 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.

2. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES

The First Nation has investments in the following entities:

| | Ownership % | 2020 | 2019 |
|--|-------------|-------------------|-------------------|
| Centre Creek Limited Partnership | 11.00 | \$ 164,968 | \$ 163,858 |
| Ch-Ihl-Kway-Uhk Forestry Limited Partnership | 12.36 | 126,792 | 89,327 |
| Ch-Ihl-Kway-Uhk Tribe Society | 11.11 | 69,900 | 64,888 |
| | | \$ 361,660 | \$ 318,073 |

The First Nation's investment in Centre Creek Limited Partnership was established for the purpose of purchasing or otherwise acquiring real and personal property of all kinds located within the Chilliwack River Valley, British Columbia. The partnership is also responsible for managing the acquired properties.

The First Nation's investment in Ch-Ihl-Kway-Uhk Forestry Limited Partnership is to develop, operate and participate in various forestry activities in and around Chilliwack, British Columbia.

The First Nation's membership in the Ch-Ihl-Kway-Uhk Tribe Society is to earn income from property rental and management activities.

Summary of the partnership activities are as follows:

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KWAW-KWAW-APILT FIRST NATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

2. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES (continued)

| | Centre Creek Limited Partnership | Ch-Ihl-Kway- Uhk Forestry Limited Partnership | Ch-Ihl-Kway- Uhk Tribe Society | 2020 | 2019 |
|-------------------------------------|--|--|--------------------------------------|---------------------|---------------------|
| Current assets | \$ 26,979 | \$ 1,137,888 | \$ 407,234 | \$ 1,572,101 | \$ 1,231,432 |
| Capital assets | 2,336,554 | - | 57 | 2,336,611 | 2,355,035 |
| Advances to related party | - | - | 302,997 | 302,997 | 273,997 |
| Total assets | \$ 2,363,533 | \$ 1,137,888 | \$ 710,288 | \$ 4,211,709 | \$ 3,860,464 |
| Current liabilities | \$ 235,977 | \$ 68,177 | \$ 81,188 | \$ 385,342 | \$ 421,421 |
| Advances from related parties | 704,804 | - | - | 704,804 | 675,804 |
| Total liabilities | 940,781 | 68,177 | 81,188 | 1,090,146 | 1,097,225 |
| Equity | 1,422,752 | 1,069,711 | 629,100 | 3,121,563 | 2,763,239 |
| Total liabilities and equity | \$ 2,363,533 | \$ 1,137,888 | \$ 710,288 | \$ 4,211,709 | \$ 3,860,464 |
| Revenue | \$ 114,000 | \$ 627,096 | \$ 69,410 | \$ 810,506 | \$ 196,547 |
| Expenses | 103,919 | 323,961 | 24,302 | 452,182 | 321,977 |
| Net income (loss) | \$ 10,081 | \$ 303,135 | \$ 45,108 | \$ 358,324 | \$ (125,430) |
| Band's share of net income (loss) | \$ 1,110 | \$ 37,465 | \$ 5,012 | \$ 43,587 | \$ (14,035) |

3. OTTAWA TRUST FUNDS

| | 2019 | Additions | Withdrawals | 2020 |
|---------|------------------|---------------|---------------|------------------|
| Revenue | \$ 108 | \$ 540 | \$ 426 | \$ 222 |
| Capital | 14,622 | - | - | 14,622 |
| | \$ 14,730 | \$ 540 | \$ 426 | \$ 14,844 |

The Ottawa Trust Funds relate to capital or revenue sources outlined in Section 62 of the Indian Act. These funds are held in trust in the consolidated revenue fund of the Government of Canada and are subject to audit by the office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

During the year, the Ottawa Trust Funds earned \$540 in interest income (2019 - \$108).

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2020 | 2019 |
|----------------------------|-------------------|-------------------|
| Trade accounts payable | \$ 352,551 | \$ 33,114 |
| Indigenous Services Canada | - | 136,701 |
| | \$ 352,551 | \$ 169,815 |

**KWAW-KWAW-APILT FIRST NATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

5. DEFERRED REVENUE

| | 2019 | Funding Received | Funding Recognized | 2020 |
|--------------------------------|-----------|---------------------|-----------------------|------------|
| First Nations Health Authority | \$ 15,000 | \$ - | \$ - | \$ 15,000 |
| Indigenous Services Canada | | | | |
| Risk Management Government | 40,000 | 34,660 | - | 74,660 |
| Capacity | - | 40,000 | - | 40,000 |
| Community Based Well-Being | | | | |
| | \$ 55,000 | \$ 74,660 | \$ - | \$ 129,660 |

6. TANGIBLE CAPITAL ASSETS

| Cost | 2019 Balance | Additions | Disposals | 2020 Balance |
|------------------------------|-----------------|------------|-----------|-----------------|
| Land | \$ 1 | \$ - | \$ - | \$ 1 |
| Recreational vehicle | 41,302 | - | - | 41,302 |
| Mobile homes | 390,437 | - | - | 390,437 |
| Equipment | 15,105 | 1,937 | - | 17,042 |
| Capital projects in progress | - | 376,167 | - | 376,167 |
| | \$ 446,845 | \$ 378,104 | \$ - | \$ 824,949 |

| Accumulated Amortization | 2019 Balance | Amortization | Accumulated Amortization on Disposals | 2020 Balance |
|------------------------------|-----------------|--------------|---|-----------------|
| Land | \$ - | \$ - | \$ - | \$ - |
| Recreational vehicle | 37,095 | 1,262 | - | 38,357 |
| Mobile homes | 294,012 | 28,927 | - | 322,939 |
| Equipment | 2,823 | 2,650 | - | 5,473 |
| Capital projects in progress | - | - | - | - |
| | \$ 333,930 | \$ 32,839 | \$ - | \$ 366,769 |

| Net book value | 2020 | 2019 |
|------------------------------|------------|------------|
| Land | \$ 1 | \$ 1 |
| Recreational vehicle | 2,945 | 4,207 |
| Mobile homes | 67,498 | 96,425 |
| Equipment | 11,569 | 12,282 |
| Capital projects in progress | 376,167 | - |
| | \$ 458,180 | \$ 112,915 |

KWAW-KWAW-APILT FIRST NATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

7. PROPERTY TAX REVENUE

The First Nations Fiscal Management Act ("the Act") allows the First Nation to implement a property taxation regime. The First Nation is required under subsection 14(1) of the Act to account for, and report on, their local revenues, separately from other revenue sources of the First Nation. The following note disclosure is intended to report on the local revenues and expenditures that are directly attributable to property taxation and amounts that are allocated on a reasonable basis. The accounting policies used are consistent with those followed in the preparation of these financial statements.

Statement of local revenues and expenditures

| | Budget | 2020 | 2019 |
|---|-------------|-------------------|------------|
| Part 1: Revenues | | | |
| Property taxation | \$ 159,608 | \$ 159,648 | \$ 124,062 |
| Tax search fees | - | 950 | 450 |
| Penalty fees | - | 139 | 427 |
| Interest income | - | 722 | 490 |
| | 159,608 | 161,459 | 125,429 |
| Part 2: Expenditures | | | |
| General Government | 41,841 | 33,465 | 33,303 |
| Protection Services | 35,285 | 35,296 | 26,858 |
| Transportation | 18,649 | 18,649 | 14,195 |
| Recreation and Cultural Services | 20,773 | 24,337 | 15,812 |
| Community Development | 113,934 | 3,651 | 2,779 |
| Environmental Health Services | 22,775 | 42,487 | 32,482 |
| Contingency | 3,500 | - | - |
| | 256,757 | 157,885 | 125,429 |
| Excess (deficiency) of revenues over expenditures | \$ (97,149) | \$ 3,574 | \$ - |

**KWAW-KWAW-APILT FIRST NATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

8. EXPENSES BY OBJECT

| | Budget | 2020 | 2019 |
|--|--------------|------------|--------------|
| Administration | \$ 375,258 | \$ 239,171 | \$ 104,542 |
| Amortization | 10,000 | 32,840 | 44,973 |
| Automotive | 4,000 | 8,712 | 3,762 |
| Honoraria | 175,000 | 164,344 | 201,548 |
| Insurance | 10,000 | 8,872 | 8,290 |
| Interest and bank charges | 2,100 | 2,829 | 2,270 |
| Office and miscellaneous | 31,700 | 4,809 | 1,641 |
| Professional fees | 185,619 | 29,110 | 28,250 |
| Project and grant expenses | 40,000 | 114,934 | 336,205 |
| Protection services | 35,285 | 35,296 | 26,858 |
| Repairs and maintenance | 40,000 | 25,599 | 32,915 |
| Telephone | 14,440 | 11,313 | 12,803 |
| Travel | 33,649 | 28,695 | 25,115 |
| Utilities | 33,075 | 52,388 | 41,506 |
| Wages and benefits | 93,222 | 150,798 | 16,166 |
| Repayment of funds to Indigenous Services Canada | - | - | 132,516 |
| | \$ 1,083,348 | \$ 909,710 | \$ 1,019,360 |

9. COVID RISK

The COVID-19 pandemic is causing significant financial and social dislocation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. The First Nation continues to monitor and assess the impact COVID-19 will have on its business activities. The extent of the effect of the COVID-19 pandemic on the First Nation is uncertain.

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. This reclassification had no impact on previously stated total financial assets, total non-financial assets, total liabilities, accumulated surplus and annual surplus.

11. SEGMENTED INFORMATION

The Kwaw-kwaw-Apilt First Nation is a government institution that provides a range of programs and services to its members, including community operations, government business enterprises, capital projects, and tangible capital assets. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided for departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information.

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**KWAW-KWAW-APILT FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

11. SEGMENTED INFORMATION (continued)

| | Community Operations | Government Business Enterprises | Capital Projects | Tangible Capital Asset Fund | 2020 | 2019 |
|--|---------------------------------|--|-----------------------------|--|----------------------------|--------------------------|
| REVENUE | | | | | | |
| Federal Government | \$ 524,273 | \$ - | \$ - | \$ - | \$ 524,273 | \$ 536,153 |
| Provincial Government | 306,832 | - | - | - | 306,832 | 65,188 |
| Other | 498,708 | 43,587 | - | - | 542,295 | 351,622 |
| | <u>1,329,813</u> | <u>43,587</u> | <u>-</u> | <u>-</u> | <u>1,373,400</u> | <u>952,963</u> |
| EXPENSES | | | | | | |
| Amortization | - | - | - | 32,840 | 32,840 | 44,973 |
| Other | 726,072 | - | - | - | 726,072 | 958,221 |
| Wages and benefits | 150,798 | - | - | - | 150,798 | 16,166 |
| | <u>876,870</u> | <u>-</u> | <u>-</u> | <u>32,840</u> | <u>909,710</u> | <u>1,019,360</u> |
| Annual Surplus (Deficit) | 452,943 | 43,587 | - | (32,840) | 463,690 | (66,397) |
| Transfer between funds | - | - | - | - | - | - |
| Accumulated Surplus - Beginning of year | <u>239,090</u> | <u>318,073</u> | <u>-</u> | <u>309,570</u> | <u>866,733</u> | <u>933,130</u> |
| Accumulated Surplus - End of year | <u>\$ 692,033</u> | <u>\$ 361,660</u> | <u>\$ -</u> | <u>\$ 276,730</u> | <u>\$ 1,330,423</u> | <u>\$ 866,733</u> |