

**Sq'ewá:lxw**  
**Skawahlook First Nation**  
**Consolidated Financial Statements**  
*March 31, 2022*

# Skawahlook First Nation

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*For the Year Ended March 31, 2022*

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## Management's Responsibility

To the Members of Skawahlook First Nation

The accompanying consolidated financial statements of Skawahlook First Nation are the responsibility of management and have been approved by the Chief and Council.

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 Skawahlook First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the consolidated financial information prepared by management and discussing relevant matters with management and external auditors. The Directors are also responsible for recommending the appointment of the Nation's external auditor.

Stolz Chartered Professional Accountant Inc. is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditor has full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 25, 2022

*Original signed by Sharron Young*

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Managing Director

*Original signed by Chief Maureen Chapman*

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Chief

## Independent Auditor's Report

To the Members of Skawahlook First Nation

### Opinion

We have audited the consolidated financial statements of Skawahlook First Nation ("the Nation"), which comprise the consolidated statement of financial position as at March 31, 2022 and the consolidated statements of operations and accumulated operating surplus, changes in net financial assets, remeasurement gains and losses and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Skawahlook First Nation as at March 31, 2022 and the results of its operations, its changes in net financial assets, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these consolidated financial statements, management is responsible for assessing the Nation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Nation or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Nation's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

*continued on next page*

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements** *(continued from previous page)*

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Chartered Professional Accountant

July 25, 2022  
Abbotsford, British Columbia

**Skawahlook First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Financial assets</b>		
Cash	<b>1,582,326</b>	1,461,991
Accounts receivable (Note 3)	<b>495,683</b>	136,778
Inventory for resale	<b>19,583</b>	26,455
Portfolio investments (Note 4)	<b>9,177,820</b>	9,192,764
Investment in Nation business entity (Note 5)	<b>71,499</b>	75,105
Trust funds	<b>420</b>	207
	<b>11,347,331</b>	10,893,300
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	<b>70,559</b>	91,852
Debt (Note 7)	<b>41,078</b>	41,078
	<b>111,637</b>	132,930
<b>Net financial assets</b>	<b>11,235,694</b>	10,760,370
<b>Non-financial assets</b>		
Tangible capital assets (Note 8)	<b>1,739,035</b>	1,732,777
<b>Accumulated surplus (Note 9)</b>	<b>12,974,729</b>	12,493,147
<b>Accumulated surplus is comprised of:</b>		
Accumulated operating surplus	<b>12,921,626</b>	12,254,517
Accumulated remeasurement gains (losses)	<b>53,103</b>	238,630
	<b>12,974,729</b>	12,493,147

**Approved on behalf of Chief and Council**

*Original signed by Chief Maureen Chapman*  
 \_\_\_\_\_  
 Chief

*Original signed by Councillor Jenn Carman*  
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 Councillor

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

**Skawahlook First Nation**  
**Consolidated Statement of Operations and Accumulated Operating Surplus**  
*For the Year Ended March 31, 2022*

	<i>Budget</i>	<i>2022</i>	<i>2021</i>
<b>Revenue</b>			
Indigenous Services Canada	581,458	<b>879,108</b>	746,881
Other income	419,075	<b>807,953</b>	255,250
Investment income	220,000	<b>208,928</b>	116,895
Taxation	163,816	<b>163,816</b>	168,239
BC First Nations Gaming Revenue	154,390	<b>154,390</b>	271,439
Province of British Columbia	-	<b>97,414</b>	32,623
Stó:lo Xwexwilmexw Treaty Association	-	<b>86,250</b>	31,500
New Relationship Trust	50,000	<b>50,000</b>	25,000
First Nations Education Steering Committee	-	<b>45,633</b>	37,753
Sto:lo Nation	-	-	4,790
	1,588,739	<b>2,493,492</b>	1,690,370
<b>Expenses</b>			
Government	1,433,371	<b>1,594,398</b>	4,869,942
Self-Generated Funds	30,870	<b>30,143</b>	4,638
Capital	-	<b>113,350</b>	93,679
Taxation	90,602	<b>88,492</b>	6,905
	1,554,843	<b>1,826,383</b>	4,975,164
<b>Annual operating surplus (deficit)</b>	33,896	<b>667,109</b>	(3,284,794)
<b>Accumulated operating surplus, beginning of year</b>	12,254,517	<b>12,254,517</b>	15,539,311
<b>Accumulated operating surplus, end of year</b>	12,288,413	<b>12,921,626</b>	12,254,517

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

**Skawahlook First Nation**  
**Consolidated Statement of Changes in Net Financial Assets**  
*For the Year Ended March 31, 2022*

	<i>Budget</i>	<i>2022</i>	<i>2021</i>
<b>Annual operating surplus (deficit)</b>	33,896	<b>667,109</b>	(3,284,794)
<b>Tangible capital assets</b>			
Acquisition of tangible capital assets	-	<b>(119,608)</b>	(123,830)
Amortization	-	<b>113,350</b>	93,679
	-	<b>(6,258)</b>	(30,151)
<b>Prepaid expenses</b>			
Use of prepaid expenses	-	-	4,782
<b>Net remeasurement gains (losses)</b>			
Change in net remeasurement gains (losses)	-	<b>(185,527)</b>	258,433
<b>Change in net financial assets</b>	33,896	<b>475,324</b>	(3,051,730)
<b>Net financial assets, beginning of year</b>	10,760,370	<b>10,760,370</b>	13,812,100
<b>Net financial assets, end of year</b>	10,794,266	<b>11,235,694</b>	10,760,370

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



**Skawahlook First Nation**  
**Consolidated Statement of Remeasurement Gains (Losses)**  
*For the Year Ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Unrealized gains (losses) attributable to:</b>		
Portfolio investments	<b>(148,110)</b>	262,794
<b>Amounts reclassified to the statement of operations:</b>		
Portfolio investments	<b>(37,417)</b>	(4,361)
<b>Net remeasurement gains (losses) for the year</b>	<b>(185,527)</b>	258,433
<b>Accumulated remeasurement gains (losses), beginning of year</b>	<b>238,630</b>	(19,803)
<b>Accumulated remeasurement gains, end of year</b>	<b>53,103</b>	238,630

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

**Skawahlook First Nation**  
**Consolidated Statement of Cash Flows**  
*For the Year Ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual operating surplus (deficit)	<b>667,109</b>	(3,284,794)
Non-cash items		
Amortization	<b>113,350</b>	93,679
Net income from portfolio investments	<b>(220,583)</b>	(73,911)
Net (income) loss from Nation business entity	<b>3,606</b>	(19,816)
Revenue earned in trust funds	<b>(213)</b>	(207)
	<b>563,269</b>	(3,285,049)
Changes in working capital accounts		
Accounts receivable	<b>(358,905)</b>	10,520
Accounts payable and accrued liabilities	<b>(21,294)</b>	29,586
Inventory for resale	<b>6,873</b>	268
Prepaid expenses	-	4,782
	<b>189,943</b>	(3,239,893)
<b>Financing activities</b>		
Advances of long-term debt	-	41,078
<b>Capital activities</b>		
Acquisition of tangible capital assets	<b>(119,608)</b>	(123,830)
<b>Investing activities</b>		
Withdrawal of portfolio investments	<b>50,000</b>	1,001,050
Transfer from portfolio investments to Minor's Trust	-	3,228,636
Withdrawal of trust funds	-	204
	<b>50,000</b>	4,229,890
<b>Increase in cash resources</b>	<b>120,335</b>	907,245
<b>Cash resources, beginning of year</b>	<b>1,461,991</b>	554,746
<b>Cash resources, end of year</b>	<b>1,582,326</b>	1,461,991

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

# **Skawahlook First Nation**

## **Notes to the Consolidated Financial Statements**

*For the Year Ended March 31, 2022*

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### **1. Operations**

Skawahlook First Nation ("the Nation") is part of the Sto:lo Nation, a tribal organization that encompasses 11 communities between Langley and Boston Bar. Formerly part of the "Tait" tribe, the Skawahlook First Nation was established on June 13th, 1879. The Nation is made up of 94 members residing both in and outside the community. Governance consists of one Chief and one Councillor who are selected through a hereditary process. Skawahlook First Nation is located on the Lougheed Highway between Hope and Agassiz in BC.

### **2. Significant accounting policies**

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

#### ***Principles of consolidation***

All controlled entities are fully consolidated on a line-by-line basis. Inter-entity balances and transactions have been eliminated on consolidation.

Organizations consolidated in Skawahlook First Nation's financial statements include:

- Ruby Creek Art Gallery

In addition, the Nation's investment in the following non-controlled entity and subject to significant influence is recorded using the modified equity method:

- Seven Generations Environmental Services Ltd.

#### ***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 includes tangible capital assets.

#### ***Net financial assets***

Skawahlook 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 Nation is determined by its financial assets less its liabilities. Net financial assets is comprised of two components, non-financial assets and accumulated surplus.

#### ***Inventory for resale***

Inventory for resale are stated at the lower of average cost and net realizable value.

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

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies. When the Nation determines that a long-lived asset no longer has any long-term service potential to the Nation, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

**Skawahlook First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2022*

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

***Liability for contaminated sites***

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the Nation is directly responsible; or accepts responsibility; and
- iv) a reasonable estimate of the amount can be made.

At each financial reporting date, the 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 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 such liability exists at March 31, 2022.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records.

***Amortization***

Tangible capital assets are amortized annually on a straight-line basis over their estimated useful lives as follows:

<b>Asset</b>	<b>Useful life</b>
Housing	40 years
Buildings	40 years
Dyking and draining infrastructure	25 years
Road infrastructure	15 years
Water infrastructure	20 - 80 years
Equipment	4 - 10 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations. Contributed tangible capital assets are recorded at their fair value at the date of contribution. Assets under construction are not amortized until the asset is available to be put into service.

***Measurement uncertainty (use of estimates)***

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 expenditures during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

**Skawahlook First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2022*

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

***Revenue recognition***

*Government transfers*

Skawahlook 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 Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when receivable.

*Own source revenue*

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

*Property taxation*

Property taxation revenue is recognized when it meets the definition of an asset; are authorized by a legislature, council, or legislative convention; and the taxable event has occurred.

***Segments***

Skawahlook First Nation conducts its operations through various segments. These operating segments are established by management to facilitate the achievement of the 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.

***Financial instruments***

Financial instruments are initially classified upon initial recognition as a fair value or an amortized cost instrument. The fair value category includes portfolio investments in equity instruments that are quoted in an active market, and any other items elected by the Nation to be recorded at fair value. All other financial instruments, including financial instruments with related parties, are recorded at amortized cost. Transaction costs directly attributable to the acquisition or issue of a financial instrument are added to the amortized cost or expensed if related to instruments recorded on a fair value basis. The effective interest rate method is used to measure interest for financial instruments recorded at amortized cost.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss, calculated as the excess of the net recoverable amount of the asset and its carrying value, is reported in the consolidated statement of operations and any unrealized gain is adjusted through the consolidated statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the consolidated statement of remeasurement gains and losses are reversed and recognized in the consolidated statement of operations.

**Skawahlook First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2022*

**3. Accounts receivable**

	<b>2022</b>	2021
Sales and other receivables	<b>56,280</b>	16,704
Due from Governments and other funding agencies	<b>438,459</b>	119,893
Taxation	<b>944</b>	181
	<b>495,683</b>	136,778

**4. Portfolio investments**

	<b>2022</b>	2021
Investments recorded at fair value:		
Securities held with Scotia Wealth Management	<b>5,768,110</b>	2,518,821
Investments recorded at amortized cost:		
Fixed income	<b>2,665,134</b>	2,455,647
High interest savings accounts	<b>744,576</b>	4,218,296
	<b>3,409,710</b>	6,673,943
	<b>9,177,820</b>	9,192,764

**5. Investment in Nation business entity**

The investment in Nation business entity is comprised of 1/6th ownership of Seven Generations Environmental Services Ltd. The following presents the condensed financial information for the business entity:

	<b>2022</b>	2021
Current assets	<b>445,790</b>	541,371
Property and equipment	<b>11,217</b>	15,099
	<b>457,007</b>	556,470
Current liabilities	<b>381,280</b>	459,105
Share capital	<b>1,169,808</b>	1,169,808
Equity	<b>(1,094,081)</b>	(1,072,443)
	<b>75,727</b>	97,365
	<b>457,007</b>	556,470

**Skawahlook First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2022*

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**5. Investment in Nation business entity** *(continued from previous page)*

Revenues	<b>315,314</b>	420,584
Expenses	<b>336,952</b>	301,690
Net income (loss)	<b>(21,638)</b>	118,894

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**6. Accounts payable and accrued liabilities**

Included in accounts payable are government remittances totaling \$5,660 (2021 - \$2,931).

**7. Long-term debt**

	<b>2022</b>	2021
Minister of Crown-Indigenous Relations	<b>41,078</b>	(41,078)
Indigenous claims loan, non-interest bearing, payable in full on the earlier of March 31, 2025 or the date on which the claim is settled		

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Principal repayments on long-term debt in each of the next five years are estimated as follows:

2023	-
2024	-
2025	41,078
2026	-
2027	-
	<hr/>
	41,078
	<hr/>

**Skawahlook First Nation**  
**Notes to the Consolidated Financial Statements**  
For the Year Ended March 31, 2022

**8. Tangible capital assets**

<b>Cost</b>	<b>Beginning of year</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>End of year</b>
Land	76,000	-	-	76,000
Housing	52,848	-	-	52,848
Buildings	1,803,925	-	-	1,803,925
Infrastructure	464,296	-	-	464,296
Equipment	393,574	119,608	-	513,182
	2,790,643	119,608	-	2,910,251

<b>Accumulated amortization</b>	<b>Beginning of year</b>	<b>Amortization</b>	<b>Disposals</b>	<b>End of year</b>
Housing	40,957	1,321	-	42,278
Buildings	714,212	45,951	-	760,163
Infrastructure	137,010	10,089	-	147,099
Equipment	165,687	55,989	-	221,676
	1,057,866	113,350	-	1,171,216

<b>Net book value</b>	<b>2022</b>	<b>2021</b>
Land	<b>76,000</b>	76,000
Housing	<b>10,570</b>	11,891
Buildings	<b>1,043,762</b>	1,089,713
Infrastructure	<b>317,197</b>	327,286
Equipment	<b>291,506</b>	227,887
	<b>1,739,035</b>	1,732,777

Amortization expense of \$113,350 (2021 - \$93,679) was recorded in the Capital Fund.

**9. Accumulated surplus**

	<b>2022</b>	<b>2021</b>
Unrestricted surplus	<b>11,167,268</b>	10,760,163
Equity in tangible capital assets	<b>1,739,035</b>	1,732,777
Equity in other non-financial assets	-	-
Equity in trust funds	<b>420</b>	207
	<b>12,906,723</b>	12,493,147



**Skawahlook First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the Year Ended March 31, 2022*

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**10. Employee benefits**

Included in employee benefits are group retirement plans under two categories: defined contribution and tax-free savings account.

***Defined contribution plan***

Skawahlook First Nation provides a defined contribution plan for eligible employees. Eligible pension plan members are required to contribute 5.5% of their salary up to a maximum of 9%. Skawahlook First Nation matches these contributions and are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. During the year, Skawahlook First Nation contributed \$24,468 (2021 - \$19,074) for defined contribution plan retirement benefits. Skawahlook First Nation does not have any other obligations with regards to the pension plan as at March 31, 2022.

**11. Budget figures**

The budget figures presented in these financial statements are based upon the operating and capital budgets prepared by management.

**12. Financial instruments**

As part of its operations, Skawahlook First Nation carries a number of financial instruments. It is management's opinion that the 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. In seeking to minimize the risks from interest rate fluctuations, the Nation manages exposure through its normal operating and financing activities. The Nation is exposed to interest rate cash flow risk on its portfolio investments that earn interest at variable rates. Changes in the bank prime variable lending rates can cause fluctuations in interest payments and cash flows.

***Market risk***

The Nation's equity investments are subject to market risk, which includes price risk arising from market volatility and the risk of loss of capital associated with those investments.

***Currency risk***

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Nation is exposed to currency price risk on part of its portfolio investments that are denominated in US dollars and translated into Canadian dollars in the financial statements.

**Skawahlook First Nation**  
**Schedule 1 - Consolidated Statement of Operating Expenses by Object**  
*For the Year Ended March 31, 2022*

	<i><b>Budget</b></i>	<i><b>2022</b></i>	<i><b>2021</b></i>
<b>Operating Expenses by Object</b>			
Amortization	-	<b>113,350</b>	93,679
Band functions/donations and catering	8,000	<b>52,734</b>	164,303
Consulting fees	263,508	<b>349,087</b>	421,797
Employee benefits	55,000	<b>28,262</b>	18,784
Honoraria	85,500	<b>85,670</b>	78,862
Insurance	26,000	<b>25,417</b>	23,730
Interest and bank charges	2,390	<b>2,685</b>	16,332
Janitorial	11,000	<b>10,551</b>	12,685
Legal fees	92,000	<b>156,019</b>	55,198
Materials and supplies	94,800	<b>60,024</b>	119,079
Member programs	208,700	<b>218,049</b>	153,635
Other	1,232	<b>4,790</b>	5,668
Office and general	2,300	<b>2,305</b>	8,872
Professional fees	33,500	<b>32,335</b>	86,232
Repairs and maintenance	50,000	<b>49,611</b>	48,436
Salaries, wages, and benefits	494,163	<b>515,260</b>	352,944
Security	1,300	<b>1,260</b>	244
Telephone and communications	12,050	<b>12,116</b>	10,604
Transfer to Minor's Trust	-	-	3,228,636
Training and education	13,500	<b>11,124</b>	81
Travel	20,000	<b>20,204</b>	12,151
Utilities	34,900	<b>31,104</b>	30,307
Website and computer support	45,000	<b>44,426</b>	32,905
	<b>1,554,843</b>	<b>1,826,383</b>	4,975,164

**Skawahlook First Nation**  
**Schedule 2 - Consolidated Segmented Information**  
*For the Year Ended March 31, 2022*

	<b>Government</b>			<b>Self-Generated Funds</b>			<b>Capital</b>			<b>Economic Development</b>			<b>Taxation</b>			<b>Consolidated Total</b>		
	<i>Budget</i>	<i>2022</i>	<i>2021</i>	<i>Budget</i>	<i>2022</i>	<i>2021</i>	<i>Budget</i>	<i>2022</i>	<i>2021</i>	<i>Budget</i>	<i>2022</i>	<i>2021</i>	<i>Budget</i>	<i>2022</i>	<i>2021</i>	<i>Budget</i>	<i>2022</i>	<i>2021</i>
<b>Revenue</b>																		
ISC	581,458	<b>879,108</b>	746,881	-	-	-	-	-	-	-	-	-	-	-	-	581,458	<b>879,108</b>	746,881
Province of BC	-	-	-	-	<b>97,414</b>	32,623	-	-	-	-	-	-	-	-	-	-	<b>97,414</b>	32,623
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	163,816	<b>163,816</b>	168,239	163,816	<b>163,816</b>	168,239
Business revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NRT	50,000	<b>50,000</b>	25,000	-	-	-	-	-	-	-	-	-	-	-	-	50,000	<b>50,000</b>	25,000
Other income	555,965	<b>835,223</b>	519,394	10,000	<b>127,120</b>	7,294	-	-	-	-	-	-	-	-	-	565,965	<b>962,343</b>	526,688
Other agencies	7,500	<b>131,883</b>	74,043	-	-	-	-	-	-	-	-	-	-	-	-	7,500	<b>131,883</b>	74,043
Investment income	220,000	<b>212,038</b>	96,873	-	<b>496</b>	207	-	-	-	-	<b>(3,606)</b>	19,816	-	-	-	220,000	<b>208,928</b>	116,896
	<b>1,414,923</b>	<b>2,108,252</b>	1,462,191	<b>10,000</b>	<b>225,030</b>	40,124	-	-	-	-	<b>(3,606)</b>	19,816	163,816	<b>163,816</b>	168,239	<b>1,588,739</b>	<b>2,493,492</b>	1,690,370
<b>Expenses</b>																		
Amortization	-	-	-	-	-	-	-	<b>113,350</b>	93,679	-	-	-	-	-	-	-	<b>113,350</b>	93,679
Debt servicing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program & other expenses	959,708	<b>1,124,568</b>	4,498,214	30,870	<b>30,143</b>	4,638	-	-	-	-	-	-	15,102	<b>14,800</b>	6,905	1,005,680	<b>1,169,511</b>	4,509,757
Wages and benefits	473,663	<b>469,830</b>	371,728	-	-	-	-	-	-	-	-	-	75,500	<b>73,692</b>	-	549,163	<b>543,522</b>	371,728
	<b>1,433,371</b>	<b>1,594,398</b>	4,869,942	<b>30,870</b>	<b>30,143</b>	4,638	-	<b>113,350</b>	93,679	-	-	-	90,602	<b>88,492</b>	6,905	<b>1,554,843</b>	<b>1,826,383</b>	4,975,164
<b>Surplus (deficit) before transfers</b>	(18,448)	<b>513,854</b>	(3,407,751)	(20,870)	<b>194,887</b>	35,486	-	<b>(113,350)</b>	(93,679)	-	<b>(3,606)</b>	19,816	73,214	<b>75,324</b>	161,334	33,896	<b>667,109</b>	(3,284,794)
<b>Transfers</b>	-	<b>(97,958)</b>	(258,106)	-	<b>27,500</b>	139,116	-	<b>119,608</b>	123,830	-	-	-	-	<b>(49,150)</b>	(4,840)	-	-	-
<b>Surplus (deficit)</b>	(18,448)	<b>415,896</b>	(3,665,857)	(20,870)	<b>222,387</b>	174,602	-	<b>6,258</b>	30,151	-	<b>(3,606)</b>	19,816	73,214	<b>26,174</b>	156,494	33,896	<b>667,109</b>	(3,284,794)
<b>Accumulated surplus (deficit), beginning of year</b>	9,788,954	<b>9,788,954</b>	13,454,811	501,187	<b>501,187</b>	326,585	1,732,777	<b>1,732,777</b>	1,702,626	75,105	<b>75,105</b>	55,289	156,494	<b>156,494</b>	-	12,254,517	<b>12,254,517</b>	15,539,311
<b>Accumulated surplus (deficit), end of year</b>	9,770,506	<b>10,204,850</b>	9,788,954	480,317	<b>723,574</b>	501,187	1,732,777	<b>1,739,035</b>	1,732,777	75,105	<b>71,499</b>	75,105	229,708	<b>182,668</b>	156,494	12,288,413	<b>12,921,626</b>	12,254,517