

Consolidated Financial Statements

**Sq'ewá:lxw
Skawahlook First Nation**

March 31, 2023

Skawahlook First Nation

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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.

Stoltz CPA Inc. is appointed by Chief and Council 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.

August 2, 2023

Original signed by Sharron Young

Managing Director

Original signed by Maureen Chapman

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, 2023 and the consolidated statements of operations and accumulated surplus, consolidated changes in net financial assets, consolidated changes in remeasurement gains (losses) and consolidated 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, 2023 and the results of its operations, its changes in net financial assets, its changes in net remeasurement gains (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.

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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.

Stolz CPA Inc.

Chartered Professional Accountants

Chilliwack, British Columbia

August 2, 2023

Skawahlook First Nation

Consolidated Statement of Financial Position

March 31, 2023

| | 2023 | 2022 |
|---|-------------------|------------|
| Financial assets | | |
| Cash | 3,083,495 | 1,582,326 |
| Accounts receivable (Note 3) | 626,239 | 495,683 |
| Inventory for resale | 23,558 | 19,583 |
| Portfolio investments (Note 4) | 8,553,270 | 9,177,820 |
| Investment in Nation business entity (Note 5) | 71,787 | 71,499 |
| Trust funds | 208 | 420 |
| | 12,358,557 | 11,347,331 |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 6) | 44,927 | 70,559 |
| Deferred revenue (Note 7) | 24,877 | - |
| Debt (Note 8) | 41,078 | 41,078 |
| | 110,882 | 111,637 |
| Net financial assets | 12,247,675 | 11,235,694 |
| Non-financial assets | | |
| Tangible capital assets (Note 9) | 2,184,618 | 1,739,035 |
| Prepaid expenses | 6,500 | - |
| Accumulated surplus (Note 10) | 14,438,793 | 12,974,729 |
| Accumulated surplus is comprised of: | | |
| Accumulated operating surplus | 14,852,768 | 12,921,626 |
| Accumulated remeasurement gains (losses) | (413,975) | 53,103 |
| | 14,438,793 | 12,974,729 |

Approved on behalf of Chief and Council

Original signed by Maureen Chapman

Chief

Original signed by Jennifer Carman

Councillor

The accompanying notes are an integral part of these financial statements

Skawahlook First Nation

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2023

| | <i>Budget</i> | <i>2023</i> | <i>2022</i> |
|---|---------------|-------------------|-------------|
| Revenue | | | |
| Indigenous Services Canada | 593,123 | 746,753 | 879,108 |
| Other income | 1,354,071 | 2,310,291 | 807,953 |
| Investment income | 400,000 | 295,131 | 208,928 |
| Province of British Columbia | 141,158 | 497,608 | 97,414 |
| BC First Nations Gaming Revenue | 271,354 | 271,354 | 154,390 |
| Taxation | 163,888 | 163,734 | 163,816 |
| First Nations Education Steering Committee | 54,620 | 60,226 | 45,633 |
| Stó:lo Xwexwilmxw Treaty Association | - | 275,000 | 86,250 |
| New Relationship Trust | - | - | 50,000 |
| | 2,978,214 | 4,620,097 | 2,493,492 |
| Expenses | | | |
| Government | 2,507,825 | 2,354,203 | 1,594,398 |
| Self-Generated Funds | 74,426 | 71,117 | 30,143 |
| Capital | - | 125,292 | 113,350 |
| Taxation | 140,420 | 138,343 | 88,492 |
| | 2,722,671 | 2,688,955 | 1,826,383 |
| Annual operating surplus | 255,543 | 1,931,142 | 667,109 |
| Accumulated operating surplus, beginning of year | 12,921,626 | 12,921,626 | 12,254,517 |
| Accumulated operating surplus, end of year | 13,177,169 | 14,852,768 | 12,921,626 |

The accompanying notes are an integral part of these financial statements

Skawahlook First Nation

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2023

| | <i>Budget</i> | <i>2023</i> | <i>2022</i> |
|--|---------------|-------------------|-------------|
| Annual operating surplus | 255,543 | 1,931,142 | 667,109 |
| Tangible capital assets | | | |
| Acquisition of tangible capital assets | - | (570,874) | (119,608) |
| Amortization | - | 125,292 | 113,350 |
| | - | (445,582) | (6,258) |
| Prepaid expenses | | | |
| Acquisition of prepaid expenses | - | (6,501) | - |
| Net remeasurement gains (losses) | | | |
| Change in net remeasurement gains (losses) | - | (467,078) | (185,527) |
| Change in net financial assets | 255,543 | 1,011,981 | 475,324 |
| Net financial assets, beginning of year | 11,235,694 | 11,235,694 | 10,760,370 |
| Net financial assets, end of year | 11,491,237 | 12,247,675 | 11,235,694 |

The accompanying notes are an integral part of these financial statements

Skawahlook First Nation

Consolidated Statement of Remeasurement Gains (Losses)

Year ended March 31, 2023

| | 2023 | 2022 |
|--|------------------|-----------|
| Unrealized gains (losses) attributable to: | | |
| Portfolio investments | (467,078) | (148,110) |
| Amounts reclassified to the statement of operations: | | |
| Portfolio investments | - | (37,417) |
| Net remeasurement losses for the year | (467,078) | (185,527) |
| Accumulated remeasurement gains (losses), beginning of year | 53,103 | 238,630 |
| Accumulated remeasurement gains (losses), end of year | (413,975) | 53,103 |

The accompanying notes are an integral part of these financial statements

Skawahlook First Nation

Consolidated Statement of Cash Flows

Year ended March 31, 2023

| | 2023 | 2022 |
|---|------------------|-----------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Annual operating surplus (deficit) | 1,931,142 | 667,109 |
| Non-cash items | | |
| Amortization | 125,292 | 113,350 |
| Net (income) loss from portfolio investments | 157,471 | (220,583) |
| Net (income) loss from Nation business entity | (288) | 3,606 |
| Revenue earned in trust funds | (208) | (213) |
| | 2,213,409 | 563,269 |
| Changes in working capital accounts | | |
| Accounts receivable | (130,557) | (358,905) |
| Accounts payable and accrued liabilities | (25,631) | (21,294) |
| Deferred revenue | 24,877 | - |
| Inventory for resale | (3,975) | 6,873 |
| Prepaid expenses | (6,500) | - |
| | 2,071,623 | 189,943 |
| Capital activities | | |
| Acquisition of tangible capital assets | (570,874) | (119,608) |
| Investing activities | | |
| Withdrawal of portfolio investments | - | 50,000 |
| Withdrawal of trust funds | 420 | - |
| | 420 | 50,000 |
| Increase in cash resources | 1,501,169 | 120,335 |
| Cash resources, beginning of year | 1,582,326 | 1,461,991 |
| Cash resources, end of year | 3,083,495 | 1,582,326 |

The accompanying notes are an integral part of these financial statements

Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

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 British Columbia.

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.

Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

2. Significant accounting policies (continued from previous page)

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.

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, 2023.

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:

| Asset | Useful life |
|------------------------------------|---------------|
| 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.

Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

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

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.

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.

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Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

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

Financial instruments *(continued from previous page)*

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.

3. Accounts receivable

| | 2023 | 2022 |
|---|----------------|---------|
| Sales and other receivables | 6,109 | 56,280 |
| Due from Governments and other funding agencies | 618,279 | 438,459 |
| Taxation | 1,851 | 944 |
| | 626,239 | 495,683 |

4. Portfolio investments

| | 2023 | 2022 |
|---|------------------|-----------|
| Investments recorded at fair value: | | |
| Securities held with Scotia Wealth Management | 5,179,355 | 5,768,110 |
| Investments recorded at amortized cost: | | |
| Fixed income | 2,784,612 | 2,665,134 |
| High interest savings accounts | 589,303 | 744,576 |
| | 3,373,915 | 3,409,710 |
| | 8,553,270 | 9,177,820 |

Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

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:

| | 2023 | 2022 |
|---------------------|--------------------|-------------|
| Current assets | 461,472 | 445,790 |
| Equipment | 8,570 | 11,217 |
| | 470,042 | 457,007 |
| Current liabilities | 392,589 | 381,280 |
| Share capital | 1,169,808 | 1,169,808 |
| Equity | (1,092,355) | (1,094,081) |
| | 77,453 | 75,727 |
| | 470,042 | 457,007 |
| Revenues | 517,407 | 315,314 |
| Expenses | 515,681 | 336,952 |
| Net income (loss) | 1,726 | (21,638) |

6. Accounts payable and accrued liabilities

Included in accounts payable are government remittances totaling \$5,642 (2022 - \$5,660).

7. Deferred revenue

| | <i>Opening balance</i> | <i>Funds received</i> | <i>Revenue recognized</i> | <i>2023 Closing balance</i> | 2022 |
|--|----------------------------|---------------------------|-------------------------------|---------------------------------|------|
| First Nations' Emergency Services Society | - | 14,784 | - | 14,784 | - |
| First Nations Education Steering Committee | - | 10,093 | - | 10,093 | - |
| | - | 24,877 | - | 24,877 | - |

Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

8. Long-term debt

| | 2023 | 2022 |
|--|---------------|--------|
| Minister of Crown-Indigenous Relations | 41,078 | 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 | | |

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

| | |
|------|--------|
| 2024 | - |
| 2025 | 41,078 |
| 2026 | - |
| 2027 | - |
| 2028 | - |
| | <hr/> |
| | 41,078 |

9. Tangible capital assets

| Cost | Beginning of year | Acquisitions | Disposals | End of year |
|----------------|-------------------|--------------|-----------|-------------|
| Land | 76,000 | 80,000 | - | 156,000 |
| Housing | 52,848 | - | - | 52,848 |
| Buildings | 1,803,925 | 388,946 | - | 2,192,871 |
| Infrastructure | 464,296 | 16,306 | - | 480,602 |
| Equipment | 513,182 | 85,623 | (8,627) | 590,178 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 2,910,251 | 570,875 | (8,627) | 3,472,499 |

| Accumulated amortization | Beginning of year | Amortization | Disposals | End of year |
|--------------------------|-------------------|--------------|-----------|-------------|
| Housing | 42,278 | 1,321 | - | 43,599 |
| Buildings | 760,163 | 55,675 | - | 815,838 |
| Infrastructure | 147,099 | 10,496 | - | 157,595 |
| Equipment | 221,676 | 57,800 | (8,627) | 270,849 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,171,216 | 125,292 | (8,627) | 1,287,881 |

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Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

9. Tangible capital assets (continued from previous page)

| Net book value | 2023 | 2022 |
|-----------------------|------------------|-------------|
| Land | 156,000 | 76,000 |
| Housing | 9,249 | 10,570 |
| Buildings | 1,377,033 | 1,043,762 |
| Infrastructure | 323,007 | 317,197 |
| Equipment | 319,329 | 291,506 |
| | 2,184,618 | 1,739,035 |

Amortization expense of \$125,292 (2022 - \$113,350) was recorded in the Capital Fund.

10. Accumulated surplus

| | 2023 | 2022 |
|--------------------------------------|-------------------|-------------|
| Unrestricted surplus | 12,247,467 | 11,235,274 |
| Equity in tangible capital assets | 2,184,618 | 1,739,035 |
| Equity in other non-financial assets | 6,500 | - |
| Equity in trust funds | 208 | 420 |
| | 14,438,793 | 12,974,729 |

11. Budget figures

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

12. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2023

13. 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 Expenses by Object

Year ended March 31, 2023

| | <i>Budget</i> | <i>2023</i> | <i>2022</i> |
|---------------------------------------|---------------|------------------|-------------|
| Operating Expenses by Object | | | |
| Advertising | 400 | 450 | - |
| Amortization | - | 125,292 | 113,350 |
| Band functions/donations and catering | 41,000 | 47,547 | 52,734 |
| Consulting and contracting fees | 869,000 | 878,476 | 349,087 |
| Employee benefits | 77,300 | 35,936 | 28,262 |
| Honoraria | 96,734 | 96,534 | 85,670 |
| Insurance | 30,000 | 29,422 | 25,417 |
| Interest and bank charges | 3,146 | 3,057 | 2,685 |
| Janitorial | 15,000 | 11,460 | 10,551 |
| Materials and supplies | 112,700 | 93,676 | 57,758 |
| Member programs | 636,120 | 453,936 | 218,049 |
| Other | 40,000 | 2,627 | 4,790 |
| Office and general | 6,000 | 6,151 | 2,306 |
| Professional fees | 63,200 | 146,137 | 188,353 |
| Repairs and maintenance | 50,500 | 44,474 | 51,877 |
| Salaries, wages, and benefits | 479,571 | 515,044 | 515,260 |
| Security | 1,500 | 1,400 | 1,260 |
| Telephone and communications | 20,100 | 18,240 | 12,116 |
| Training and education | 14,600 | 12,664 | 11,124 |
| Travel | 84,200 | 86,225 | 20,204 |
| Utilities | 35,600 | 32,991 | 31,104 |
| Website and computer support | 46,000 | 47,216 | 44,426 |
| | 2,722,671 | 2,688,955 | 1,826,383 |

Skawahlook First Nation

Schedule 2 - Consolidated Statement of Expenses by Object

Year ended March 31, 2023

| | Government | | | Self-Generated Funds | | | Capital | | | Economic Development | | | Taxation | | |
|--|------------|-------------------|------------|----------------------|------------------|---------|-----------|------------------|-----------|----------------------|---------------|---------|----------|-----------------|------------|
| | Budget | 2023 | 2022 | Budget | 2023 | 2022 | Budget | 2023 | 2022 | Budget | 2023 | 2022 | Budget | 2023 | 2022 |
| Revenue | | | | | | | | | | | | | | | |
| ISC | 593,123 | 746,753 | 879,108 | - | - | - | - | - | - | - | - | - | - | - | - |
| Province of BC | - | 356,450 | - | 141,158 | 141,158 | 97,414 | - | - | - | - | - | - | - | - | - |
| Taxation | - | - | - | - | - | - | - | - | - | - | - | - | 163,888 | 163,734 | 163,816 |
| Business revenue | - | - | - | 25,000 | - | - | - | - | - | - | - | - | - | - | - |
| NRT | - | - | 50,000 | - | - | - | - | - | - | - | - | - | - | - | - |
| Other income | 1,080,425 | 1,063,362 | 835,223 | 520,000 | 1,518,128 | 127,120 | - | - | - | - | - | - | - | - | 155 |
| Other agencies | 54,620 | 60,226 | 131,883 | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment income | 200,000 | 287,126 | 212,038 | 200,000 | 7,717 | 496 | - | - | - | - | 288 | (3,606) | - | - | - |
| | 1,928,168 | 2,513,917 | 2,108,252 | 886,158 | 1,667,003 | 225,030 | - | - | - | - | 288 | (3,606) | 163,888 | 163,889 | 163,816 |
| Expenses | | | | | | | | | | | | | | | |
| Amortization | - | - | - | - | - | - | - | 125,292 | 113,350 | - | - | - | - | - | - |
| Program & other expenses | 2,050,454 | 1,899,022 | 1,124,568 | 58,426 | 58,199 | 30,143 | - | - | - | - | - | - | 56,920 | 55,462 | 14,800 |
| Wages and benefits | 457,371 | 455,181 | 469,830 | 16,000 | 12,918 | - | - | - | - | - | - | - | 83,500 | 82,881 | 73,692 |
| | 2,507,825 | 2,354,203 | 1,594,398 | 74,426 | 71,117 | 30,143 | - | 125,292 | 113,350 | - | - | - | 140,420 | 138,343 | 88,492 |
| Surplus (deficit) before transfers | (579,657) | 159,714 | 513,854 | 811,732 | 1,595,886 | 194,887 | - | (125,292) | (113,350) | - | 288 | (3,606) | 23,468 | 25,546 | 75,324 |
| Transfers | (29,580) | (490,455) | (97,958) | (420) | (420) | 27,500 | 110,000 | 570,874 | 119,608 | - | - | - | (80,000) | (79,999) | (49,150) |
| Surplus (deficit) | (609,237) | (330,741) | 415,896 | 811,312 | 1,595,466 | 222,387 | 110,000 | 445,582 | 6,258 | - | 288 | (3,606) | (56,532) | (54,453) | 26,174 |
| Accumulated surplus (deficit), beginning of year | 10,204,850 | 10,204,850 | 9,788,954 | 723,574 | 723,574 | 501,187 | 1,739,035 | 1,739,035 | 1,732,777 | 71,499 | 71,499 | 75,105 | 182,668 | 182,668 | 156,494 |
| Accumulated surplus (deficit), end of year | 9,595,613 | 9,874,109 | 10,204,850 | 1,534,886 | 2,319,040 | 723,574 | 1,849,035 | 2,184,617 | 1,739,035 | 71,499 | 71,787 | 71,499 | 126,136 | 128,215 | 182,668 |