

Consolidated Financial Statements

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

March 31, 2025

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

Stoltz CPA Inc. is appointed by 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.

July 22, 2025

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, 2025 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, 2025 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

July 22, 2025

Skawahlook First Nation

Consolidated Statement of Financial Position

March 31, 2025

	2025	2024
Financial assets		
Cash	2,619,837	3,343,076
Accounts receivable (Note 3)	681,258	448,313
Inventory for resale	51,939	30,138
Portfolio investments (Note 4)	11,079,265	9,126,958
Investment in Nation business entity (Note 6)	126,050	92,859
Trust funds (Note 5)	29,232	-
	14,587,581	13,041,344
Liabilities		
Accounts payable and accrued liabilities (Note 7)	55,716	200,552
Debt (Note 8)	86,660	41,078
	142,376	241,630
Net financial assets	14,445,205	12,799,714
Non-financial assets		
Tangible capital assets (Note 9)	4,227,641	4,100,492
Prepaid expenses	153,750	157,000
	4,381,391	4,257,492
Accumulated surplus (Note 10)	18,826,596	17,057,206
Accumulated surplus is comprised of:		
Accumulated operating surplus	18,141,524	16,716,355
Accumulated remeasurement gains (losses)	685,072	340,851
	18,826,596	17,057,206

Approved on behalf of Chief and Council

original signed by Maureen Chapman
Chief

original signed by Debra Schneider
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, 2025

	<i>Budget</i>	<i>2025</i>	<i>2024</i>
Revenue			
Indigenous Services Canada	1,122,705	1,271,080	1,255,888
Other income	2,964,689	2,796,810	2,984,537
Investment income	280,000	495,080	301,417
BC First Nations Gaming Revenue	-	268,962	427,269
Province of British Columbia	241,158	197,551	170,957
Taxation	275,000	196,480	176,901
First Nations Education Steering Committee	25,000	71,634	82,009
Rental income	-	54,200	37,550
Crown-Indigenous Relations and Northern Affairs	45,582	28,011	241,319
Sto:lo Nation	-	5,099	5,239
	4,954,134	5,384,907	5,683,086
Expenses			
Government	3,631,800	3,348,968	3,138,617
Self-Generated Funds	286,000	86,078	434,663
Capital	-	164,424	136,500
Taxation	364,000	360,268	109,719
	4,281,800	3,959,738	3,819,499
Annual operating surplus	672,334	1,425,169	1,863,587
Accumulated operating surplus, beginning of year	16,716,355	16,716,355	14,852,768
Accumulated operating surplus, end of year	17,388,689	18,141,524	16,716,355

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, 2025

	<i>Budget</i>	<i>2025</i>	<i>2024</i>
Annual operating surplus	672,334	1,425,169	1,863,587
Tangible capital assets			
Acquisition of tangible capital assets	-	(291,573)	(2,052,374)
Amortization	-	164,424	136,500
	-	(127,149)	(1,915,874)
Prepaid expenses			
Acquisition of prepaid expenses	-	(153,752)	(157,001)
Use of prepaid expenses	-	157,001	6,501
	-	3,249	(150,500)
Net remeasurement gains (losses)			
Change in net remeasurement gains (losses)	-	344,222	754,826
Change in net financial assets	672,334	1,645,491	552,039
Net financial assets, beginning of year	12,799,714	12,799,714	12,247,675
Net financial assets, end of year	13,472,048	14,445,205	12,799,714

The accompanying notes are an integral part of these financial statements

Skawahlook First Nation

Consolidated Statement of Remeasurement Gains (Losses)

Year ended March 31, 2025

	2025	2024
Unrealized gains (losses) attributable to:		
Portfolio investments	344,222	754,826
Net remeasurement gains for the year	344,222	754,826
Accumulated remeasurement gains (losses), beginning of year	340,850	(413,975)
Accumulated remeasurement gains, end of year	685,072	340,851

The accompanying notes are an integral part of these financial statements

Skawahlook First Nation

Consolidated Statement of Cash Flows

Year ended March 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating activities		
Annual operating surplus	1,425,169	1,863,587
Items not affecting cash		
Amortization	164,424	136,500
Net income from portfolio investments	(338,085)	(198,862)
Net income from Nation business entity	(33,191)	(21,072)
Revenue earned in trust funds	(29,232)	-
	1,189,085	1,780,153
Changes in working capital accounts		
Accounts receivable	(232,945)	177,926
Accounts payable and accrued liabilities	(144,837)	155,626
Deferred revenue	-	(24,877)
Inventory for resale	(21,801)	(6,580)
Prepaid expenses	3,250	(150,500)
	792,752	1,931,748
Financing activities		
Advances of long-term debt	45,582	-
Capital activities		
Acquisition of tangible capital assets	(291,573)	(2,052,374)
Investing activities		
Investment in portfolio investments	(2,000,000)	-
Withdrawal of portfolio investments	730,000	380,000
	(1,270,000)	380,000
Increase (decrease) in cash resources	(723,239)	259,374
Cash resources, beginning of year	3,343,076	3,083,702
Cash resources, end of year	2,619,837	3,343,076

The accompanying notes are an integral part of these financial statements

Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2025

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 93 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:

a) 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
- Skawahlook Investment Limited Partnership
- Skawahlook Investment GP Ltd.

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.

b) 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 and prepaid expenses.

c) Net financial assets

Skawahlook First Nation's consolidated 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.

d) Cash and cash equivalents

Cash and cash equivalents includes balances with bank and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2025

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

e) Inventory for resale

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

f) Portfolio investments

The Nation has investments in mutual funds, partnership units, notes, fixed income and high interest savings accounts that have no maturity dates. Investments not quoted in an active market are reported at cost or amortized cost. Investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in fair value is recognized in the Consolidated Statement of Remeasurement Gains (Losses) as a remeasurement gain or loss until the portfolio investments are derecognized. Upon derecognition, the accumulated remeasurement gains or losses associated with the derecognized portfolio investments are reversed and reclassified to the Statement of Operations.

g) Funds held in Ottawa Trust fund

Funds held in trust on behalf of the Nation's members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus.

h) 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.

i) 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

Year ended March 31, 2025

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

j) 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, 2025.

k) Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2025. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset. At each financial reporting date, the Nation reviews the carrying amount of the liability. The Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The 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.

l) 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

Year ended March 31, 2025

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

m) 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.

n) 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.

o) 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

Year ended March 31, 2025

3. Accounts receivable

	2025	2024
Sales and other receivables	3,279	4,900
Due from governments and other funding agencies	<u>677,979</u>	443,413
	681,258	448,313

4. Portfolio investments

	2025	2024
Investments recorded at fair value:		
Securities held with Scotia Wealth Management	4,899,133	5,350,356
Investments recorded at amortized cost:		
Fixed income	3,947,356	3,056,448
Partnership units	1,200,000	-
Cash and high interest savings accounts	<u>1,032,776</u>	720,154
	6,180,132	3,776,602
	11,079,265	9,126,958

5. Trust funds

Trust funds consist of Ottawa Trust accounts that arise from funds derived from revenue sources as outlined in Section 62 of the Indian Act.

	2025	2024
Balance, beginning of year	-	-
Other income	28,572	-
Interest income	466	-
BC special distribution	194	-
Balance, end of year	29,232	-

Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2025

6. 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:

	2025	2024
Current assets	801,687	618,499
Equipment	3,348	4,686
	805,035	623,185
Current liabilities	402,003	419,300
Share capital	1,169,808	1,169,808
Deficit	(766,776)	(965,923)
	403,032	203,885
	805,035	623,185
Revenues including other income	1,082,367	793,776
Expenses	883,220	667,344
Net income	199,147	126,432

7. Accounts payable and accrued liabilities

Included in accounts payable are government remittances totaling \$7,466 (2024 - \$6,102).

Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2025

8. Debt

	2025	2024
Minister of Crown-Indigenous Relations Indigenous claims loan, non-interest bearing, payable in full on the earlier of March 31, 2026 or the date on which the claim is settled.	41,078	41,078
Minister of Crown-Indigenous Relations Indigenous claims loan, non-interest bearing, payable in full on the earlier of March 31, 2029 or the date on which the claim is settled.	34,755	-
Minister of Crown-Indigenous Relations Indigenous claims loan, non-interest bearing, payable in full on the earlier of March 31, 2029 or the date on which the claim is settled.	10,827	-
	86,660	41,078

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

2026	41,078
2027	-
2028	-
2029	-
<u>2030</u>	<u>45,582</u>
	86,660

9. Tangible capital assets

Cost	Beginning of year	Acquisitions	Disposals	End of year
Land	1,956,000	-	-	1,956,000
Housing	52,848	-	-	52,848
Buildings	2,192,871	-	-	2,192,871
Infrastructure	675,916	-	-	675,916
Equipment	647,238	291,573	-	938,811
	5,524,873	291,573	-	5,816,446

Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2025

9. Tangible capital assets (continued from previous page)

<i>Accumulated amortization</i>	<i>Beginning of year</i>	<i>Amortization</i>	<i>Disposals</i>	<i>End of year</i>
Housing	44,920	1,321	-	46,241
Buildings	871,512	55,675	-	927,187
Infrastructure	172,975	15,379	-	188,354
Equipment	334,974	92,049	-	427,023
	1,424,381	164,424	-	1,588,805

<i>Net book value</i>	<i>2025</i>	<i>2024</i>
Land	1,956,000	1,956,000
Housing	6,607	7,928
Buildings	1,265,684	1,321,359
Infrastructure	487,562	502,941
Equipment	511,788	312,264
	4,227,641	4,100,492

Amortization expense of \$164,424 (2024 - \$136,500) was recorded in the Capital Fund.

10. Accumulated surplus

	<i>2025</i>	<i>2024</i>
Unrestricted surplus	14,415,973	12,799,713
Equity in tangible capital assets	4,227,641	4,100,492
Equity in other non-financial assets	153,750	157,000
Equity in trust funds	29,232	-
	18,826,596	17,057,205

Skawahlook First Nation

Notes to the Consolidated Financial Statements

Year ended March 31, 2025

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 consolidated financial statements.

13. Comparative figures

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

Skawahlook First Nation

Schedule 1 - Consolidated Statement of Expenses by Object

Year ended March 31, 2025

	<i>Budget</i>	<i>2025</i>	<i>2024</i>
Operating Expenses by Object			
Advertising	1,500	780	213
Amortization	-	164,424	136,500
Band functions/donations and catering	150,000	152,591	147,620
Consulting and contracting fees	2,132,500	1,733,542	1,684,062
Honoraria	100,000	100,571	104,646
Insurance	40,000	45,994	36,437
Interest and bank charges	4,500	5,709	4,972
Janitorial	18,000	14,482	14,671
Materials and supplies	101,600	101,359	162,234
Member programs	565,500	682,106	593,459
Other	150,000	8,181	18,157
Office and general	4,000	4,546	6,601
Professional fees	147,200	135,585	136,044
Repairs and maintenance	26,500	17,370	18,123
Salaries, wages, and benefits	627,800	606,941	545,477
Security	2,000	1,680	1,680
Telephone and communications	24,000	20,476	19,947
Training and education	28,600	17,057	8,950
Travel	72,100	70,949	107,274
Utilities	46,000	37,656	34,044
Website and computer support	40,000	37,739	38,387
	4,281,800	3,959,738	3,819,498

Skawahlook First Nation

Schedule 2 - Consolidated Segmented Information

Year ended March 31, 2025

	Government			Self-Generated Funds			Capital			Economic Development			Taxation		
	Budget	2025	2024	Budget	2025	2024	Budget	2025	2024	Budget	2025	2024	Budget	2025	2024
Revenue															
ISC	1,122,705	1,271,080	1,255,888	-	-	-	-	-	-	-	-	-	-	-	-
Province of BC	100,000	-	-	141,158	197,551	170,957	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	275,000	196,480	176,901
Other income	1,424,271	1,613,181	2,535,428	1,066,000	1,533,782	1,153,746	-	-	-	-	-	-	-	1,020	1,500
Other agencies	25,000	76,733	87,249	-	-	-	-	-	-	-	-	-	-	-	-
Investment income	200,000	378,674	241,711	80,000	83,215	38,634	-	-	-	33,191	21,072	-	-	-	-
	2,871,976	3,339,668	4,120,276	1,287,158	1,814,548	1,363,337	-	-	-	33,191	21,072	275,000	197,500	178,401	
Expenses															
Amortization	-	-	-	-	-	-	-	164,424	136,500	-	-	-	-	-	-
Program & other expenses	3,153,300	2,882,949	2,716,284	246,000	46,941	401,278	-	-	-	-	-	-	269,000	258,484	19,960
Wages and benefits	478,500	466,019	422,333	40,000	39,137	33,385	-	-	-	-	-	-	95,000	101,784	89,759
	3,631,800	3,348,968	3,138,617	286,000	86,078	434,663	-	164,424	136,500	-	-	-	364,000	360,268	109,719
Surplus (deficit) before transfers	(759,824)	(9,300)	981,659	1,001,158	1,728,470	928,674	-	(164,424)	(136,500)	-	33,191	21,072	(89,000)	(162,768)	68,682
Transfers	-	(129,546)	(607,851)	-	(162,027)	(1,444,523)	-	291,573	2,052,374	-	-	-	-	-	-
Surplus (deficit)	(759,824)	(138,846)	373,808	1,001,158	1,566,443	(515,849)	-	127,149	1,915,874	-	33,191	21,072	(89,000)	(162,768)	68,682
Accumulated surplus (deficit), beginning of year	10,247,916	10,247,916	9,874,108	2,078,192	2,078,192	2,594,041	4,100,492	4,100,492	2,184,618	92,859	92,859	71,787	196,896	196,896	128,214
Accumulated surplus (deficit), end of year	9,488,092	10,109,070	10,247,916	3,079,350	3,644,635	2,078,192	4,100,492	4,227,641	4,100,492	92,859	126,050	92,859	107,896	34,128	196,896