

SHXW'OWHAMEL FIRST NATION
Consolidated Financial Statements
Year Ended March 31, 2020

SHXW'OWHAMEL FIRST NATION
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Year Ended March 31, 2020

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Shxw'owhamel First Nation have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Shxw'owhamel First Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Siyam Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility principally by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

The consolidated financial statements have been audited on behalf of the members by Morine & Schindler CPAs LLP, in accordance with Canadian public sector accounting standards (PSAS).

Ms Theona Lewis, Chief Financial Officer

Councillor

Hope, BC
December 10, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Shxw'owhamel First Nation

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Shxw'owhamel First Nation (the Nation), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, changes in annual surplus, changes in net financial assets (debt) 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 consolidated financial position of the Nation as at March 31, 2020, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Nation in accordance with 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.

Other Matter

The consolidated financial statements for the year ended March 31, 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 25, 2019.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 the consolidated financial statements, management is responsible for assessing the Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Nation or to cease operations, or has no realistic alternative but to do so.

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

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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.

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.



Nanaimo, British Columbia
December 10, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

SHXW'OWHAMEL FIRST NATION
Consolidated Statement of Financial Position
March 31, 2020

FINANCIAL ASSETS

Cash	\$ 2,683,681	\$ 994,290
Marketable securities (Note 5)	18,000,000	-
Accounts receivable	689,079	1,414,227
Loans receivable	-	202,722
Rent receivable	16,091	36,964
CMHC subsidy receivable	6,967	10,833
Goods and services tax recoverable	35,701	991
Restricted cash (Note 3)	81,759	28,373
Funds held in trust (Note 4)	86,077	85,423
Investment in SVLP (Note 5)	84,027	483,822

TOTAL FINANCIAL ASSETS

21,683,382 3,257,645

LIABILITIES

Accounts payable	1,157,618	1,561,436
Interest payable	4,973	5,230
Wages payable	15,620	14,366
Damage deposits	7,080	7,080
Employee deductions payable	21,306	10,413
Deferred income	-	540,324
Long term debt (Note 8)	11,298,649	2,571,482

TOTAL LIABILITIES

12,505,246 4,710,331

NET FINANCIAL ASSETS (DEBT)

9,178,136 (1,452,686)

NON-FINANCIAL ASSETS

Prepaid expenses	55,425	18,023
Tangible capital assets (Note 7)	12,900,635	8,011,322
	12,956,060	8,029,345

ACCUMULATED SURPLUS

\$ 22,134,196 \$ 6,576,659

CONTINGENT LIABILITY (Note 9)

ON BEHALF OF COUNCIL

_____ Councillor	_____ Councillor
_____ Councillor	_____ Councillor

SHXW'OWHAMEL FIRST NATION
Consolidated Statement of Operations
Year Ended March 31, 2020

	Budget 2020	Total 2020	Total 2019
REVENUES			
Indigenouse Services Canada	\$ 1,418,398	\$ 2,392,593	\$ 1,434,422
First Nations Health Authority	79,688	293,153	1,879,707
Province of BC	155,661	178,810	152,083
CMHC - housing subsidies	-	122,284	115,205
Rental Income	-	229,334	214,517
Investment Income	3,750	55,200	24,702
Community Contributions	-	-	143,911
Taxation	-	23,575	90,067
Sto:lo Aboriginal Skills and Employment Training	80,436	63,161	54,767
Brighter Futures	7,080	7,000	21,159
Zella Holdings	-	-	16,782
Lease Revenue	-	94,063	14,315
Logging Revenue	-	-	11,107
CH2M Hill	-	-	8,573
Fundraising	-	22,620	3,978
Earnings from equity investments	-	(483,822)	(406,803)
Government of Canada	-	21,429,286	-
Prior year recoveries	-	-	21,701
FNESC	4,490	1,544	-
BCFN Gaming	-	280,780	-
Other revenue	10,600	151,133	131,265
Trans Mountain	-	3,865,127	-
CMHC - other	65,808	282,712	520
RRF Allocation	-	22,800	22,800
	1,825,911	29,031,353	3,954,778
EXPENSES			
Segment - Administration (<i>Schedule 2</i>)	129,721	6,702,447	684,832
Segment - Public Works and Maintenance (<i>Schedule 3</i>)	94,370	107,195	427,721
Segment - Housing and Infrastructure (<i>Schedule 4</i>)	150,985	361,565	338,439
Segment - Social Development (<i>Schedule 5</i>)	327,448	321,651	378,955
Segment - Education and Culture (<i>Schedule 6</i>)	797,523	633,479	473,746
Segment - Capital Projects (<i>Schedule 7</i>)	-	144,666	-
Segment - Economic Development (<i>Schedule 8</i>)	137,200	78,461	36,624
Segment -Siyam Council (<i>Schedule 9</i>)	-	192,990	-
Segment -Lands & Resources (<i>Schedule 10</i>)	310,142	719,479	452,053
Segment - Own Source Revenue (<i>Schedule 11</i>)	590,000	4,126,748	974,831
Segment - Health & Well Being (<i>Schedule 12</i>)	87,368	85,135	-
	2,624,757	13,473,816	3,767,201
ANNUAL SURPLUS (DEFICIT)	\$ (798,846)	\$ 15,557,537	\$ 187,577

See notes to financial statements

SHXW'OWHAMEL FIRST NATION
Consolidated Statement of Changes in Annual Surplus
Year Ended March 31, 2020

	2020	2019
ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$ 6,576,659	\$ 6,389,082
ANNUAL SURPLUS (DEFICIT)	<u>15,557,537</u>	<u>187,577</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 22,134,196</u>	<u>\$ 6,576,659</u>

SHXW'OWHAMEL FIRST NATION
Consolidated Statement of Changes in Net Financial Assets (Debt)
Year Ended March 31, 2020

	Budget 2020	2020	2019
ANNUAL SURPLUS (DEFICIT)	\$ (798,846)	\$ 15,557,537	\$ 187,577
Amortization of tangible capital assets	-	239,174	169,616
Purchase of tangible capital assets	-	(5,128,486)	(2,462,550)
Decrease (increase) in prepaid expenses	-	(37,401)	26,310
	-	(4,926,713)	(2,266,624)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(798,846)	10,630,824	(2,079,047)
NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR	(1,452,686)	(1,452,686)	626,361
NET FINANCIAL ASSETS (DEBT) - END OF YEAR	\$ (2,251,532)	\$ 9,178,138	\$ (1,452,686)

See notes to financial statements

SHXW'OWHAMEL FIRST NATION
Consolidated Statement of Cash Flows
Year Ended March 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Annual surplus	\$ 15,557,537	\$ 187,577
Items not affecting cash:		
Amortization of tangible capital assets	239,174	169,616
Earnings on investments	483,822	406,803
	<u>16,280,533</u>	<u>763,996</u>
Changes in non-cash working capital:		
Accounts receivable	725,148	(788,458)
Loans receivable	202,722	(138,680)
Accounts payable	(403,819)	237,050
Deferred income	(540,324)	490,601
Prepaid expenses	(37,402)	26,310
Goods and services tax payable	(34,710)	(238)
Restricted cash	(53,386)	14,082
Funds held in trust	(654)	1,901
CMHC subsidy receivable	3,866	(3,548)
Rent receivable	20,873	(36,964)
Interest payable	(257)	5,230
Wages payable	1,254	(5,128)
Damage deposits	-	3,716
Employee deductions payable	10,893	725
	<u>(105,796)</u>	<u>(193,401)</u>
Cash flow from operating activities	<u>16,174,737</u>	<u>570,595</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(5,128,486)	(2,462,550)
Marketable securities	(18,000,000)	-
Investment in SVLP	(84,027)	-
Cash flow used by investing activities	<u>(23,212,513)</u>	<u>(2,462,550)</u>
FINANCING ACTIVITIES		
Proceeds from long term financing	8,916,976	385,696
Repayment of long term debt	(189,809)	(105,757)
Cash flow from financing activities	<u>8,727,167</u>	<u>279,939</u>
INCREASE (DECREASE) IN CASH FLOW	<u>1,689,391</u>	<u>(1,612,016)</u>
Cash - beginning of year	<u>994,290</u>	<u>2,606,306</u>
CASH - END OF YEAR	<u>\$ 2,683,681</u>	<u>\$ 994,290</u>

See notes to financial statements

SHXW'OWHAMEL FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

1. OPERATIONS

Shxw'owhamel First Nation (the "Nation") is located in the province of British Columbia, and provides various services to its members. Shxw'owhamel First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards (GAAP).

Basis of consolidation

The consolidated financial statements include the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation Business Entities. As a result, figures as at March 31, 2020 or for the years then ended include the operating fund, social housing fund and the capital fund. All inter-entity balances have been eliminated, however, in the respective schedules transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Shxw'owhamel First Nation business entities owned or controlled by the Nation's Council but not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

Shxw'owhamel Ventures Limited Partnership (SVLP).

Shxw'owhamel Ventures GP Ltd. (SVGP)

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents include 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.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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SHXW'OWHAMEL FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Funds Held in Trust

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position and consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Asset Classification

Assets are classified as financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Liability for Contaminated Site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

At each financial reporting date, the Nation reviews the carrying amount of the liability. Any revision required to the amount previously recognized is accounted for in the period revisions are made. The Band 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. As at March 31, 2020, no liability for contaminated site exists.

Net Financial Assets (Net Debt)

The Nation's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

Segments

The Nation conducts its business through a number of reportable segments as described in Note 11. These operating segments are established by senior 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.

(continues)

SHXW'OWHAMEL FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Buildings	25 years	straight-line method
Water and sewer	50 years	straight-line method
Motor vehicles	10 years	straight-line method
Land improvements	20 years	straight-line method
Computer equipment	4 years	straight-line method
Band housing	40 years	straight-line method
Furniture and fixtures	5 years	straight-line method

The Nation regularly reviews its tangible capital assets to eliminate obsolete items.

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

All intangible assets and items inherited by the right of the Nation, such as reserve lands, forests, water and mineral resources, are not recognized in the Nation's consolidated financial statements.

CMHC housing units are amortized at an annual amount equal to the principal reduction in related debt as per the Nation's agreement with CMHC.

The Nation performs impairment testing on tangible capital assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses are recognized when an asset's service potential is reduced and they are charged to surplus in the year.

(continues)

SHXW'OWHAMEL FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Nation recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Government transfers

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

First Nation Capital and Revenue Trust Funds

The Nation recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

Canada Mortgage and Housing Corporation ("CMHC")

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

Housing rental income

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Own source and other revenue

Own source and other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.

Investment income

Investment income is recognized by the Nation when investment income is earned.

SHXW'OWHAMEL FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

3. Restricted cash

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the replacement reserve account is to be credited by an amount annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, these reserves were fully funded.

4. Funds held in trust

	2020	2019
Capital		
Balance beginning and end of year	\$ 84,980	\$ 84,980
Subtotal	84,980	84,980
Revenue		
Balance beginning of year	443	2,344
Net additions	654	(1,901)
Balance end of year	1,097	443
	<u>\$ 86,077</u>	<u>\$ 85,423</u>

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

5. Investments and loans receivable

	2020	2019
Investment in Shxw'owhamel Ventures Limited Partnership (SVLP) - at modified equity method - 99.9% ownership	\$ 84,027	\$ 483,822
Investment in Shxw'owhamel Ventures GP Ltd. (SVGP) - at modified equity method - 100% ownership	1	1
Marketable securities	18,000,000	-
	<u>\$ 18,084,028</u>	<u>\$ 483,823</u>

Marketable securities are accounted for at the lower of cost and fair market value.

6. Summary financial information for Government Business Entities

SVLP and SVGP both as at and for the year ended December 31, 2019.

	SVLP	SVGP
<u>Assets</u>		
Cash	\$ 226,442	\$ -
Accounts receivable	1,252,076	1

(continues)

SHXW'OWHAMEL FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

6. Summary financial information for Government Business Entities (continued)

	<u>SVLP</u>	<u>SVGP</u>
<u>Assets</u>		
Prepaid expenses	17,027	-
Capital assets	768,735	-
Investments	588,135	-
Total assets	<u>\$ 2,852,415</u>	<u>\$ 1</u>
 <u>Liabilities</u>		
Accounts payable	\$ 435,505	\$ -
Loans and long-term debt	2,105,802	-
Lease liabilities	391,967	-
Total liabilities	<u>\$ 2,933,274</u>	<u>\$ -</u>
 <u>Equity</u>		
Share capital		\$ 1
Partner equity	(80,859)	-
Total equity	<u>\$ (80,859)</u>	<u>\$ 1</u>
 <u>Operations</u>		
Total revenues	\$ 2,755,507	\$ -
Total expenses	(3,258,032)	-
Net income (loss)	<u>\$ (502,525)</u>	<u>\$ -</u>

SHXW'OWHAMEL FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

7. Tangible capital assets

<u>Cost</u>	2019 Balance	Additions	Disposals	2020 Balance
Land and improvements	\$ 93,452	\$ -	\$ -	\$ 93,452
Buildings	191,889	-	-	191,889
Vehicles	249,663	-	-	249,663
Computer equipment	56,958	119,901	-	176,859
Water & Sewer	1,663,270	-	-	1,663,270
Band housing	2,001,726	-	-	2,001,726
CMHC units	3,555,195	-	-	3,555,195
Construction in progress	1,884,707	5,008,185	-	6,892,892
Furniture	-	400	-	400
	\$ 9,696,860	\$ 5,128,486	\$ -	\$ 14,825,346

<u>Accumulated Amortization</u>	2019 Balance	Amortization	Accumulated Amortization on Disposals	2020 Balance
Land and improvements	\$ 72,192	\$ 4,673	\$ -	\$ 76,865
Buildings	49,557	7,676	-	57,233
Vehicles	117,087	24,966	-	142,053
Computer equipment	38,104	20,997	-	59,101
Water & Sewer	328,492	33,265	-	361,757
Band housing	620,942	50,043	-	670,985
CMHC units	459,164	97,513	-	556,677
Construction in progress	-	-	-	-
Furniture	-	40	-	40
	\$ 1,685,538	\$ 239,173	\$ -	\$ 1,924,711

<u>Net book value</u>	2020	2019
Land and improvements	\$ 16,587	\$ 21,260
Buildings	134,656	142,332
Vehicles	107,610	132,576
Computer equipment	117,758	18,854
Water & Sewer	1,301,513	1,334,778
Band housing	1,330,741	1,380,784
CMHC units	2,998,518	3,096,031
Construction in progress	6,892,892	1,884,707
Furniture	360	-
	\$ 12,900,635	\$ 8,011,322

SHXW'OWHAMEL FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

8. Long term debt

	<u>2020</u>	<u>2019</u>
All Nations Trust loan bearing interest at 2.68% , repayable in monthly blended payments of \$4,919. The loan matures on October 1, 2043 and is secured by real property and a ministerial guarantee.	\$ 995,878	\$ 995,641
All Nations Trust loan bearing interest at 2.39% repayable in monthly blended payments of \$4,451. The loan matures on February 1, 2043 and is secured by real property and a ministerial guarantee.	882,930	937,241
All Nations Trust loan bearing interest at 1.69% , repayable in monthly blended payments of \$2,613. The loan matures on September 1, 2024 and is secured by real property and a ministerial guarantee.	520,787	542,984
All Nations Trust loan bearing interest at 1.12% repayable in monthly blended payments of \$2,366. The loan matured on December 1, 2019 and was secured by real property and a ministerial guarantee.	-	21,240
Toyota Financial Services loan bearing interest at 4.47% repayable in monthly blended payments of \$1,279. The loan matures on March 31, 2022 and is secured by equipment.	29,316	41,890
RBC loan bearing interest at 0% per annum, repayable in monthly blended payments of \$676. The loan matures on September 26, 2023 and is secured by equipment.	19,593	27,700
RBC loan bearing interest at 0% per annum, repayable in monthly blended payments of \$368. The loan matures on April 30, 2020 and is secured by equipment.	368	4,786
BMO loan bearing interest at prime plus .5% , repayable on demand . The loan is secured by an assignment of insurance.	4,913,546	-
BMO loan bearing interest at prime plus .5% , repayable on demand. The loan is secured by an assignment of insurance.	3,932,801	-
RBC loan bearing interest at 2% , repayable on demand.	3,430	-
	<u>\$ 11,298,649</u>	<u>\$ 2,571,482</u>

Principal repayment terms are approximately:

2021	\$ 8,960,864
2022	113,441
2023	95,824
2024	94,619
2025	84,627
Thereafter	1,949,274
	<u>\$ 11,298,649</u>

SHXW'OWHAMEL FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

9. CONTINGENT LIABILITY

The Nation has a housing program with CMHC. The financial results of that program are subject to review by CMHC and it is possible that adjustments could be made based on the results of their review.

10. Economic dependence

The Nation receives a significant portion of its revenue from Indigenous Services Canada (ISC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

SHXW'OWHAMEL FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

11. Segments

The Nation receives revenue and incurs expenses from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by the following segments:

Administration:

Includes general operations, support, and financial management of the Nation.

Education and Culture:

Includes revenue and expenses related to primary, secondary and post secondary education of the members of the Nation.

Public Works and Maintenance:

Includes revenue and expenditures related to public utilities and services.

Social Development:

Includes revenue and expenditures related to the social assistance and health services to the members of the Nation.

Housing and Infrastructure:

Includes revenue and expenses related to band owned and social housing of the members of the Nation.

Lands and Resources:
Includes revenue and expenses related to conservation and stewardship of the Nation's land and resources.

Economic Development:

Includes revenue and expenses related to economic opportunities of the Nation.

Health and Wellbeing:

Includes revenue and expenses related to health services of the Nation.

Capital Projects:

Includes revenue and expenses related to capital projects.

Siyam Council:

Includes revenue and expenses related to council.

Own Source Revenue:

Includes revenue and expenses related to other projects of the Nation.

12. Budget information

The disclosed budget information has been approved by the Siyam Council of the Nation. Budget information was not prepared for the full scope of activities performed by the Nation for the year ended March 31, 2020. For many proposal driven departments, budget information was prepared but not assembled for inclusion in these financial statements.

SHXW'OWHAMEL FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

13. Indigenous Services Canada funding reconciliation

	<u>2020</u>	<u>2019</u>
ISC revenue per confirmation	\$ 1,852,269	\$ -
Prior year deferred revenue	<u>540,324</u>	<u>-</u>
ISC revenue per statement of operations	<u>\$ 2,392,593</u>	<u>\$ -</u>

14. Subsequent events

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the Nation's operations as at the date of these financial statements.

SHXW'OWHAMEL FIRST NATION
Consolidated Expenses by Object
Year Ended March 31, 2020

(Schedule 1)

	Budget 2020	Total 2020	Total 2019
EXPENSES BY OBJECT			
Advertising and promotion	\$ 8,000	\$ 14,947	\$ -
Catering	27,959	49,743	49,643
Amortization	-	239,174	169,616
Insurance	950	46,398	116,972
Donations	-	9,077	45,440
Bad debts	-	-	3,038
Interest and bank charges	-	42,908	6,665
Interest on long term debt	-	201,325	58,099
Business taxes, licenses and memberships	90,000	3,983	316
Administration fees	72,556	-	-
Office	21,481	120,130	63,022
Professional fees	140,175	2,540,464	525,812
Social development	254,803	249,244	222,284
Student costs	29,297	48,090	69,314
Tuition	609,622	434,781	404,432
Training	13,861	24,798	44,308
Rental	-	43,187	-
Repairs and maintenance	53,298	65,475	78,989
Security	-	343,533	16,677
Salaries and wages	544,309	1,092,531	591,941
Honoraria	307,300	389,416	171,239
Consulting	124,500	911,190	-
Service contracts	10,722	754,606	601,555
Supplies	33,725	228,924	5,910
Telephone	8,000	26,610	20,415
Travel	72,620	252,421	222,387
Delivery, freight and express	-	1,547	1,964
Utilities	19,665	29,262	57,977
Vehicle	500	8,381	-
Miscellaneous	39,264	107,097	99,244
Community distributions	-	5,022,397	-
Meetings and conventions	91,150	6,041	12,480
Community events	51,000	128,750	84,661
Equipment rentals	-	14,581	-
Allocation to RRF	-	22,800	22,800
	<u>\$ 2,624,757</u>	<u>\$ 13,473,811</u>	<u>\$ 3,767,200</u>

SHXW'OWHAMEL FIRST NATION

Segment - Administration

(Schedule 2)

Year Ended March 31, 2020

	2020	2019
REVENUES		
Indigenouse Services Canada	\$ 944,893	\$ 215,066
Rental Income	44,421	-
Investment Income	27,025	21,779
Province of BC	83,893	-
Zella Holdings	-	16,782
Fundraising	22,620	3,978
Government of Canada	21,429,286	-
Other revenue	31,771	40,130
	<u>22,583,909</u>	<u>297,735</u>
EXPENSES		
Consulting	130,630	-
Donations	8,797	-
Interest and bank charges	42,908	6,029
Community events	91,616	15,382
Delivery, freight and express	1,547	1,934
Insurance	45,709	20,584
Office	116,487	54,434
Advertising and promotion	14,947	-
Professional fees	1,861,212	85,331
Salaries and wages	472,667	216,699
Miscellaneous	77,831	5,681
Rental	43,087	-
Repairs and maintenance	11,598	11,170
Supplies	202,155	1,832
Telephone	9,522	12,331
Training	22,574	9,028
Travel	85,582	110,402
Equipment rentals	11,955	-
Service contracts	27,087	(4,174)
Community distributions	2,960,808	-
Interest on long term debt	141,232	-
Business taxes, licenses and memberships	3,438	200
Honoraria	108,463	86,289
Utilities	11,357	9,956
Vehicle	6,315	-
Meetings and conventions	728	2,981
Catering	32,349	22,066
Security	18,186	16,677
Amortization	141,660	-
	<u>6,702,447</u>	<u>684,832</u>
ANNUAL SURPLUS (DEFICIT)	<u>15,881,462</u>	<u>(387,097)</u>
ACCUMULATED SURPLUS , BEGINNING OF YEAR	<u>2,724,420</u>	<u>3,111,516</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 18,605,882</u>	<u>\$ 2,724,419</u>

See notes to financial statements

SHXW'OWHAMEL FIRST NATION
Segment - Public Works and Maintenance
Year Ended March 31, 2020

(Schedule 3)

	2020	2019
REVENUES		
Indigenouse Services Canada	\$ 97,738	\$ 45,500
Investment Income	1,127	-
Earnings from equity investments	(483,822)	(406,803)
Other revenue	203	3,456
	<u>(384,754)</u>	<u>(357,847)</u>
EXPENSES		
Insurance	912	6,092
Catering	-	375
Business taxes, licenses and memberships	435	116
Consulting	1,539	-
Travel	1,874	6,753
Salaries and wages	10,177	40,135
Office	680	36
Service contracts	15,625	264,815
Supplies	2,462	672
Repairs and maintenance	32,054	6,340
Utilities	10,628	15,724
Vehicle	1,044	-
Professional fees	-	945
Equipment rentals	626	-
Security	20,425	-
Community events	200	-
Telephone	-	1,344
Miscellaneous	8,514	-
Amortization	-	84,374
	<u>107,195</u>	<u>427,721</u>
ANNUAL SURPLUS (DEFICIT)	<u>(491,949)</u>	<u>(785,568)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>(765,491)</u>	<u>20,077</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ (1,257,440)</u>	<u>\$ (765,491)</u>

SHXW'OWHAMEL FIRST NATION
Segment - Housing and Infrastructure
Year Ended March 31, 2020

(Schedule 4)

	2020	2019
REVENUES		
Indigenouse Services Canada	\$ 12,202	\$ -
CMHC - housing subsidies	122,284	115,205
Investment Income	4,236	2,921
Rental Income	131,388	114,557
Other revenue	2,099	6,825
CMHC - other	150,242	520
RRF Allocation	22,800	22,800
	<u>445,251</u>	<u>262,828</u>
EXPENSES		
Consulting	335	-
Service contracts	40,711	7,183
Professional fees	2,675	7,198
Miscellaneous	824	284
Equipment rentals	2,000	-
Salaries and wages	91,225	25,993
Supplies	563	299
Catering	3,213	2,406
Repairs and maintenance	12,650	37,414
Telephone	1,556	1,020
Training	6	2,026
Travel	21,489	18,645
Amortization	97,513	85,242
Interest on long term debt	60,093	58,099
Insurance	-	57,571
Office	164	306
Vehicle	47	-
Utilities	251	7,235
Meetings and conventions	-	250
Honoraria	3,450	1,430
Bad debts	-	3,038
Allocation to RRF	22,800	22,800
	<u>361,565</u>	<u>338,439</u>
ANNUAL SURPLUS (DEFICIT)	<u>83,686</u>	<u>(75,611)</u>
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR	<u>(73,587)</u>	<u>2,023</u>
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	<u>\$ 10,099</u>	<u>\$ (73,588)</u>

SHXW'OWHAMEL FIRST NATION**Segment - Social Development****(Schedule 5)****Year Ended March 31, 2020**

	2020	2019
REVENUES		
Indigenouse Services Canada	\$ 330,989	\$ 290,948
Prior year recoveries	-	21,701
Other revenue	-	94
	330,989	312,743
EXPENSES		
Community events	5,911	6,160
Office	-	162
Catering	6,390	2,451
Salaries and wages	34,924	114,319
Telephone	882	1,038
Meetings and conventions	1,346	475
Travel	2,332	9,771
Miscellaneous	756	48
Social development	249,244	222,284
Supplies	11,589	-
Student costs	1,083	-
Utilities	7,026	22,247
Vehicle	168	-
	321,651	378,955
ANNUAL SURPLUS (DEFICIT)	9,338	(66,212)
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR	(59,307)	6,905
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	\$ (49,969)	\$ (59,307)

SHXW'OWHAMEL FIRST NATION
Segment - Education and Culture
Year Ended March 31, 2020

(Schedule 6)

	2020	2019
REVENUES		
Indigenouse Services Canada	\$ 716,790	\$ 447,775
Other revenue	13,429	-
Province of BC	1,500	-
FNESC	1,544	-
Sto:lo Aboriginal Skills and Employment Training	63,161	-
	<u>796,424</u>	<u>447,775</u>
EXPENSES		
Catering	443	-
Miscellaneous	290	-
Meetings and conventions	397	-
Salaries and wages	145,953	-
Supplies	139	-
Telephone	498	-
Travel	1,236	-
Training	1,935	-
Honoraria	800	-
Student costs	47,007	69,314
Tuition	434,781	404,432
	<u>633,479</u>	<u>473,746</u>
ANNUAL SURPLUS (DEFICIT)	<u>162,945</u>	<u>(25,971)</u>
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR	<u>(145,325)</u>	<u>(119,355)</u>
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	<u>\$ 17,620</u>	<u>\$ (145,326)</u>

SHXW'OWHAMEL FIRST NATION**Segment - Capital Projects****(Schedule 7)****Year Ended March 31, 2020**

	2020	2019
REVENUES		
Indigenouse Services Canada	\$ -	\$ 67,930
First Nations Health Authority	213,465	1,879,707
CMHC - other	132,470	-
	345,935	1,947,637
EXPENSES		
Catering	360	-
Consulting	1,102	-
Service contracts	141,954	-
Honoraria	1,250	-
	144,666	-
ANNUAL SURPLUS	201,269	1,947,637
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,813,700	(133,937)
ACCUMULATED SURPLUS, END OF YEAR	\$ 2,014,969	\$ 1,813,700

SHXW'OWHAMEL FIRST NATION
Segment - Economic Development
Year Ended March 31, 2020

(Schedule 8)

	2020	2019
REVENUES		
Indigenouse Services Canada	\$ 15,000	\$ -
Province of BC	90,500	-
	<u>105,500</u>	<u>-</u>
EXPENSES		
Professional fees	1,120	-
Service contracts	-	36,624
Salaries and wages	46,580	-
Supplies	332	-
Travel	1,633	-
Telephone	1,804	-
Consulting	26,992	-
	<u>78,461</u>	<u>36,624</u>
ANNUAL SURPLUS (DEFICIT)	<u>27,039</u>	<u>(36,624)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>19,591</u>	<u>56,215</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 46,630</u>	<u>\$ 19,591</u>

SHXW'OWHAMEL FIRST NATION**Segment -Siyam Council****(Schedule 9)****Year Ended March 31, 2020**

	2020	2019
REVENUES		
Other revenue	\$ 1,655	\$ -
EXPENSES		
Catering	3,060	-
Service contracts	6,000	-
Supplies	4,786	-
Community events	13,200	-
Rental	100	-
Meetings and conventions	360	-
Office	361	-
Honoraria	115,907	-
Travel	35,512	-
Miscellaneous	2,538	-
Consulting	130	-
Repairs and maintenance	905	-
Telephone	9,834	-
Vehicle	297	-
	192,990	-
ANNUAL SURPLUS (DEFICIT)	(191,335)	-
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	-
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	\$ (191,335)	\$ -

See notes to financial statements

SHXW'OWHAMEL FIRST NATION**Segment -Lands & Resources****(Schedule 10)****Year Ended March 31, 2020**

	2020	2019
REVENUES		
Indigenouse Services Canada	\$ 274,981	\$ 367,203
Province of BC	2,917	-
Other revenue	5,793	369
	283,691	367,572
EXPENSES		
Interest and bank charges	-	635
Office	1,989	8,084
Professional fees	45,985	125,056
Training	227	350
Repairs and maintenance	-	554
Salaries and wages	162,602	62,640
Consulting	21,240	-
Honoraria	3,000	26,730
Community events	-	1,745
Catering	3,806	10,009
Service contracts	450,085	170,695
Supplies	2,689	-
Travel	14,638	31,001
Meetings and conventions	-	8,775
Telephone	1,851	3,842
Delivery, freight and express	-	30
Vehicle	210	-
Miscellaneous	11,157	1,907
	719,479	452,053
ANNUAL SURPLUS (DEFICIT)	(435,788)	(84,481)
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR	(84,481)	-
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	\$ (520,269)	\$ (84,481)

SHXW'OWHAMEL FIRST NATION

Segment - Own Source Revenue

(Schedule 11)

Year Ended March 31, 2020

	2020	2019
REVENUES		
Province of BC	\$ -	\$ 152,083
Rental Income	53,525	99,960
Investment Income	22,809	-
Community Contributions	-	143,911
Taxation	23,575	90,067
Sto:lo Aboriginal Skills and Employment Training	-	54,767
Brighter Futures	-	21,159
Lease Revenue	94,063	14,315
Logging Revenue	-	11,107
CH2M Hill	-	8,573
BCFN Gaming	280,780	-
Other revenue	94,160	80,392
Trans Mountain	3,865,127	-
	4,434,039	676,334
EXPENSES		
Donations	280	45,440
Insurance	(223)	32,725
Business taxes, licenses and memberships	110	-
Office	450	-
Professional fees	629,471	307,283
Training	56	32,904
Repairs and maintenance	8,268	23,511
Security	304,922	-
Salaries and wages	60,000	132,155
Consulting	729,223	-
Honoraria	153,896	56,790
Community events	11,660	61,374
Community distributions	2,061,589	-
Catering	-	12,336
Service contracts	73,144	126,412
Supplies	1,673	3,107
Travel	87,011	45,815
Utilities	-	2,815
Telephone	-	840
Vehicle	300	-
Miscellaneous	4,918	91,324
	4,126,748	974,831
ANNUAL SURPLUS (DEFICIT)	307,291	(298,497)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	3,147,140	3,445,638
ACCUMULTAED SURPLUS, END OF YEAR	\$ 3,454,431	\$ 3,147,141

See notes to financial statements

SHXW'OWHAMEL FIRST NATION**Segment - Health & Well Being****(Schedule 12)****Year Ended March 31, 2020**

	2020	2019
REVENUES		
First Nations Health Authority	\$ 79,688	\$ -
Brighter Futures	7,000	-
Other revenue	2,025	-
	88,713	-
EXPENSES		
Salaries and wages	68,403	-
Honoraria	2,650	-
Community events	6,164	-
Catering	122	-
Supplies	2,538	-
Travel	1,113	-
Meetings and conventions	3,211	-
Telephone	664	-
Miscellaneous	270	-
	85,135	-
ANNUAL SURPLUS	3,578	-
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	-
ACCUMULATED SURPLUS, END OF YEAR	\$ 3,578	\$ -