

**Skeetchestn Indian Band**  
**Consolidated Financial Statements**  
**For the year ended March 31, 2022**

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## Management's Responsibility for Financial Reporting

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The accompanying consolidated financial statements of the Skeetchestn Indian Band (the "Group") are the responsibility of management and have been approved by the Chief and another Councilor of the Government.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Group maintains systems of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Government's assets are appropriately accounted for and adequately safeguarded.

The Group is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council review the Government's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report. The Chief and Council take this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also appoint the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. BDO Canada LLP has full access to the Government.



Chief  
Tracy Hewitt

Councilor  
Archie Desautel

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## Independent Auditor's Report

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### To the Chief and Council of Skeetchestn Indian Band Skeetchestn Indian Band - Consolidated

#### Opinion

We have audited the consolidated financial statements of Skeetchestn Indian Band and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of changes in net assets, operations and cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2022 and the results of its operations, change in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for Qualified Opinion

As noted in the Summary of Significant Accounting Policies regarding tangible capital assets, the Social Housing tangible capital assets are required by Canada Mortgage and Housing Corporation to be amortized at a rate equivalent to the annual principal reduction of the related long term debt. This amortization policy is not in accordance with Canadian public sector accounting standards, which require that tangible capital assets be amortized over their estimated useful lives. The effect of this departure has not been determined on the net book value of tangible capital assets as at March 31, 2022 and 2021, the related amortization expense and annual surplus for the year ended March 31, 2022 and 2021 and equity in tangible capital assets as at April 1 and March 31 for both the 2022 and 2021 years

The financial statements for the certain Government Business Enterprises or Government Business Partnership have not been prepared under a standard financial reporting framework. Canadian public sector accounting standards require that a Government Business Enterprise prepare its financial statements in accordance with international financial reporting standards (IFRS). We have not been engaged to audit the differences that may arise under IFRS. Therefore, we are unable to determine the impact of this departure from Canadian public sector accounting standards on investments in Government Business Enterprises as at March 31, 2022 and 2021, Government Business Enterprises income and annual surplus (deficit) for the years ended March 31, 2022 and 2021, and the accumulated surplus as at April 1 and March 31 for both the 2022 and 2021 years.

Our audit opinion on the consolidated financial statements for the year ended March 31, 2022 was modified for the above matters.

#### Emphasis of Matter - Restated Comparative Information

We draw attention to Note 24 to the consolidated financial statements, which explains that certain comparative information presented for the year ended March 31, 2021 has been restated. Our opinion is not modified in respect of this matter.

The financial statements for the year ended March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements January 11, 2022.

## **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 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 the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Consolidated Group'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.

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 Group'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 Group'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 Group's 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants


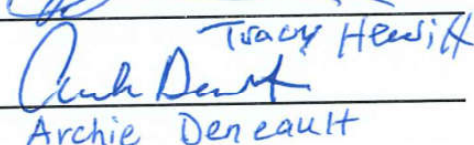
Kamloops, British Columbia  
January 25, 2023

**Skeetchestn Indian Band**  
**Exhibit A - Consolidated Statement of Financial Position**

| March 31  | 2022                 | 2021<br>(restated)   |
|---|----------------------|----------------------|
| <b>Financial Assets</b>                                 |                      |                      |
| Cash  | \$ 20,877,961        | \$ 13,013,789        |
| Accounts receivable (Note 3)                            | 2,590,876            | 1,364,458            |
| Restricted cash (Note 4)                                | 1,485,313            | 1,778,190            |
| Funds held in trust (Note 5)                            | 5,123,348            | 5,049,236            |
| Long-term investments (Note 6)                          | 3,371                | 3,371                |
| Investments in government partnerships (Note 7)         | 7,764,592            | 7,525,602            |
| Investments in government business enterprises (Note 8) | 3,242,573            | 3,039,328            |
| Due from related parties (Note 9)                       | 1,419,233            | 1,719,657            |
|   | <u>42,507,267</u>    | <u>33,493,631</u>    |
| <b>Liabilities</b>                                      |                      |                      |
| Accounts payable and accruals                           | 2,404,368            | 1,278,417            |
| Deferred revenue (Note 10)                              | 4,953,815            | 676,721              |
| Long-term debt (Note 11)                                | 2,238,774            | 1,633,178            |
| Construction loan payable (Note 12)                     | -                    | 282,330              |
|   | <u>9,596,957</u>     | <u>3,870,646</u>     |
| <b>Net Financial Assets</b>                             | <u>32,910,310</u>    | <u>29,622,985</u>    |
| <b>Non-Financial Assets</b>                             |                      |                      |
| Prepaid expenses  | 44,071               | 44,071               |
| Tangible capital assets (Note 12)                       | 11,010,029           | 11,554,814           |
|   | <u>11,054,100</u>    | <u>11,598,885</u>    |
| <b>Accumulated Surplus (Note 13)</b>                    | <u>\$ 43,964,410</u> | <u>\$ 41,221,870</u> |

Commitments and contingencies (Note 14)

Approved on behalf of the Skeetchestn Indian Band:

|   |            |
|---|------------|
| <br>_____<br>Tracy Hewitt    | Councillor |
| <br>_____<br>Archie Deneault | Councillor |

**Skeetchestn Indian Band**

**Exhibit B - Consolidated Statement of Change in Net Financial Assets**

| For the year ended March 31   | Budget<br>2022<br>(Note 18) | 2022         | 2021<br>(restated) |
|---|-----------------------------|--------------|--------------------|
| <b>Excess of revenue over expenses</b>  | \$ 552,352                  | \$ 3,393,916 | \$ 4,260,713       |
| Net remeasurement gains for the year  | -                           | 101,651      | 964,903            |
| Acquisition of tangible capital assets  | -                           | (359,976)    | (1,278,765)        |
| Proceeds on sale of tangible capital assets                                   | -                           | -            | 249,749            |
| Gain on sale of tangible capital assets                                       | -                           | -            | (24,124)           |
| Amortization of tangible capital assets                                       | -                           | 770,555      | 806,243            |
| Change in prepaid expenses  | -                           | -            | 1,814              |
| Net book value of assets consolidated in<br>from former Business entities     | -                           | (618,821)    | -                  |
| Prior period adjustments  | -                           | -            | (3,703,292)        |
| <b>Increase in net financial assets</b>                                       | 552,352                     | 3,287,325    | 1,277,241          |
| <b>Net financial assets, beginning of year</b>                                | 29,622,985                  | 29,622,985   | 28,345,744         |
| <b>Net financial assets, end of year</b>                                      | 30,175,337                  | 32,910,310   | 29,622,985         |
| <b>Net financial assets, opening - as previously stated</b>                   | \$ -                        | \$34,584,879 | \$ 28,345,745      |
| <b>Prior period adjustments (Note 24)</b>                                     | -                           | (4,961,894)  | -                  |
| <b>Net financial assets, opening - restated</b>                               | -                           | 29,622,985   | 28,345,745         |
| <b>Increase (decrease) in net financial<br/>assets - as previously stated</b> | -                           | 3,287,325    | 6,239,134          |
| <b>Prior period adjustment</b>  | -                           | -            | (4,961,894)        |
| <b>Increase in net financial assets - restated</b>                            | -                           | 3,287,325    | 1,277,240          |
| <b>Net financial assets, ending</b>   | \$ -                        | \$32,910,310 | \$ 29,622,985      |

**Skeetchestn Indian Band**  
**Exhibit C - Consolidated Statement of Operations**

| For the year ended March 31                                | Budget<br>2022    | 2022              | 2021              |
|--|-------------------|-------------------|-------------------|
|  | (Note 18)         |                   | (restated)        |
| <b>Revenue</b>   |                   |                   |                   |
| Indigenous Services Canada                                 | \$ 2,813,732      | \$ 4,112,758      | \$ 3,116,351      |
| First Nations Health Authority                             | 38,800            | 105,068           | 789,756           |
| Canada Mortgage and Housing Corporation                    | 4,192,379         | 495,768           | 140,594           |
| Province of British Columbia                               | 367,141           | 475,522           | 239,568           |
| Income from investments in government business enterprises | -                 | 1,926,172         | -                 |
| Partnership income   | 100,000           | 507,419           | 650,695           |
| Property taxes   | 643,259           | 623,705           | 644,394           |
| Logging  | -                 | -                 | -                 |
| Rental income  | 67,300            | 243,537           | 243,142           |
| Q'wemts'n Health Society                                   | 258,367           | 305,224           | 238,010           |
| First Nations Education Steering Committee                 | 350,733           | 401,737           | 422,907           |
| First Peoples Heritage, Language & Culture Council         | 150,000           | 149,098           | 152,084           |
| Enbridge   | -                 | 1,000             | 150,000           |
| Aboriginal Skills and Employment Training Strategy         | 3,500             | 8,018             | 4,486             |
| Shuswap Nation Tribal Council                              | -                 | 11,345            | 6,414             |
| Scw'exmx Child & Family Services Society                   | -                 | -                 | -                 |
| FCRSA  | -                 | 646,555           | 1,421,026         |
| BC Gaming  | 221,598           | 221,598           | 378,841           |
| Interest   | 527,031           | 442,632           | 349,850           |
| Consulting and contract                                    | 2,762,995         | 1,912,816         | 2,983,917         |
| Other  | 429,520           | 1,655,833         | 1,219,531         |
|  | <b>12,926,355</b> | <b>14,245,805</b> | <b>13,151,566</b> |
| <b>Expenses</b>  |                   |                   |                   |
| Administration   | 1,759,299         | 2,454,419         | 1,462,246         |
| Band Revenue   | 570,420           | 925,996           | 1,492,009         |
| Education  | 1,946,835         | 2,026,576         | 1,644,556         |
| Housing & Capital Projects                                 | 5,126,225         | 689,758           | 935,908           |
| Natural Resources  | 254,546           | 1,241,756         | 1,016,240         |
| Public Works   | 1,125,562         | 1,703,881         | 643,343           |
| Social Development   | 1,591,116         | 1,519,334         | 1,446,701         |
| Social Housing   | -                 | 290,169           | 249,850           |
|  | <b>12,374,003</b> | <b>10,851,889</b> | <b>8,890,853</b>  |
| <b>Excess of revenue over expenses</b>                     | \$ 552,352        | \$ 3,393,916      | \$ 4,260,713      |
| Accumulated surplus, opening - as previously stated        | \$ -              | \$ 42,670,902     | \$ 36,954,075     |
| Prior period adjustments (Note 24)                         | -                 | (353,013)         | -                 |
| Accumulated surplus, opening - restated                    | -                 | 41,214,788        | 36,954,075        |
| Surplus for the year - as previously stated                | -                 | 3,393,916         | 4,613,726         |
| Prior period adjustment                                    | -                 | (644,293)         | (353,013)         |
| Surplus for the year - restated (Note 24)                  | -                 | 2,749,623         | 4,260,713         |
| Accumulated surplus, ending                                | \$ -              | \$ 43,964,411     | \$ 41,214,788     |

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.



**Skeetchestn Indian Band**  
**Exhibit E - Consolidated Statement of Cash Flows**

| <b>For the year ended March 31</b>              | <b>2022</b>                | <b>2021</b><br>(restated)   |
|---|----------------------------|-----------------------------|
| <b>Cash flows from operating transactions</b>   |                            |                             |
| Excess of revenue over expenses                 | \$ 3,393,916               | \$ 4,260,713                |
| Adjustments for items not affecting cash:       |                            |                             |
| Amortization of tangible capital assets         | 770,555                    | 806,243                     |
| Equity income from partnerships                 | (1,544,939)                | (2,508,663)                 |
| Changes from government business enterprises    | (783,378)                  | (2,013,519)                 |
|   | <u>1,836,154</u>           | <u>544,774</u>              |
| Change in non-cash working capital:             |                            |                             |
| Accounts receivable                             | (1,226,418)                | 259,051                     |
| Prepaid expenses                                | 92,825                     | 9,700                       |
| Accounts payable and accruals                   | 1,125,951                  | (751,539)                   |
| Deferred revenue                                | 4,277,094                  | 48,020                      |
|   | <u>4,269,452</u>           | <u>(434,768)</u>            |
| <b>Cash flows from operating transactions</b>   |                            |                             |
| <b>Capital transactions</b>                     |                            |                             |
| Acquisition of tangible capital assets          | (618,023)                  | (1,278,765)                 |
| Proceeds on disposal of tangible capital assets | -                          | 249,749                     |
|   | <u>(618,023)</u>           | <u>(1,029,016)</u>          |
| <b>Cash flows from capital transactions</b>     |                            |                             |
| <b>Investing transactions</b>                   |                            |                             |
| Drawings from partnerships                      | 895,845                    | 335,173                     |
| Investment and advances                         | 208,300                    | (1,167,739)                 |
| Funds held in trust                             | (74,112)                   | 53,181                      |
|   | <u>1,030,033</u>           | <u>(779,385)</u>            |
| <b>Cash flows from investing transactions</b>   |                            |                             |
| <b>Financing transactions</b>                   |                            |                             |
| Proceeds from long-term debt                    | 448,083                    | 282,330                     |
| Repayment of long-term debt                     | 605,596                    | (107,001)                   |
|   | <u>1,053,679</u>           | <u>175,329</u>              |
| <b>Cash flows from financing transactions</b>   |                            |                             |
| <b>Net increase (decrease) in cash</b>          | <b>7,571,295</b>           | <b>(1,523,066)</b>          |
| <b>Cash, beginning of year</b>                  | <u><b>14,791,979</b></u>   | <u><b>16,315,045</b></u>    |
| <b>Cash, end of year</b>                        | <u><b>\$22,363,274</b></u> | <u><b>\$ 14,791,979</b></u> |
| <b>Represented By:</b>                          |                            |                             |
| Cash  | \$20,877,961               | \$13,013,789                |
| Restricted Cash                                 | 1,485,313                  | 1,778,190                   |
|   | <u>\$22,363,274</u>        | <u>\$ 14,791,979</u>        |

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

**March 31, 2022**

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## **1. Basis of Presentation and Significant Accounting Policies**

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as prescribed by the Public Sector Accounting Board.

The significant accounting policies are summarized as follows:

### **Reporting Entity and Principles of Financial Reporting**

The Skeetchestn Indian Band reporting entity includes the Skeetchestn Indian Band government and all related entities which are accountable to the Skeetchestn Indian Band and are either owned or controlled by the Skeetchestn Indian Band.

The Skeetchestn Indian Band consolidates Social Housing operations as Skeetchestn Indian Band administers services to provide social housing to the Groups members.

All controlled entities are consolidated in the Skeetchestn Indian Band's financial statements according to the Skeetchestn Indian Band's percentage ownership except for entities that meet the definition of a government business enterprises or a government business partnership, which are included in the financial statements on a modified equity basis. Under this method, the Skeetchestn Indian Band's investment in the business enterprise and its net income and other changes in equity are recorded in proportion to its percentage ownership. No adjustment is made to conform the accounting policies of the government business enterprises or partnership to those of the Skeetchestn Indian Band. Inter-organizational transactions and balances are not eliminated, except for any profit or loss on transactions of assets that remain within the consolidated First Nation entity.

The following organizations and partnerships are owned or controlled by the Skeetchestn Indian Band and which are not dependent on the Band for their continuing operations, are included in the consolidated financial statements using the modified equity method:

- Knucwentwecw Development Corporation.
- Big Sky Station Ltd.
- Skeetchestn Natural Resources Corporation
- Ckukutusem Utility Services (2021) Limited Liability Partnership
- Stk'emlupsemc Limited Partnership
- Skeetchestn Holdings Limited Liability Partnership
- Painted Rock Aggregates & Contracting LLP
- Skeetchestn Natural Resources LLP

iv. The First Nation's interest in reserve lands is not reflected in these financial statements, as no consideration was paid by the First Nation to acquire these lands.

**March 31, 2022**

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**1. Basis of Presentation and Significant Accounting Policies (continued)**

**Cash and Cash Equivalents**

Cash equivalents include instruments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

**Use of Estimates**

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to determining the allowance for doubtful accounts, the useful lives of non-financial assets for amortization, liability for contaminated sites, and provision for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the consolidated financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**Long-term Investments**

Long-term investments are recorded in non-controlled entities, which are not subject to significant interest are recorded at cost.

**Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

|                           |                |
|---------------------------|----------------|
| Buildings                 | 25 years       |
| Bridges and cattle guards | 25 years       |
| Water system              | 25 years       |
| Automotive equipment      | 7 years        |
| Office equipment          | 7 years        |
| Equipment                 | 7 years        |
| Farm irrigation equipment | 7 years        |
| Property and equipment    | 10 to 25 years |
| Roads                     | 10 years       |

Assets under construction are not amortized until the asset is available for productive use.

Under the terms of the agreement with CMHC amortization is provided annual in amounts equal to the principal reduction of the mortgage on the related housing project. Each project will therefore be amortized over the amortization period of the related mortgage.

The Skeetchestn Indian Band reviews the useful lives and the carrying values of its tangible capital assets at least annually or more frequently if events or changes in circumstances indicate that the assets might be impaired, by reference to the assets' contribution to the Skeetchestn Indian Band's ability to provide services. When assets no longer have any long-term service potential, the assets are considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceeds their fair value, which is estimated as the expected service potential of the assets.

**March 31, 2022**

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**1. Basis of Presentation and Significant Accounting Policies (continued)**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt except in unusual circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

**Revenue Recognition**

The Skeetchestn Indian Band derives revenues from a number of sources. Revenue is recognized on the accrual basis as it is earned, is measurable, and becomes receivable under the terms of the applicable funding agreement.

Own source revenues derived from such sources as property taxes, housing rents, resource based revenues, and interest income are reported when received or receivable and collection is reasonably assured.

All other revenues are recognized in the period in which the events that give rise to the revenue occurs.

**Government Transfers**

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

**Ottawa Trust Funds**

Skeetchestn Indian Band uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized as revenue of the Band upon authorized withdrawal from the Ottawa Trust Funds.

**Deferred Revenue**

Funds received for a specific purpose which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statements of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purposes.

**Leased Assets**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. Capital leases are amortized in a manner consistent with the tangible capital asset type, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**Non-financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services or consumed in normal operations. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

**March 31, 2022**

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**1. Basis of Presentation and Significant Accounting Policies (continued)**

**Segmented Disclosure**

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the Band. The Band identifies segments based on specific projects and funding arrangements. Revenue and expenses are allocated to these segments according to methods of identification.

**Budget**

Budget information for individual programs has been included in the consolidated financial statements when the information is available and represents the 2021/2022 operating and capital budgets approved by Chief and Council.

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**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

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## **2. Financial Instruments**

### **Fair Value of Financial Assets and Financial Liabilities:**

The carrying values of cash, grants and accounts receivable, CMHC subsidy accrual, restricted cash, funds held in trust and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

The carrying value of long- term debt approximates its fair value as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

It is not practicable to determine the fair value of long- term investments and advances to subsidiaries due to the limited amount of comparable market information available.

### **Credit Risk:**

The Band is exposed to a credit risk by its customers. However, because the majority of revenues is from government agencies, credit risk concentration is reduced to the minimum.

### **Interest Rate Risk:**

Long- term debt has fixed rates; therefore interest expense will decrease with principal repayment of the mortgage and interest risk is reduced to the minimum.

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## **3. Accounts Receivable**

| Band Operations                  | 2022                | 2021                |
|----------------------------------|---------------------|---------------------|
| Grants Receivable                | \$ 60,418           | \$ -                |
| Other Accounts Receivable        | 2,840,047           | 1,686,479           |
| Social housing (recovery)        | (2,722)             | (461)               |
| Band Members                     | 151,319             | 136,626             |
|                                  | <u>3,049,062</u>    | <u>1,822,644</u>    |
| Allowance for Doubtful Accounts: |                     |                     |
| Other Accounts Receivable        | (323,596)           | (323,596)           |
| Band Members                     | (134,590)           | (134,590)           |
|                                  | <u>(458,186)</u>    | <u>(458,186)</u>    |
|                                  | <u>\$ 2,590,876</u> | <u>\$ 1,364,458</u> |

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**4. Restricted Cash**

|                     | 2022                | 2021                |
|---------------------|---------------------|---------------------|
| Ottawa trust funds  | \$ 1,194,582        | \$ 1,458,011        |
| Replacement reserve | 267,703             | 236,086             |
| Operating reserve   | 23,028              | 84,093              |
|                     | <u>\$ 1,485,313</u> | <u>\$ 1,778,190</u> |

a) Ottawa Trust Funds

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.

b) Replacement Reserve:

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$29,854 (2021- \$ 26,490) annually plus interest. 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 Canada Mortgage and Housing Corporation from time to time.

|  | 2022              | 2021              |
|--|-------------------|-------------------|
| Balance, beginning of year                 | \$ 217,820        | \$ 213,579        |
| Allocation for the year                    | 29,854            | 26,490            |
| Expenses for the year                      | (30,088)          | (22,879)          |
| Interest earned                            | 430               | 630               |
| Balance, end of year                       | <u>\$ 218,016</u> | <u>\$ 217,820</u> |
| The Replacement Reserve is represented by: |                   |                   |
| Cash                                       | <u>\$ 267,703</u> | <u>\$ 236,086</u> |

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

c) Operating Reserve:

Under the terms of the agreement with Canada Mortgage and Housing Corporation, after the payment of all costs and expenses, including the allocation of the Replacement Reserve, any surplus revenue related to Social Housing Operation Phase 6 - 11 will be retained by the First Nation within an Operating Reserve fund. Interest earnings must accrue to and be maintained in the Operating Reserve fund. The Operating Reserve fund may only be used for the ongoing operating costs of the housing projects committed under the On-Reserve Program. Accordingly, future years' deficits may be recovered from the Operating Reserve fund. The First Nation agrees to maintain Operating Reserve funds 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 mutually agreed to by the First Nation and Canada Mortgage and Housing Corporation.

|                            | 2022             | 2021             |
|----------------------------|------------------|------------------|
| Balance, beginning of year | \$ 44,495        | \$ 65,982        |
| Current year deficiency    | (16,370)         | (21,711)         |
| Interest                   | 215              | 224              |
| Balance, end of year       | <u>\$ 28,340</u> | <u>\$ 44,495</u> |

The Operating Reserve is represented by:

|      |                  |                  |
|------|------------------|------------------|
| Cash | <u>\$ 23,028</u> | <u>\$ 84,093</u> |
|------|------------------|------------------|



**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**5. Funds Held in Trust**

On March 21, 2007, Her Majesty the Queen in Right of Canada (Canada) signed the Smith/ Curtis Specific Claim Settlement Agreement (Settlement Agreement) with the Skeetchestn Indian Band (the Band). Under the terms of the Settlement Agreement, Canada agreed to pay compensation to the Band for damage and losses caused by the alienation of land within the Skeetchestn Reserve without the Band's consent or approval. As compensation for this settlement, Canada paid \$4,777,000 less \$249,865 in outstanding loans extended to the Band for the purposes of negotiations and settlement.

The trust agreement was established to hold the compensation and any income there from for the benefit of current and future generations of members of the Skeetchestn Indian Band. Royal Trust Corporation of Canada will administer the trust in accordance with the trust agreement. The trust agreement governs the distribution of income earned and distributed from the trust in the best interests of the Band and its members.

Under the terms of the trust agreement, the core capital of the trust may never be less than \$3,000,000, indexed to inflation. The expenses from the trust fund may only be made in areas of education, health, economic development, community infrastructure and land purchases. An amount may also be drawn for a reasonable management fee.

|                            | Cost                | Unrealized<br>Gain (loss) | Fair Market<br>Value 2022 | Fair Market<br>Value 2021 |
|----------------------------|---------------------|---------------------------|---------------------------|---------------------------|
| Common stock & equivalents | \$ 3,851,325        | \$ 845,638                | \$ 4,696,963              | \$ 5,155,356              |
| Fixed income securities    | 983,377             | (55,058)                  | 928,319                   | 965,314                   |
| Cash & equivalents         | 288,636             | -                         | 288,636                   | 150,968                   |
| Other                      | 10                  | -                         | 10                        | 10                        |
|                            | <u>\$ 5,123,348</u> | <u>\$ 790,580</u>         | <u>\$ 5,913,928</u>       | <u>\$ 6,271,648</u>       |

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**6. Long-term Investments and Advances**

|   | 2022     | 2021     |
|---|----------|----------|
| All Nations Trust Company, at cost:   |          |          |
| 3,750 Common shares, par value \$1.00   | \$ 3,251 | \$ 3,251 |
| BC First Nations Gaming Revenue Sharing Limited Partnership   |          |          |
| 0.52% interest in partnership   |          |          |
| Balance, end of year  | 100      | 100      |
| Shares in the General Partner, BCFN GRS GP Inc.,<br>a corporation incorporated under the BC Business<br>Corporations Act. Share represents a 0.49% interest<br>in the Company at March 31, 2020 | 10       | 10       |
| Stk'emlupsemc Enterprises Inc.  |          |          |
| Shares:.  |          |          |
| Common - 50%  | 10       | 10       |
| Advances  | -        | -        |
| Valuation allowance   | -        | -        |
|   | 10       | 10       |
|   | \$ 3,371 | \$ 3,371 |

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**7. Investments in Partnerships**

|  | <b>2022</b>         | <b>2021</b>         |
|--|---------------------|---------------------|
| Stk'emlupsemc Limited Partnership                  | \$ 83,242           | \$ 1,051,557        |
| Skeetchestn Holdings Limited Liability Partnership | 700,729             | 564,672             |
| Painted Rock Aggregates & Contracting LLP          |                     | 2,944,251           |
| 2,030,396  |                     |                     |
| Skeetchestn Natural Resources LLP                  | 3,597,537           | 3,893,905           |
| Ckukutusem Utility Services (2021) LLP             | 438,833             | (14,929)            |
| Investment balance, end of year                    | <b>\$ 7,764,592</b> | <b>\$ 7,525,601</b> |

Skeetchestn Holdings Limited Liability Partnership ("SHLLP") is a partnership domiciled in Canada and has a registered office at 1000 Trans Canada Hwy, Savona, BC. SHLLP is engaged in trucking, natural resources management and rental. SHLLP is controlled by the First Nation (Limited Partner 99%). Net income (loss) of the Partnership is allocated to the respective partners annually.

Painted Rock Aggregates & Contracting LLP ("Painted Rock LLP") is a partnership domiciled in Canada and has a registered office at 1000 Trans Canada Hwy, Savona, BC. Painted Rock LLP is engaged in the management of a gravel pit in Savona, BC and markets a wide variety of gravel related products. Painted Rock LLP is controlled by the First Nation (Limited Partner 99%). Net income of Painted Rock LLP is allocated to the respective partners annually.

Skeetchestn Natural Resources LLP ("SNRLLP") is a partnership domiciled in Canada and has a registered office at 1000 Trans Canada Hwy, Savona, BC. SNRLLP is engaged in the operations of the First Nation's former Natural Resources department, primarily in the promoting of land and resource development and economic opportunities in the First Nation's traditional territory. SNRLLP is controlled by the First Nation (Limited Partner 99.9%). Net income of SNRLLP is allocated to the respective Partners annually.

Ckukutusem Utility Services (2021) Limited Liability Partnership ("CUSLLP") is a partnership domiciled in Canada and has a registered office at 1000 Trans Canada Hwy, Savona, BC. CUSLLP is engaged in the operations of providing oil and gas pipeline infrastructure, installation and maintenance services. This includes spill response, project management, labour supply, and safety and environmental training. CUSLLP is controlled by the First Nation (Limited Partner 99.9%). Net income of CUSLLP is allocated to the respective Partners annually.

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**7. Investments in Partnerships (continued)**

|                                   |                  |                     |
|-----------------------------------|------------------|---------------------|
| Stk'emlupsemc Limited Partnership | 2022             | 2021                |
| Interest                          |                  |                     |
| Units - 49.995%                   | \$ -             | \$ -                |
| Partnership interest:             |                  |                     |
| Opening balance                   | 1,051,557        | 894,604             |
| Net income allocation             | 483,071          | 1,558,213           |
| Contributions (drawings)          | (1,451,386)      | (1,401,260)         |
| Balance, end of year              | <u>\$ 83,242</u> | <u>\$ 1,051,557</u> |

Financial information for Stk'emlupsemc Limited Partnership is as follows:

|                            | Total             | The Groups portion<br>2022 | 2021                |
|----------------------------|-------------------|----------------------------|---------------------|
| Cash                       | \$ 14,033         | \$ 7,016                   | \$ 112,039          |
| Other assets               | 614,428           | 307,183                    | 930,662             |
| Due from related parties   | 4,936,445         | 2,467,976                  | 1,934,225           |
|                            | <u>5,564,906</u>  | <u>2,782,175</u>           | <u>2,976,926</u>    |
| Accounts payable           | 151,980           | 75,982                     | 12,471              |
| Deferred revenue           | 5,244,544         | 2,622,010                  | 1,912,103           |
|                            | <u>5,396,524</u>  | <u>2,697,992</u>           | <u>1,924,574</u>    |
| Equity                     | <u>\$ 168,382</u> | <u>\$ 84,191</u>           | <u>\$ 1,052,352</u> |
| Revenues                   | 3,709,099         | 1,854,364                  | 1,563,844           |
| Other comprehensive income | 203,322           | 101,651                    | 750,077             |
| Expenses                   | 2,946,183         | 1,472,944                  | 755,633             |
| Net income                 | <u>\$ 966,238</u> | <u>\$ 483,071</u>          | <u>\$ 1,558,288</u> |

Stk'emlupsemc Limited Partnership is a partnership with the object of the entity to recover the costs of maintaining the natural resource rights and title within its traditional territory.

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**7. Investments in Partnerships (continued)**

Investment in Skeetchestn Holdings Limited Liability Partnership

|                            | 2022       | 2021       |
|----------------------------|------------|------------|
| Interest:                  |            |            |
| Units - 99%                | \$ 9,900   | \$ 9,900   |
| Advances                   | 137,823    | 137,823    |
|                            | 147,723    | 147,723    |
| Partnership interest:      |            |            |
| Opening balance            | 416,949    | 351,399    |
| Net gain (loss) allocation | 136,057    | 65,550     |
|                            | 553,006    | 416,949    |
| Balance, end of year       | \$ 700,729 | \$ 564,672 |

Financial information for Skeetchestn Holdings Limited Liability Partnership is as follows:

|                                | 2022       | 2021       |
|--------------------------------|------------|------------|
| Current assets                 | \$ 6,531   | \$ 24,869  |
| Property and equipment         | 19,026     | 342,001    |
| Due from related party         | 735,858    | 444,222    |
|                                | 761,415    | 811,092    |
| Current liabilities            | 15,000     | 2,363      |
| Obligation under capital lease | -          | 199,746    |
| Long term debt                 | 40,000     | 40,000     |
|                                | 55,000     | 242,109    |
| Equity                         | \$ 706,415 | \$ 568,983 |
| Revenues                       | \$ 165,735 | \$ 215,257 |
| Expenses                       | 28,303     | 149,045    |
| Net gain (loss)                | \$ 137,432 | \$ 66,212  |

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**7. Investments in Partnerships (continued)**

Investment in Painted Rock Aggregates and Contracting LLP

|                            | 2022                | 2021                |
|----------------------------|---------------------|---------------------|
| Interest:                  |                     |                     |
| Units - 99%                | \$ 9,900            | \$ 9,900            |
| Advances                   | -                   | -                   |
|                            | <u>9,900</u>        | <u>9,900</u>        |
| Partnership interest:      |                     |                     |
| Opening balance            | 2,020,496           | 1,012,774           |
| Net gain (loss) allocation | 913,855             | 1,007,722           |
|                            | <u>2,934,351</u>    | <u>2,020,496</u>    |
| Balance, end of year       | <u>\$ 2,944,251</u> | <u>\$ 2,030,396</u> |

Financial information for Painted Rock Aggregates & Contracting LLP is as follows:

|                                    | 2022                | 2021                |
|------------------------------------|---------------------|---------------------|
| Cash                               | \$ 360,161          | \$ -                |
| Accounts receivable                | 834,905             | 1,135,336           |
| Inventory                          | 2,958,037           | 1,966,839           |
| Due from partners                  | 6,728               | 6,728               |
| Other assets                       | 170,888             | 77,687              |
| Property and equipment             | 5,784,784           | 5,676,310           |
|                                    | <u>10,115,503</u>   | <u>8,862,900</u>    |
| Accounts payable                   | 878,144             | 689,208             |
| Other current liabilities          | 6,546               | 53,062              |
| Due to related parties             | 2,425,521           | 1,637,379           |
| Debt and capital lease obligations | 3,771,301           | 4,372,347           |
| Reclamation cost obligations       | 60,000              | 60,000              |
|                                    | <u>7,141,512</u>    | <u>6,811,996</u>    |
| Equity (deficiency)                | <u>\$ 2,973,991</u> | <u>\$ 2,050,904</u> |
| Revenues                           | \$ 8,259,897        | \$ 7,832,202        |
| Expenses                           | 7,336,811           | 6,814,302           |
| Net gain (loss)                    | <u>\$ 923,086</u>   | <u>\$ 1,017,900</u> |

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**7. Investments in Partnerships (continued)**

Investment in Skeetchestn Natural Resources LLP

|                            | 2022                | 2021                |
|----------------------------|---------------------|---------------------|
| Partnership units - 99.9%  | \$ 999              | \$ 999              |
| Advances                   | 331,757             | 331,757             |
|                            | <u>332,756</u>      | <u>332,756</u>      |
| Partnership interest:      |                     |                     |
| Opening balance            | 3,561,149           | 3,191,737           |
| Net gain (loss) allocation | (296,368)           | 369,412             |
|                            | <u>3,264,781</u>    | <u>3,561,149</u>    |
| Balance, end of year       | <u>\$ 3,597,537</u> | <u>\$ 3,893,905</u> |

Financial information for Skeetchestn Natural Resources LLP is as follows:

|                        | 2022                | 2021                |
|------------------------|---------------------|---------------------|
| Cash                   | \$ 752,390          | \$ 598,234          |
| Accounts receivable    | 1,631,521           | 1,821,519           |
| Other current assets   | -                   | 19,288              |
| Property and equipment | 1,353,446           | 1,555,992           |
|                        | <u>3,737,357</u>    | <u>3,995,033</u>    |
| Current liabilities    | 493,902             | 653,209             |
| Other liabilities      | 40,000              | 40,000              |
| Due to related parties | (397,351)           | (595,647)           |
|                        | <u>136,551</u>      | <u>97,562</u>       |
| Equity                 | <u>\$ 3,600,806</u> | <u>\$ 3,897,471</u> |
| Revenues               | \$ 6,546,532        | \$ 4,500,446        |
| Expenses               | 6,843,197           | 4,130,480           |
| Net gain (loss)        | <u>\$ (296,665)</u> | <u>\$ 369,966</u>   |

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**7. Investments in Partnerships (continued)**

Investment in Ckukutusem Utility Services (2021) Limited Liability Partnership

|                            | 2022       | 2021        |
|----------------------------|------------|-------------|
| Partnership units - 99.9%  | \$ -       | \$ -        |
| Advances                   | -          | -           |
|                            | -          | -           |
| Partnership interest:      |            |             |
| Opening balance            | (14,929)   | -           |
| Net gain (loss) allocation | 453,762    | (14,929)    |
|                            | 438,833    | (14,929)    |
| Balance, end of year       | \$ 438,833 | \$ (14,929) |

Financial information for Ckukutusem Utility Services (2021) Limited Liability Partnership is as follows:

|                        | 2022         | 2021        |
|------------------------|--------------|-------------|
| Cash                   | \$ 251,094   | \$ 313,668  |
| Accounts receivable    | 366,886      | 159         |
| Other current assets   | 268,084      | -           |
| Property and equipment | 960,105      | -           |
|                        | 1,846,169    | 313,827     |
| Current liabilities    | 582,700      | 15,239      |
| Other liabilities      | 465,072      | -           |
| Due to related parties | 33,340       | -           |
|                        | 1,081,112    | 15,239      |
| Equity                 | \$ 765,057   | \$ 298,588  |
| Revenues               | \$ 4,405,158 | \$ -        |
| Expenses               | 3,946,813    | 15,080      |
| Net gain (loss)        | \$ 458,345   | \$ (15,080) |



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**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

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**8. Investment in Government Business Enterprises**

|   | <u>2022</u>         | <u>2021</u>         |
|---|---------------------|---------------------|
| Knucwentwecw Development Corporation      | 1,212,311           | 1,184,094           |
| Big Sky Station Ltd.                      | 2,030,262           | 1,822,684           |
| Skeetchestn Natural Resources Corporation |                     | -                   |
| 32,550                                    |                     |                     |
| Investment balance, end of year           | <u>\$ 3,242,573</u> | <u>\$ 3,039,328</u> |

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**8. Investment in Government Business Enterprises (continued)**

Investment in Knucwentwecw Development Corporation:

|                            | 2022                | 2021                |
|----------------------------|---------------------|---------------------|
| Shares:                    |                     |                     |
| Common - 100%              | \$ 100,001          | \$ 100,001          |
| Advances                   | -                   | -                   |
|                            | <u>100,001</u>      | <u>100,001</u>      |
| Partnership interest:      |                     |                     |
| Opening balance            | 1,062,082           | 1,032,113           |
| Net gain (loss) allocation | 28,217              | 29,969              |
|                            | <u>1,090,299</u>    | <u>1,062,082</u>    |
| Balance, end of year       | <u>\$ 1,190,300</u> | <u>\$ 1,162,083</u> |

Financial information for Knucwentwecw Development Corporation is as follows:

|                           | 2022                | 2021                |
|---------------------------|---------------------|---------------------|
| Cash                      | \$ 10,527           | \$ 25,214           |
| Accounts receivable       | 37,705              | 63,754              |
| Due from related parties  | 434,861             | 422,378             |
| Property and equipment    | 2,836,808           | 2,901,138           |
| Other assets              | 232                 | 232                 |
|                           | <u>3,320,133</u>    | <u>3,412,716</u>    |
| Current liabilities       | 72,968              | 81,954              |
| Long term & callable debt | 489,148             | 605,430             |
| Due to related parties    | 1,545,707           | 1,541,239           |
|                           | <u>2,107,823</u>    | <u>2,228,623</u>    |
| Equity (deficiency)       | <u>\$ 1,212,310</u> | <u>\$ 1,184,093</u> |
| Revenues                  | \$ 293,618          | \$ 317,567          |
| Expenses                  | 265,401             | 287,598             |
| Net gain (loss)           | <u>\$ 28,217</u>    | <u>\$ 29,969</u>    |

Knucwentwecw Development Corporation ("KDC") is a company domiciled in Canada and has a registered office at 1000 Trans Canada Hwy, Savona, BC. The First Nation holds 100% of the outstanding shares in KDC. KDC is engaged in providing management and consulting services.

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**8. Investment in Government Business Enterprises (continued)**

Investment in Big Sky Station Ltd:

|                         | 2022             | 2021             |
|-------------------------|------------------|------------------|
| Shares:                 |                  |                  |
| Preferred shares - 100% | \$ 179,695       | \$ 179,695       |
| Advances                | -                | -                |
|                         | <u>179,695</u>   | <u>179,695</u>   |
| Accumulated equity      | <u>1,850,567</u> | <u>1,642,989</u> |
|                         | <u>2,030,262</u> | <u>1,822,684</u> |

Financial information for Big Sky Station Ltd is as follows:

|                        | 2022                | 2021                |
|------------------------|---------------------|---------------------|
| Cash                   | \$ 187,828          | \$ 546,485          |
| Accounts receivable    | 57,000              | 67,953              |
| Inventory              | 165,657             | 129,761             |
| Other current assets   | 1,347,719           | 753,599             |
| Property and equipment | 379,550             | 442,506             |
|                        | <u>2,137,754</u>    | <u>1,940,304</u>    |
| Current liabilities    | 67,372              | 40,008              |
| Other liabilities      | 219,695             | 71,451              |
| Deferred revenue       | -                   | 6,044               |
|                        | <u>287,067</u>      | <u>117,503</u>      |
| Equity (deficiency)    | \$ <u>1,850,687</u> | \$ <u>1,822,801</u> |
| Revenues               | \$ 5,401,860        | \$ 4,098,522        |
| Expenses               | <u>5,194,279</u>    | <u>3,778,460</u>    |
| Net gain (loss)        | \$ <u>207,581</u>   | \$ <u>320,062</u>   |

Financial information for Big Sky Station Ltd. has been consolidated into the financial statements of KDC. Big Sky Station Ltd. is a company domiciled in Canada and has a registered office at 1000 Trans Canada Hwy, Savona, BC. The company is engaged in the operation of a retail store and fuel sales outlet on reservation land near Savona, BC.

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**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

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**8. Investment in Government Business Enterprises (continued)**

Investment in Skeetchestn Natural Resources Corporation:

|                   | 2022    | 2021   |
|-------------------|---------|--------|
| Shares - 100%     | \$ 1    | \$ 1   |
| Advances          | 1,000   | -      |
| Surplus (Deficit) | (1,001) | 32,549 |
|                   | -       | 32,550 |

Financial information for Skeetchestn Natural Resources Corporation is as follows:

|                            | 2022       | 2021       |
|----------------------------|------------|------------|
| Cash                       | \$ 167,879 | \$ -       |
| Long-term investments      | 674,323    | 527,992    |
| Capital assets             | 30,554     | -          |
| Other assets               | 26,718     | -          |
| Total Assets               | 899,474    | 527,992    |
| Current liabilities        | 1,000      | 1,000      |
| Due to related parties     | 943,465    | 494,444    |
|                            | 944,465    | 495,444    |
| Equity                     | (44,991)   | 32,548     |
| Revenues                   | \$ (297)   | \$ 370     |
| Other Comprehensive income | 4,433      | 214,826    |
| Expenses                   | -          | 217,866    |
| Net gain (loss)            | \$ 4,136   | \$ (2,670) |

Skeetchestn Natural Resources Corporation ("SNR") is a company domiciled in Canada and has a registered office at 1000 Trans Canada Hwy, Savona, BC. SNR is engaged in holding the partnership interest in SNRLLP.

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**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

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**9. Due from Related Party**

|   | 2022                | 2021                |
|---|---------------------|---------------------|
| Skeetchestn Indian Band                                       |                     |                     |
| Skeetchestn Natural Resources Limited Liability Partnership\$ | (92,123) \$         | 126,745             |
| Big Sky   | 799                 | 799                 |
| Painted Rock Limited Liability Partnership                    | 81,523              | 163,710             |
| KDC   | 1,428,404           | 1,428,404           |
| Skeetchestn Holdings Limited Liability Partnership            | -                   | -                   |
| Skeetchestn Natural Resources Corporation (payable)           | -                   | (1)                 |
| Social Housing  |                     |                     |
| Skeetchestn Indian Band (payable)                             | 631                 | (1)                 |
|   | <u>\$ 1,419,234</u> | <u>\$ 1,719,656</u> |

The amounts advanced to related entities are non-interest bearing, unsecured and have no specified terms of repayment.

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**10. Deferred Revenue**

|   | 2022                | 2021              |
|---|---------------------|-------------------|
| Skeetchestn Indian Band   |                     |                   |
| Property taxes - BC Hydro   | \$ 295,400          | \$ 359,333        |
| Naut'Sa Mawt Tribal Council - Recycle Program                           | -                   | 141,888           |
| Province of BC - Ministry of Child & Family<br>Development 2022 Funding | 30,000              | 30,000            |
| Province of BC - Memorandum of Agreement                                | 4,628,415           | 145,500           |
|   | <u>\$ 4,953,815</u> | <u>\$ 676,721</u> |

**BC Hydro:**

BC Hydro paid the First Nation \$1,120,000 during fiscal 2007 for a 20 year taxation agreement that expires August 31, 2027. \$56,000 of property tax revenue is recognized under this agreement annually until the expiration date.

**Naut'Sa Mawt Tribal Council - Recycle Program:**

The Band has received contributions of \$217,763 during fiscal 2021 to operate a recycling program for the next two years that commenced during that year. These projects will be completed in the next two fiscal years and the payments will be applied towards project costs as they are incurred. At March 31, 2022, \$nil (2021 - \$141,888) in related costs are still to be incurred.

**Province of BC - Ministry of Child & Family Development 2022 Funding:**

The Band has received contributions of \$30,000 during fiscal 2021 for Child & Family Development programs for the 2022 fiscal year. These programs will be commence in the next fiscal year and the payments will be applied towards program costs as they are incurred.

**Province of BC - Memorandum of Agreement:**

The Band has received contributions of \$4,628,415 (2021 - \$145,500) for various projects that have not commenced as of March 31, 2022. These projects will be completed in the next fiscal year and the payments will be applied towards project costs as they are incurred.

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**11. Long-term Debt**

|   | 2022                | 2021                |
|---|---------------------|---------------------|
| <u>Social Housing Phase 6 - 11:</u>   |                     |                     |
| All Nations Trust Company, 6-Unit, mortgage, repayable in monthly installments of \$1,919 including interest at 1.69% per annum, secured by houses with a carrying value of \$213,504, due May 2024       | \$ 48,956           | \$ 70,957           |
| All Nations Trust Company, 3-Unit, mortgage, repayable in monthly installments of \$976 including interest at 1.14% per annum, secured by houses with a carrying value of \$129,130 due June 2026         | 47,647              | 58,753              |
| All Nations Trust Company, 1-Unit, mortgage, repayable in monthly installments of \$368 including interest at 0.69% per annum, secured by houses with a carrying value of \$59,691 due June 2025          | 35,042              | 39,199              |
| All Nations Trust Company, 8-Unit, mortgage, repayable in monthly installments of \$4,145 including interest at 2.52% per annum secured by houses with a carrying value of \$714,467, due September 2023. | 493,284             | 530,148             |
| All Nations Trust Company, 3-Unit, mortgage, repayable in monthly installments of \$1,767 including interest at 1.30% per annum, secured by houses with a carrying value of \$511,272 due April 2026.     | 358,309             | 374,781             |
| All Nations Trust Company, 3-Unit, mortgage, repayable in monthly installments of \$2,748 including interest at 2.70% per annum, secured by houses with a carrying value of \$723,130, due November 2023. | 541,167             | 559,340             |
| All Nations Trust Company, 3-unit, mortgage, repayable in monthly installments of \$2,828 including interest at 1.22% per annum, secured by houses with a carrying value of \$714,368, due July 2026.     | 714,369             | -                   |
|   | <u>\$ 2,238,774</u> | <u>\$ 1,633,178</u> |

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**11. Long-term Debt (continued)**

The Social Housing mortgages are guaranteed by Indigenous Services Canada.

Principal repayments due in the ensuing 5 years are approximately as follows:

|            |                     |
|------------|---------------------|
| 2023       | \$ 99,047           |
| 2024       | 1,023,090           |
| 2025       | 47,542              |
| 2026       | 17,312              |
| 2027       | 320,000             |
| Thereafter | <u>1,853,920</u>    |
|            | <u>\$ 2,238,774</u> |

**12. Tangible Capital Assets**

|  | 2022                 | 2021                 |
|--|----------------------|----------------------|
| Buildings                              | \$ 6,940,943         | \$ 6,367,822         |
| Bridges and cattle guards              | 40,410               | 45,277               |
| Water system                           | 397,218              | 450,410              |
| Automotive equipment                   | 206,017              | 267,369              |
| Office equipment                       | 141,362              | 158,175              |
| Equipment                              | 68,810               | 87,152               |
| Appraised property and equipment       | 4,159                | -                    |
| Roads                                  | 4,168                | -                    |
| Assets under construction              | 275,105              | 1,718,641            |
| Social housing operations phase 6 - 11 | <u>2,931,837</u>     | <u>2,335,213</u>     |
|  | <u>\$ 11,010,029</u> | <u>\$ 11,430,059</u> |

Assets under construction include the development of a new social housing phase that was funded by CMHC through a construction loan. The construction loan balance and the related assets under construction balance will be transferred to social housing upon completion.

For additional information, see the Summary of Schedule of Tangible Capital Assets (Appendix 1).



**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**12. Tangible Capital Assets (Continued)**

|   | Totals        |                         |              |                      |                  |            |                             |                                |            |                           |                                      |               |               |
|---|---------------|-------------------------|--------------|----------------------|------------------|------------|-----------------------------|--------------------------------|------------|---------------------------|--------------------------------------|---------------|---------------|
|   | Buildings     | Bridges & Cattle Guards | Water System | Automotive Equipment | Office Equipment | Equipment  | Farm & Irrigation Equipment | Appraised Property & Equipment | Roads      | Assets Under Construction | Social Housing Operations Phase 6-11 | 2022          | 2021          |
| Cost, beginning of year                     | \$ 13,189,681 | \$ 614,324              | \$ 2,150,103 | \$ 1,647,097         | \$ 506,460       | \$ 356,319 | \$ 181,062                  | \$ 668,708                     | \$ 164,847 | \$ -                      | \$ 3,501,485                         | \$ 22,980,086 | \$ 22,146,197 |
| Additions                                   | 9,680         | -                       | -            | 29,993               | 36,567           | -          | -                           | 4,244                          | 4,387      | 275,105                   | -                                    | 359,976       | 1,278,765     |
| Disposals                                   | -             | -                       | -            | -                    | -                | -          | -                           | -                              | -          | -                         | -                                    | -             | (435,375)     |
| Transfers (temp)                            | (731,125)     | -                       | -            | -                    | -                | -          | -                           | -                              | -          | -                         | 731,125                              | -             | 124,755       |
| Cost, end of year                           | 12,468,236    | 614,324                 | 2,150,103    | 1,677,090            | 543,027          | 356,319    | 181,062                     | 672,952                        | 169,234    | 275,105                   | 4,232,610                            | 23,340,062    | 23,114,342    |
| Accumulated amortization, beginning of year | 5,103,219     | 569,047                 | 1,699,693    | 1,379,728            | 348,285          | 288,167    | 162,062                     | 668,708                        | 164,847    | -                         | 1,175,722                            | 11,559,478    | 10,963,035    |
| Amortization                                | 424,074       | 4,867                   | 53,192       | 91,345               | 53,380           | 16,822     | 1,520                       | 85                             | 219        | -                         | 125,051                              | 770,555       | 806,243       |
| Disposals                                   | -             | -                       | -            | -                    | -                | -          | -                           | -                              | -          | -                         | -                                    | -             | (209,750)     |
| Accumulated amortization, end of year       | 5,527,293     | 573,914                 | 1,752,885    | 1,471,073            | 401,665          | 304,989    | 163,582                     | 668,793                        | 165,066    | -                         | 1,300,773                            | 12,330,033    | 11,559,528    |
| Net carrying amount, end of year            | \$ 6,940,943  | \$ 40,410               | \$ 397,218   | \$ -                 | \$ 141,362       | \$ 51,330  | \$ 17,480                   | \$ 4,159                       | \$ 4,168   | \$ 275,105                | \$ 2,931,837                         | \$ 11,010,029 | \$ 11,554,814 |

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**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

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**13. Accumulated Surplus**

|                               | <u><b>2022</b></u>          | <u>2021</u>                 |
|-------------------------------|-----------------------------|-----------------------------|
| Unrestricted Surplus          | \$ 27,010,259               | \$ 23,776,918               |
| Equity in Social Housing      | 826,788                     | 826,788                     |
| Equity in Capital Assets      | 8,809,320                   | 9,094,847                   |
| Equity in Trust Funds         | 6,317,930                   | 6,507,246                   |
| Equity in Investments         | 753,756                     | 753,756                     |
| Equity in Replacement Reserve | <u>246,357</u>              | <u>262,315</u>              |
|                               | <u><b>\$ 43,964,410</b></u> | <u><b>\$ 41,221,870</b></u> |

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**March 31, 2022**

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#### **14. Commitments and Contingencies**

##### **Commitment:**

The Band leases photocopiers and telephone equipment and internet under long-term leases which expire May 2022 through November 2022.

Future minimum lease payments as at March 31, 2022, are as follows:

|      |                  |
|------|------------------|
| 2023 | \$ 14,460        |
|      | <u>\$ 14,460</u> |

##### **a) Funding agreement:**

The First Nation receives a portion of its funding under a contribution authority with ISC which, if unexpended, may be refundable to ISC. Further, amounts which are over expensed may be reimbursed by ISC to the Band. No amounts have been recorded in the financial statements as refundable or reimbursable.

##### **b) Pension Plan:**

The First Nation and its employees contribute to a defined contribution pension plan. There is no obligation for past service or periods in which an employee was not employed. Total contributions to the plan during the year were \$69,279 (2021 - \$62,484).

##### **c) Environmental Renewal:**

The Band is engaged in logging operations which will result in silviculture costs and other potential environmental renewal and recovery costs. Estimated costs in connection with current operations have been accrued; however, the total costs cannot be determined with certainty at year-end due to potential external events such as changes in regulations and advances in remediation technology.

##### **d) Site Restoration:**

The Band has contracted Painted Rock LLP to operate a gravel pit. In this agreement, Painted Rock LLP is responsible for any site restoration costs. Should Painted Rock LLP default on the agreement, the First Nation may be responsible for any site restoration not performed by Painted Rock LLP. The net present value of such a liability is not determinable at this time.

##### **e) Lawsuits:**

The Band may be subject to lawsuits from time to time. It is the opinion of management that any lawsuits against the First Nation are not material in the aggregate.

**March 31, 2022**

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**14. Commitments and Contingencies (continued)**

f) Guarantee:

The Band has provided a guarantee for the credit facility of SNRLLP. At March 31, 2022, the outstanding loan balance was \$Nil. The maximum liability to the First Nation with respect to these loans is \$510,000.

The First Nation has provided a guarantee for the credit facility of KDC. As at March 31, 2022, the outstanding loan balance was \$565,431. The maximum liability to the First Nation with respect to these loans is \$650,000.

The First Nation has provided a guarantee for the credit facility of SHLLP. As at March 31, 2022, the outstanding loan balances were \$159,643. The maximum liability to the First Nation with respect to these loans is \$850,000.

The First Nation has provided a guarantee for the credit facility of Painted Rock LLP. As at March 31, 2022, the outstanding loan balance was \$Nil. The maximum liability to the First Nation with respect to these loans is \$150,000.:

**March 31, 2022**

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**15. Related Party Transactions**

During the year, the Group made purchases of \$121,473 (2021 - \$72,881) from Big Sky Station Ltd. for fuel and supplies. The Group also earned \$35,000 (2021 - \$35,000) in rent and received \$5,500 (2021 - \$5,000) in donations from Big Sky Station Ltd. Included in accounts payable is \$15,715 (2021 - \$6,146) due to Big Sky Station Ltd.

During the year, the Group paid \$nil (2021 - \$43,838) for community economic development services to KDC.

During the year, the Group paid \$414,261 (2021 - \$437,765) for management fees, and earned \$16,083 (2021 - \$16,-83) in interest. Included in accounts payable is \$nil (2021 - \$311,037) due to Painted Rock LLP.

During the year, the Group earned \$30,055 (2021 - \$137,697) from Stk'emlupsemc Enterprises Inc., a significantly influenced entity, in dividends.

During the year, the Group paid \$1,927,926 (2021 - \$1,731,149) in contract services to SNRLLP. Included in accounts payable is \$980,659 (2021 - \$326,264) due to SNRLLP.

During the year, the Group received \$31,178 (2021 - \$27,836) for supplies and vehicle operating costs from SNRLLP. Included in accounts receivable is \$8,238 (2021 - \$49,480) due from SNRLLP.

These transactions are in the normal course of operations and are measured at the carrying amount, which is the amount of consideration established and agreed to by the related parties.

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**16. Economic Dependence**

The First Nation receives 31% (2021 - 20%) of its revenue pursuant to a Funding Agreement with Indigenous Services Canada.

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**17. Funds Held in Trust - Ministry of Transportation and Highways**

The Band has funds held in trust by Morelli Chertkow LLP, Lawyers, regarding compensation received from the Ministry of Transportation and Highways for lands, as follows:

|   | <b>2022</b>      |
|---|------------------|
| Deadman - Vidette Road No. 1247                                 | <b>\$ 63,707</b> |
| Deadman - Vidette Road Intersection - District Plan 215-1427-20 | <b>\$ 5,406</b>  |

The funds are to be held in trust until the lands are transferred to the Ministry by passage of a Federal Privy Council Order, and will be recognized as a revenue upon transfer.

**18. Budget**

An annual budget was presented by the Chief and Council of the First Nation and approved by the members on (TBD). The budget information presented in these consolidated financial statements is based upon this approved budget. Adjustments to the budgeted amounts are required to comply with PSAS for inclusion in the Consolidated Statement of Operations and Consolidated Statement of Changes in Net Financial Assets.

|  | <u>Budgeted Amount</u> |
|--|------------------------|
| Approved consolidated budgeted revenues                          | \$ 14,380,772          |
| Less:  |                        |
| Transfers between funds  | (356,442)              |
| Inter-department revenue   | <u>(1,097,975)</u>     |
| Total consolidated budgeted revenues per statement of operations | <u>\$ 12,926,355</u>   |
| Approved consolidated budgeted expenses                          | \$ 13,661,712          |
| Less:  |                        |
| Transfers between funds  | (8,944)                |
| Acquisition of capital assets                                    | <u>(1,278,765)</u>     |
| Total consolidated budgeted expenses per statement of operations | <u>\$ 12,374,003</u>   |

**March 31, 2022**

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## **19. Segmented Information**

The First Nations provides a range of programs and services to its members. For the purposes of segment disclosure, these services are grouped and reported under services areas/departments that are responsible for providing such services, as follows below. For additional information, see the Statement of Financial Activities - Segmented (Appendix 2).

### **Band Revenue**

The Band Revenue department is responsible for administering projects the First Nation is involved in annually and on an on- going basis relating to the overall objectives of the First Nation.

### **Administration**

Administration supports the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, band government, economic development, community services and technical services.

### **Stk'emlupsemcte Secwepemc Nation**

Stk'emlupsemcte Secwepemc Nation is an unincorporated political entity that is the caretaker of the land base which is inhabited by the Tk'emlupste Secwepemc and Skeetchestn Indian Band. The object of the entity is to recover the costs of maintaining the natural resource rights and title within its traditional territory.

### **Social Development**

Social Development provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

### **Social Housing**

Social Housing department is responsible for the administration and management of Social Housing units.

**March 31, 2022**

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**19. Segmented Information (continued)**

**Education**

Education supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs. It also provides services for students at the elementary/ secondary and post-secondary level, including instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

**Public Works**

Public Works supports the construction, operation and basic maintenance of community facilities and services such as water and sewage, roads, electrification, schools and fire protection. It is also responsible for ensuring that the facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

**Housing & Capital Projects**

Housing & Capital Projects works manages capital projects within the community undertaken to support the growth and or maintenance of the First Nations infrastructure.

**Natural Resources**

Natural Resources department is responsible for the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, as well as research and advocacy. It also manages economic development planning, proposal development, and planning and implementation of ongoing activities and one- time projects.



**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

March 31, 2022

**20. Segment Disclosure**

2022

|                          | Band Revenue | Administration | Public works | Education    | Natural<br>Resources &<br>Economic<br>Development | Capital    | Social<br>Development | Social Housing | Total        |
|--------------------------|--------------|----------------|--------------|--------------|---|------------|-----------------------|----------------|--------------|
| <b>Revenue</b>           |              |                |              |              |   |            |                       |                |              |
| ISC                      | \$ -         | \$ 1,266,755   | \$ 496,934   | \$ 1,524,285 | \$ 21,646   | \$ 140,850 | \$ 662,288            | \$ -           | \$ 4,112,758 |
| Other                    | 4,068,204    | 499,184        | 420,583      | 1,589,789    | 1,375,746   | 743,116    | 1,146,255             | 290,170        | 10,133,047   |
| Total                    | 4,068,204    | 1,765,939      | 917,517      | 3,114,074    | 1,397,392   | 883,966    | 1,808,543             | 290,170        | 14,245,805   |
| <b>Expenses</b>          |              |                |              |              |   |            |                       |                |              |
| Wages & benefits         | 44,835       | 571,800        | 399,856      | 991,899      | -   | 289,462    | 388,171               | -              | 2,686,023    |
| Purchases                | 881,161      | 1,882,619      | 658,521      | 1,034,677    | 1,241,756   | 400,296    | 1,131,163             | 165,118        | 7,395,311    |
| Amortization             | -            | -              | 645,504      | -            | -   | -          | -                     | 125,051        | 770,555      |
| Total                    | 925,996      | 2,454,419      | 1,703,881    | 2,026,576    | 1,241,756   | 689,758    | 1,519,334             | 290,169        | 10,851,889   |
| <b>Surplus (deficit)</b> | \$ 3,142,208 | \$ (688,480)   | \$ (786,364) | \$ 1,087,498 | \$ 155,636  | \$ 194,208 | \$ 289,209            | \$ 1           | \$ 3,393,916 |

**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

March 31, 2021

**20. Segment Disclosure (Continued)**

2021

|                          | Band Revenue | Administration | Public works | Education    | Natural<br>Resources &<br>Economic<br>Development | Capital     | Development | Social Housing | Total        |
|--------------------------|--------------|----------------|--------------|--------------|---|-------------|-------------|----------------|--------------|
| <b>Revenue</b>           |              |                |              |              |   |             |             |                |              |
| ISC                      | \$ -         | \$ 776,062     | \$ 286,721   | \$ 1,239,114 | \$ 43,418   | \$ 51,518   | \$ 719,518  | \$ -           | \$ 3,116,351 |
| Other                    | 4,752,863    | 684,595        | 231,923      | 1,135,394    | 1,082,850   | 852,029     | 1,045,711   | 249,850        | 10,035,215   |
| Total                    | 4,752,863    | 1,460,657      | 518,644      | 2,374,508    | 1,126,268   | 903,547     | 1,765,229   | 249,850        | 13,151,566   |
| <b>Expenses</b>          |              |                |              |              |   |             |             |                |              |
| Wages & benefits         | 32,783       | 551,333        | 254,984      | 979,887      | 35,500  | 310,150     | 337,754     | -              | 2,502,391    |
| Purchases                | 1,459,226    | 910,913        | 388,359      | 664,669      | 980,740   | 625,758     | 1,108,947   | 142,849        | 6,281,461    |
| Amortization             | -            | -              | -            | -            | -   | -           | -           | 107,001        | 107,001      |
| Total                    | 1,492,009    | 1,462,246      | 643,343      | 1,644,556    | 1,016,240   | 935,908     | 1,446,701   | 249,850        | 8,890,853    |
| <b>Surplus (deficit)</b> | \$ 3,260,854 | \$ (1,589)     | \$ (124,699) | \$ 729,952   | \$ 110,028  | \$ (32,361) | \$ 318,528  | \$ -           | \$ 4,260,713 |

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**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

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**20. Cash Flow Information**

During the year, the Band paid interest on long-term debt of \$41,219 (2021 - \$35,529) and received interest of \$38,289 (2021 - \$75,910) from various sources.

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**21. Economic Uncertainty**

The impact of COVID-19 in Canada and on the global economy is ongoing. The global pandemic has disrupted economic activities and supply chains. As of the financial statement date the performance of the Band has been relatively unaffected by COVID-19.

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**22. Comparative Information**

Certain prior year information in the comparative figures have been reclassified to conform to the current year presentation.

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**Skeetchestn Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**23. Prior Period Adjustments**

- a) During the year, it was determined that Stk'emlupsemc te Secwepemc Nation is not a government business partnership and that it should not be proportionately consolidated into the financial results of the Group as does not appropriately represent the interest in the partnership. This has an effect of overstating revenue, accumulated surplus, assets, liabilities, and expenses. As a result, adjustments were required to restate these areas.
- b) During the year, it was also determined that there was an overstatement of revenue due to receipt of a phase loan. As a result, the comparative figures have been restated to record an additional \$282,330 in debt and opening accumulated surplus.
- c) It was determined that there was an understatement of revenue due to BC First Nations Gaming revenue was insufficiently reported. As a result, the comparative figures have been restated to record the revenue for \$267,429.

The impact of the restatements are as follows:

|   | <b>Notes</b> | <b>2021 Reported</b> | <b>Prior Period<br/>Adjustments</b> | <b>Restated</b> |
|---|--------------|----------------------|-------------------------------------|-----------------|
| Financial Assets                          | a, c         | \$ 40,199,822        | \$ (6,713,273)                      | \$ 33,486,549   |
| Liabilities                               | a, b         | 5,607,124            | (1,736,478)                         | 3,870,646       |
| Net Financial Assets                      | a, b, c      | 34,577,797           | (4,961,894)                         | 29,615,903      |
| Non Financial Assets                      | a            | 11,606,771           | (7,886)                             | 11,598,885      |
| Revenue                                   | a, b, c      | 16,906,627           | (3,755,061)                         | 13,151,566      |
| Expenses                                  | a            | 12,292,901           | (3,402,048)                         | 8,890,853       |
| Annual surplus                            | a, b, c      | 4,598,825            | (338,112)                           | 4,260,713       |
| Accumulated surplus,<br>beginning of year | a            | 41,585,743           | (4,631,668)                         | 36,954,075      |
| Accumulated surplus,<br>end of year       | a, b, c      | 46,184,568           | (4,945,880)                         | 41,214,788      |