

Skeetchestn Indian Band
Consolidated Financial Statements
For the year ended March 31, 2023

Skeetchestn Indian Band
Consolidated Financial Statements
For the year ended March 31, 2023

Contents

Management's Responsibility for Financial Reporting	3
Independent Auditor's Report	4 - 6
Consolidated Financial Statements	
Exhibit A - Consolidated Statement of Financial Position	7
Exhibit B - Consolidated Statement of Change in net Financial Assets	8
Exhibit C - Consolidated Statement of Operations	9
Exhibit D - Consolidated Statement of Cash Flows	10
Notes to Consolidated Financial Statements	11 - 43

Management's Responsibility for Financial Reporting

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.

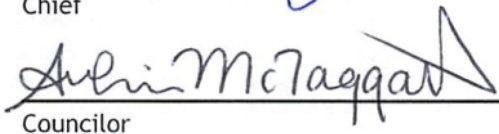
The Group maintains systems of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Government's assets are appropriately accounted for and adequately safeguarded.

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

Councilor

Independent Auditor's Report

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, 2023, 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, 2023 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

Effective April 1, 2022, the Group was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of April 1, 2022. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended March 31, 2023 and 2022, tangible capital assets and the asset retirement obligation as at March 31, 2023 and 2022, and accumulated surplus as at April 1 and March 31 for both the 2023 and 2022 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, 2023 and 2022, Government Business Enterprises income and annual surplus (deficit) for the years ended March 31, 2023 and 2022, and the accumulated surplus as at April 1 and March 31 for both the 2023 and 2022 years.

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

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
October 11, 2023

Skeetchestn Indian Band
Exhibit A - Consolidated Statement of Financial Position

As at March 31	2023	2022
Financial Assets		
Cash (Note 3)	\$ 19,506,553	\$ 20,877,961
Accounts receivable (Note 4)	1,384,219	2,590,876
Restricted cash (Note 5)	1,602,040	1,485,313
Funds held in trust (Note 6)	6,258,300	5,123,348
Long-term investments (Note 7)	3,372	3,372
Investments in government partnerships (Note 8)	12,149,959	7,764,592
Investments in government business enterprises (Note 9)	3,626,246	3,249,769
Due from related parties (Note 10)	1,167,945	1,419,233
	45,698,634	42,514,464
Liabilities		
Accounts payable and accruals	849,295	2,404,368
Deferred revenue (Note 11)	1,244,617	4,953,815
Long-term debt (Note 12)	2,102,479	2,238,773
	4,196,391	9,596,956
Net Financial Assets	41,502,243	32,917,508
Non-Financial Assets		
Prepaid expenses	57,671	44,071
Tangible capital assets (Note 13)	14,300,694	11,268,075
	14,358,365	11,312,146
Accumulated Surplus (Note 14)	\$ 55,860,608	\$ 44,229,654

Commitments and contingencies (Note 15)

Approved on behalf of the Skeetchestn Indian Band:




Councilor *CHIEF*
 Councilor

Skeetchestn Indian Band

Exhibit B - Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	Budget 2023	2023	2022
	(Note 19)		
Surplus - Exhibit C	\$ 811,882	\$ 11,946,118	\$ 3,430,451
Acquisition of tangible capital assets	(100,000)	(3,780,047)	(618,023)
Amortization of tangible capital assets	-	747,428	770,555
	-	(3,032,619)	152,532
Change in prepaid expenses	-	(13,600)	-
Funds in Trust equity	-	(226,317)	(206,983)
Ottawa Trust withdrawals	-	(88,847)	(81,487)
Increase in net financial assets	811,882	8,584,735	3,294,513
Net financial assets, beginning of year	32,917,508	32,917,508	29,622,995
Net financial assets, end of year	\$ 33,729,390	\$ 41,502,243	\$ 32,917,508

Skeetchestn Indian Band

Exhibit C - Consolidated Statement of Operations

For the year ended March 31	Budget (Note 19)	2023	2022
Revenue			
Indigenous Services Canada	\$ 3,901,728	\$ 4,691,184	\$ 4,112,758
Aboriginal Skills Employment & Training Strategy	146,014	99,599	8,018
BC First Nations Gaming	150,000	524,759	221,598
CMHC	3,909,650	3,757,256	495,768
Contract revenue	342,000	334,976	69,159
FCRSA	-	995,189	667,806
First Peoples' Cultural Council	202,887	36,444	149,098
First Nations Education Steering Committee	1,661,655	778,721	2,095,274
First Nations Health Authority	62,960	69,148	105,068
Fundraising	-	23,439	5,000
Government business entities & partnerships	-	6,070,521	1,933,369
Interest and other	30,275	553,011	86,492
Leases and rentals	66,870	260,170	240,137
New Relationship Trust	20,000	2,400	6,400
Other income	408,146	1,518,852	1,573,141
Ottawa Trust Fund	60,000	88,488	129,178
Province of BC	434,000	490,929	475,522
Qwemtsin Health Society	354,260	282,587	353,661
Secwépemc Child & Family Services	582,668	582,668	342,924
Shuswap Nation Tribal Council	284,000	329,163	319,160
Specific Claims	38,623	538,623	-
Taxation	625,000	602,526	623,705
Trust and reserve fund	265,000	122,798	274,916
	13,545,736	22,753,451	14,288,152
Expenses (Note 17)			
Administration	2,015,512	5,053,530	5,307,133
School	2,256,956	1,377,049	1,135,169
Education	1,156,001	950,120	891,482
Social Development	666,867	509,243	794,593
Health	995,621	704,448	723,039
Public Works	1,118,767	1,399,646	1,149,386
Housing	4,524,130	475,837	583,710
Social Housing	-	337,460	273,189
	12,733,854	10,807,333	10,857,701
Surplus	\$ 811,882	\$ 11,946,118	\$ 3,430,451

Skeetchestn Indian Band
Exhibit D - Consolidated Statement of Cash Flows

For the year ended March 31	2023	2022
Cash flows from operating transactions		
Excess of revenue over expenses	\$ 11,946,118	\$ 3,430,451
Adjustments for items not affecting cash:		
Amortization of tangible capital assets	747,428	770,555
Equity income from partnerships	(5,694,044)	(1,690,377)
Equity income government business enterprises	(376,477)	(242,992)
Replacement reserve expenditures	(35,549)	(30,088)
	<u>6,587,476</u>	<u>2,237,549</u>
Change in non-cash working capital:		
Accounts receivable	1,206,657	(1,229,028)
Prepaid expenses	(13,600)	-
Accounts payable and accruals	(1,555,073)	1,125,951
Deferred revenue	(3,709,198)	4,277,094
	<u>(4,071,214)</u>	<u>4,174,017</u>
Cash flows from operating transactions	<u>(4,071,214)</u>	<u>4,174,017</u>
Capital transactions		
Acquisition of tangible capital assets	(3,780,047)	(618,023)
	<u>(3,780,047)</u>	<u>(618,023)</u>
Cash flows from capital transactions	<u>(3,780,047)</u>	<u>(618,023)</u>
Investing transactions		
Drawings from partnerships	518,089	1,346,497
Ottawa Trust funds	(121,402)	263,428
Repayment of related party balances	(251,288)	(438,247)
	<u>145,399</u>	<u>1,171,678</u>
Cash flows from investing transactions	<u>145,399</u>	<u>1,171,678</u>
Financing transactions		
Proceeds from long-term debt	-	731,125
Repayment of long-term debt	(136,295)	(125,051)
	<u>(136,295)</u>	<u>606,074</u>
Cash flows from financing transactions	<u>(136,295)</u>	<u>606,074</u>
Net increase (decrease) in cash	<u>(1,254,681)</u>	<u>7,571,295</u>
Cash, beginning of year	<u>22,363,274</u>	<u>14,791,979</u>
Cash, end of year	<u>\$ 21,108,593</u>	<u>\$ 22,363,274</u>
Represented By:		
Cash	\$ 19,506,553	
\$ 20,877,961		
Restricted Cash	1,602,040	
1,485,313		
	<u>\$ 21,108,593</u>	<u>\$ 22,363,274</u>

March 31, 2023

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 Group 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

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

March 31, 2023

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.

March 31, 2023

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

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.

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.

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 Group 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.

March 31, 2023

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

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.

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 Group. The Group 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 2022/2023 operating and capital budgets approved by Chief and Council.

March 31, 2023

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 Group 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.

3. Cash

Within cash, Skeetchestn Indian Band holds various short-term GIC's totalling \$17,542,268 (2022 - 0). These GIC's have varying maturity dates within one year and have interest rates ranging from 5.10% to 5.30%.

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

4. Accounts Receivable

Band Operations	2023	2022
Grants receivable	\$ 117,197	\$ 60,418
Other accounts receivable	1,485,740	2,840,047
Social housing (recovery)	105,527	(2,722)
Band members	127,848	151,319
	<u>1,836,312</u>	<u>3,049,062</u>
Allowance for doubtful accounts:		
Other accounts receivable	(323,596)	(323,596)
Band members	(128,497)	(134,590)
	<u>(452,093)</u>	<u>(458,186)</u>
	<u>\$ 1,384,219</u>	<u>\$ 2,590,876</u>

5. Restricted Cash

	2023	2022
Ottawa trust funds	\$ 1,315,984	\$ 1,194,582
Replacement reserve	256,171	267,703
Operating reserve	29,885	23,028
	<u>\$ 1,602,040</u>	<u>\$ 1,485,313</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.

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

5. Restricted Cash (continued)

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 (2022- \$ 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.

	2023	2022
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>\$ 256,171</u>	<u>\$ 267,703</u>

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 Skeetchestn Indian Band 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 Skeetchestn Indian Band and Canada Mortgage and Housing Corporation.

	2023	2022
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>\$ 29,885</u>	<u>\$ 23,028</u>

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

6. 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. 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 Skeetchestn Indian Band's consent or approval. As compensation for this settlement, Canada paid \$4,777,000 less \$249,865 in outstanding loans extended to the Skeetchestn Indian 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 Gain (loss)	Fair Market Value 2023	Fair Market Value 2022
Common stock & equivalents	\$ 3,922,637	\$ 1,100,048	\$ 5,022,685	\$ 5,257,963
Fixed income securities	979,121	(67,755)	911,366	928,319
Cash & equivalents	324,239	-	324,239	288,636
Other	10	-	10	10
	<u>\$ 5,226,007</u>	<u>\$ 1,032,293</u>	<u>\$ 6,258,300</u>	<u>\$ 6,474,928</u>

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

7. Long-term Investments

	<u>2023</u>	<u>2022</u>
All Nations Trust Company, at cost: 3,750 Common shares, par value \$1.00	<u>\$ 3,251</u>	<u>\$ 3,251</u>
BC First Nations Gaming Revenue Sharing Limited Partnership 0.52% interest in partnership	<u>110</u>	<u>110</u>
Stk'emlupsemc Enterprises Inc. Shares:. Common - 50%	<u>10</u>	<u>10</u>
Stk'emlupsemc te Secwepemc Nation. Shares:. Common - 50%	<u>1</u>	<u>1</u>
	<u>\$ 3,372</u>	<u>\$ 3,372</u>

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

8. Investments in Partnerships

	<u>2023</u>	<u>2022</u>
Stk'emlupsemc Limited Partnership	\$ 618,630	\$ 83,242
Skeetchestn Holdings Limited Liability Partnership	714,615	700,729
Painted Rock Aggregates & Contracting LLP	3,841,805	2,944,250
Skeetchestn Natural Resources LLP	5,625,012	3,597,538
Ckukutusem Utility Services (2021) LLP	1,349,897	438,833
	<hr/>	<hr/>
Investment balance, end of year	\$ 12,149,959	\$ 7,764,592
	<hr/>	<hr/>

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

8. Investments in Partnerships (continued)

Investment in Stk'emlupsemc Limited Partnership

	2023	2022
Stk'emlupsemc Limited Partnership		
Interest		
Units - 49.995%	\$ -	\$ -
Partnership interest:		
Opening balance	83,242	1,051,557
Net income allocation	1,646,066	483,071
Contributions (drawings)	(1,110,678)	(1,451,386)
Balance, end of year	<u>\$ 618,630</u>	<u>\$ 83,242</u>

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

	Total	The Groups portion	
		2023	
2022			
Cash	\$ 252,553	\$ 126,264	\$ 7,016
Other assets	826,996	413,457	307,183
Due from related parties	6,034,386	3,016,891	2,467,976
	7,113,935	3,556,612	2,782,175
Accounts payable	94,422	47,206	75,982
Deferred revenue	5,780,022	2,889,722	2,622,010
	5,874,444	2,936,928	2,697,992
Equity	<u>\$ 1,239,491</u>	<u>\$ 619,746</u>	<u>\$ 84,183</u>
Revenues	6,096,350	3,047,870	1,956,015
Expenses	2,803,889	1,401,804	1,472,944
Net income	<u>\$ 3,292,461</u>	<u>\$ 1,646,066</u>	<u>\$ 483,071</u>

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

8. Investments in Partnerships (continued)

Investment in Skeetchestn Holdings Limited Liability Partnership

	2023	2022
Interest:		
Units - 99%	\$ 9,900	\$ 9,900
Advances	137,823	137,823
	<u>147,723</u>	<u>147,723</u>
Partnership interest:		
Opening balance	553,006	416,948
Net gain (loss) allocation	13,886	136,058
	<u>566,892</u>	<u>553,006</u>
Balance, end of year	<u>\$ 714,615</u>	<u>\$ 700,729</u>

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

	2023	2022
Current assets	\$ 4,582	\$ 6,531
Property and equipment	-	19,026
Due from related party	757,858	735,858
	<u>762,440</u>	<u>761,415</u>
Current liabilities	1,999	15,000
Long term debt	40,000	40,000
	<u>41,999</u>	<u>55,000</u>
Equity	\$ 720,441	\$ 706,415
Revenues	\$ 20,974	\$ 165,735
Expenses	6,948	28,303
Net gain (loss)	<u>\$ 14,026</u>	<u>\$ 137,432</u>

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

8. Investments in Partnerships (continued)

Investment in Painted Rock Aggregates and Contracting LLP

	2023	2022
Interest:		
Units - 99%	\$ 9,900	\$ 9,900
Partnership interest:		
Opening balance	2,934,350	2,020,496
Net gain (loss) allocation	897,555	913,854
	<u>3,831,905</u>	<u>2,934,350</u>
Balance, end of year	<u>\$ 3,841,805</u>	<u>\$ 2,944,250</u>

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

	2023	2022
Cash	\$ 137	\$ 360,161
Accounts receivable	638,770	834,905
Inventory	4,325,630	2,958,037
Due from partners	6,728	6,728
Other assets	61,095	170,888
Property and equipment	5,187,108	5,784,784
	<u>10,219,468</u>	<u>10,115,503</u>
Accounts payable	789,852	878,144
Other current liabilities	840	6,546
Due to related parties	2,472,004	2,524,521
Debt and capital lease obligations	3,016,161	3,771,301
Reclamation cost obligations	60,000	60,000
	<u>6,338,857</u>	<u>7,240,512</u>
Equity (deficiency)	<u>\$ 3,880,611</u>	<u>\$ 2,874,991</u>
Revenues	\$ 6,776,466	\$ 8,259,897
Expenses	5,869,845	7,336,812
Net gain (loss)	<u>\$ 906,621</u>	<u>\$ 923,085</u>

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

8. Investments in Partnerships (continued)

Investment in Skeetchestn Natural Resources LLP

	2023	2022
Partnership units - 99.9%	\$ 9,900	\$ 9,900
Advances	137,823	137,823
	<u>147,723</u>	<u>147,723</u>
Partnership interest:		
Opening balance	3,449,815	3,527,531
Net gain (loss) allocation	2,027,474	(77,716)
	<u>5,477,289</u>	<u>3,449,815</u>
Balance, end of year	<u>\$ 5,625,012</u>	<u>\$ 3,597,538</u>

Financial information for Skeetchestn Natural Resources LLP is as follows:

	2023	2022
Cash	\$ 3,080,703	\$ 752,390
Accounts receivable	1,238,824	1,631,521
Due from related parties	1,223,986	616,219
Property and equipment	1,189,134	1,353,446
	<u>6,732,647</u>	<u>4,353,576</u>
Current liabilities	498,147	493,899
Other liabilities	40,000	40,000
	<u>538,147</u>	<u>533,899</u>
Equity	<u>\$ 6,194,500</u>	<u>\$ 3,819,677</u>
Revenues	\$ 10,566,334	\$ 6,546,532
Expenses	8,536,830	6,624,326
Net gain (loss)	<u>\$ 2,029,504</u>	<u>\$ (77,794)</u>

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

8. Investments in Partnerships (continued)

Investment in Ckukutusem Utility Services (2021) Limited Liability Partnership

	2023	2022
Partnership interest - 99%:		
Opening balance	438,833	(14,929)
Net gain (loss) allocation	1,109,064	453,762
Withdrawal	(198,000)	-
Balance, end of year	1,349,897	438,833
	<u>\$ 1,349,897</u>	<u>\$ 438,833</u>

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

	2023	2022
Cash	\$ 1,125,015	\$ 251,094
Accounts receivable	390,755	366,886
Other current assets	138,060	268,084
Property and equipment	1,675,329	960,105
	3,329,159	1,846,169
Current liabilities	834,642	582,700
Other liabilities	809,003	465,072
Due to related parties	190	33,340
	1,643,835	1,081,112
Equity	<u>\$ 1,685,324</u>	<u>\$ 765,057</u>
Revenues	\$ 12,129,393	\$ 4,405,158
Expenses	11,009,126	3,946,813
Net gain (loss)	<u>\$ 1,120,267</u>	<u>\$ 458,345</u>

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

9. Investment in Government Business Enterprises

	2023	2022
Knucwentwecw Development Corporation	1,306,539	1,212,310
Big Sky Station Ltd.	2,315,290	2,030,262
Skeetchestn Natural Resources Corporation	4,417	7,197
Investment balance, end of year	<u>\$ 3,626,246</u>	<u>\$ 3,249,769</u>

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

9. Investment in Government Business Enterprises (continued)

Investment in Knucwentwecw Development Corporation:

	2023	2022
Shares:		
Common - 100%	\$ 1	\$ 1
Preferred - 100%	100,000	100,000
	100,001	100,001
Accumulated equity:		
Opening balance	1,112,309	1,084,092
Net gain (loss) allocation	94,229	28,217
	1,206,538	1,112,309
Balance, end of year	\$ 1,306,539	\$ 1,212,310

Financial information for Knucwentwecw Development Corporation is as follows:

	2023	2022
Cash	\$ 3,618	\$ 10,527
Accounts receivable	87,680	37,705
Due from related parties	459,655	434,861
Property and equipment	2,781,065	2,836,808
Other assets	232	232
	3,332,250	3,320,133
Current liabilities	82,808	72,968
Long term & callable debt	392,729	489,148
Due to related parties	1,550,176	1,545,707
	2,025,713	2,107,823
Equity (deficiency)	\$ 1,306,537	\$ 1,212,310
Revenues	\$ 288,092	\$ 293,618
Expenses	193,863	265,401
Net gain (loss)	\$ 94,229	\$ 28,217

Knucwentwecw Development Corporation ("KDC") is a company domiciled in Canada and has a registered office at 1000 Trans Canada Hwy, Savona, BC. The Skeetchestn Indian Band 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, 2023

9. Investment in Government Business Enterprises (continued)

Investment in Big Sky Station Ltd:

	2023	2022
Shares:		
Common shares - 100%	\$ 120	\$ 120
Preferred shares - 100%	\$ 179,695	\$ 179,695
	179,815	179,815
Accumulated equity:		
Opening balance	\$ 1,850,447	\$ 1,642,866
Net gain (loss) allocation	\$ 285,028	\$ 207,581
	2,135,475	1,850,447
Balance, end of year	2,315,290	2,030,262

Financial information for Big Sky Station Ltd is as follows:

	2023	2022
Cash	\$ 497,748	\$ 187,828
Accounts receivable	25,214	57,000
Inventory	185,113	165,657
Other current assets	1,406,044	1,347,719
Property and equipment	360,770	379,550
	2,474,889	2,137,754
Current liabilities	159,599	67,372
Other liabilities	179,695	219,695
	339,294	287,067
Equity (deficiency)	\$ 2,135,595	\$ 1,850,687
Revenues	\$ 6,080,397	\$ 5,401,860
Expenses	5,795,369	5,194,279
Net gain (loss)	\$ 285,028	\$ 207,581

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.

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

9. Investment in Government Business Enterprises (continued)

Investment in Skeetchestn Natural Resources Corporation:

	2023	2022
Shares:		
Common shares - 100%	\$ 1	\$ 1
	1	1
Accumulated equity:		
Opening balance	\$ 7,196	\$ 9,043
Net gain (loss) allocation	\$ (2,780)	\$ (1,847)
Balance, end of year	4,416	7,196
	4,417	7,197

Financial information for Skeetchestn Natural Resources Corporation is as follows:

	2023	2022
Cash	\$ 165,836	\$ 167,846
Capital assets	23,628	29,536
Other assets	546,222	535,208
Total Assets	735,686	732,590
Current liabilities	8,877	3,001
Due to related parties	722,392	722,392
	731,269	725,393
Equity	4,417	7,197
Revenues	\$ 12,288	\$ 723
Expenses	15,068	2,570
Net gain (loss)	\$ (2,780)	\$ (1,847)

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.

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

10. Due (to) from Related Party

	<u>2023</u>	<u>2022</u>
Skeetchestn Indian Band		
Ckukutusem Utility Services LLP	198,000	-
Skeetchestn Natural Resources LLP	\$ (446,738)	\$ (92,123)
Big Sky Station Ltd	(2,463)	799
Painted Rock Aggregates and Contracting LLP	-	81,523
Knucwentwecw Development Corporation	1,418,815	1,428,404
Skeetchestn Holdings LLP	-	-
Skeetchestn Natural Resources Corporation	-	(1)
Social Housing		
Skeetchestn Indian Band	331	631
	<u>\$ 1,167,945</u>	<u>\$ 1,419,233</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, 2023

11. Deferred Revenue

Deferred revenue represents amounts received that relate to a subsequent period. A breakdown of deferred revenue is as follows:

	2022	Recognized Revenue	Funding Received	2023
ISC contributions:				
Q387 - Other Facilities O&M	324,471	(277,538)	-	46,933
Q38M - MJR Renos	135,377	-	137,380	272,757
Q3FQ - Recovery	215,397	(194,784)	-	20,613
	675,245	(472,322)	137,380	340,303
Other Contributions:				
BC Hydro - Property Taxes	295,400	(56,000)	-	239,400
CMHC - Rapid Housing	3,817,736	(3,503,206)	-	314,530
FNESC	-	-	14,950	14,950
New Gold	-	-	200,000	200,000
Province of BC	140,434	(30,000)	-	110,434
Qwelmintec-Secwepmc	25,000	-	-	25,000
	4,278,570	(3,589,206)	214,950	904,314
	4,953,815	(4,061,528)	352,330	1,244,617

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

12. Long Term Debt

Social Housing

	<u>2023</u>	<u>2022</u>
All Nations Trust Company, repayable in monthly installments of \$1,919, including interest at 1.69% per annum, secured by promissory notes of the Ministry and the Band and buildings, due May 2024.	\$ 26,582	\$ 48,956
All Nations Trust Company, repayable in monthly installments of \$976, including interest at 1.13% per annum, secured by promissory notes of the Ministry and the Band and buildings, due May 2026	36,415	47,647
All Nations Trust Company, repayable in monthly installments of \$368, including interest at 0.69% per annum, secured by promissory notes of the Ministry and the Band and buildings, due June 2026	30,856	35,042
All Nations Trust Company, repayable in monthly installments of \$4,145, including interest at 2.52% per annum, secured by promissory notes of the Ministry and the Band and buildings, due December 2025	455,486	493,284
All Nations Trust Company, repayable in monthly installments of \$1,767, including interest at 1.30% per annum, secured by promissory notes of the Ministry and the Band and buildings, due April 2027.	341,652	358,309
All Nations Trust Company, repayable in monthly installments of \$2,748, including interest at 2.70% per annum, secured by promissory notes of the Ministry and the Band and buildings, due November 2023.	522,501	541,167
All Nations Trust Company, repayable in monthly installments of \$2,827, including interest at 1.22% per annum, secured by promissory notes of the Ministry and the Band and buildings, due July 2026.	688,987	714,368
Total	2,102,479	2,238,773

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

12. Long Term Debt (continued)

The estimated principal repayments on the above long term debt required which takes into consideration the renewed terms over the next 4 years and thereafter are as follows:

2024	-
2025	62,688
2026	75,642
2027	905,267
Thereafter	<u>-</u>
Total	<u>\$ 1,043,597</u>

13. Tangible Capital Assets

	2023	2022
Buildings	\$ 6,640,217	\$ 7,063,133
Bridges and cattle guards	35,541	40,407
Water system	344,027	397,219
Automotive equipment	176,055	207,670
Office equipment	88,117	141,364
Equipment	53,052	51,330
Farm and irrigation equipment	15,960	17,480
Appraised property and equipment	3,989	4,159
Roads	3,729	4,168
Assets under construction	4,010,262	275,105
Social housing operations phase 6 - 12	2,929,745	3,066,040
	<u>\$ 14,300,694</u>	<u>\$ 11,268,075</u>

The tangible capital assets have not been assessed for asset retirement obligations as required by PS 3280 Asset Retirement Obligations. The assets listed may be understated by the amounts of any existing asset retirement obligations.

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

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	2023	2022
Cost, beginning of year	\$ 12,592,075	\$ 614,324	\$ 2,150,103	\$ 1,677,090	\$ 543,027	\$ 356,318	\$ 181,062	\$ 672,952	\$ 169,234	\$ 275,105	\$ 4,233,023	\$ 23,464,313	\$ 22,980,497
Additions	-	-	-	30,022	-	14,868	-	-	-	3,735,157	-	3,780,047	618,023
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	(134,207)
Cost, end of year	12,592,075	614,324	2,150,103	1,707,112	543,027	371,186	181,062	672,952	169,234	4,010,262	4,233,023	27,244,360	23,464,313
Accumulated amortization, beginning of year	5,528,942	573,916	1,752,884	1,469,420	401,663	304,989	163,582	668,793	165,066	-	1,166,983	12,196,238	11,425,683
Amortization	422,916	4,867	53,192	61,637	53,247	13,145	1,520	170	439	-	136,295	747,428	770,555
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	5,951,858	578,783	1,806,076	1,531,057	454,910	318,134	165,102	668,963	165,505	-	1,303,278	12,943,666	12,196,238
Net carrying amount, end of year	\$ 6,640,217	\$ 35,541	\$ 344,027	\$	\$ 88,117	\$ 53,052	\$ 15,960	\$ 3,989	\$ 3,729	\$ 4,010,262	\$ 2,929,745	\$ 14,300,694	\$ 11,268,075

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

14. Accumulated Surplus

	<u>2023</u>	<u>2022</u>
Unrestricted Surplus	\$ 34,133,387	\$ 27,017,457
Contributed Surplus	826,788	826,788
Equity in Capital Assets	12,236,279	9,067,366
Equity in Trust Funds	7,574,284	6,317,930
Equity in Investments	753,756	753,756
Equity in Replacement Reserve	<u>336,114</u>	<u>246,357</u>
	<u>\$ 55,860,608</u>	<u>\$ 44,229,654</u>

March 31, 2023

15. Commitments and Contingencies

Commitment:

The Group leases photocopiers under long-term leases which expire May 2028.

Future minimum lease payments as at March 31, 2023, are as follows:

2024	\$ 8,964
2025	8,964
2026	8,964
2027	8,964
Thereafter	10,458
	<hr/>
	\$ 46,314

a) Funding agreement:

The Group 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 Group. No amounts have been recorded in the financial statements as refundable or reimbursable.

b) Pension Plan:

The Group 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 \$60,623 (2022 - \$69,279).

c) Environmental Renewal:

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

March 31, 2023

14. Commitments and Contingencies (continued)

f) Guarantee:

The Group has provided a guarantee for the credit facility of SNRLLP. At March 31, 2023, the outstanding loan balance was \$Nil. The maximum liability to the First Nation with respect to these loans is \$510,000.

The Group has provided a guarantee for the credit facility of KDC. As at March 31, 2023, the outstanding loan balance was \$565,431. The maximum liability to the First Nation with respect to these loans is \$650,000.

The Group has provided a guarantee for the credit facility of SHLLP. As at March 31, 2023, the outstanding loan balances were \$159,643. The maximum liability to the First Nation with respect to these loans is \$850,000.

The Group has provided a guarantee for the credit facility of Painted Rock LLP. As at March 31, 2023, the outstanding loan balance was \$Nil. The maximum liability to the First Nation with respect to these loans is \$150,000.:

16. Related Party Transactions

During the year, the Group made purchases of \$121,473 (2022 - \$72,881) from Big Sky Station Ltd. for fuel and supplies. The Group also earned \$35,000 (2022 - \$35,000) in rent and received \$5,500 (2022 - \$5,000) in donations from Big Sky Station Ltd. Included in accounts payable is \$15,715 (2022 - \$6,146) due to Big Sky Station Ltd.

During the year, the Group paid \$nil (2022 - \$43,838) for community economic development services to KDC.

During the year, the Group paid \$414,261 (2022 - \$437,765) for management fees, and earned \$16,083 (2022 - \$16,-83) in interest. Included in accounts payable is \$nil (2022 - \$311,037) due to Painted Rock LLP.

During the year, the Group earned \$30,055 (2022 - \$137,697) from Stk'emlupsemc Enterprises Inc., a significantly influenced entity, in dividends.

During the year, the Group paid \$1,927,926 (2022 - \$1,731,149) in contract services to SNRLLP. Included in accounts payable is \$980,659 (2022 - \$326,264) due to SNRLLP.

During the year, the Group received \$31,178 (2022 - \$27,836) for supplies and vehicle operating costs from SNRLLP. Included in accounts receivable is \$8,238 (2022 - \$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.

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

17. Expenses by Object

	2023	2022
Administration	\$ -	\$ 18,205
Amortization	747,429	770,555
Bad debts (recovery)	(3,891)	18,934
Construction costs	2,668	472
Contract services	2,635,538	2,245,983
Debt servicing, interest & bank charges	47,716	44,798
Donations	38,040	19,095
Education and training	657,508	614,139
Equipment leases	108,912	169,905
Fuel	119,059	114,600
Grants and member distributions	712,478	1,050,409
Honoraria	329,914	293,616
Insurance	186,933	138,293
Materials and supplies	692,612	1,297,616
Municipal services agreements	29,999	28,052
Office	28,187	66,367
Professional fees	310,949	202,520
Property taxation	-	11,513
Repairs and maintenance	421,171	268,929
Reserve fund appropriations	145,587	93,266
Social assistance	412,838	582,557
Travel	158,700	119,323
Utilities and telephone	145,939	132,470
Wages and benefits	2,879,047	2,556,084
	\$ 10,807,333	\$ 10,857,701

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

18. Funds Held in Trust - Ministry of Transportation and Highways

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

	<u>2023</u>
Deadman - Vidette Road No. 1247	\$ 63,707
Deadman - Vidette Road Intersection - District Plan 215-1427-20	<u>\$ 5,406</u>

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.

19. Budget

An annual budget was presented by the Chief and Council of the First Nation and approved by the members on . 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	\$ 13,576,711
Less:	
Transfers between funds	<u>(10,975)</u>
Total consolidated budgeted revenues per statement of operations	<u>\$ 13,565,736</u>
Approved consolidated budgeted expenses	\$ 13,245,329
Less:	
Transfers between funds	(411,475)
Acquisition of capital assets	<u>(100,000)</u>
Total consolidated budgeted expenses per statement of operations	<u>\$ 12,733,854</u>

March 31, 2023

20. Segmented Information

The Group 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).

Administration

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

School

School is responsible for the administration and management of the on-reserve Skeetchestn Community School. The school is dedicated to providing outstanding educational programming meeting the BC Provincial academic standards and culturally enriched with Secwepemc Culture. A safe, caring and community oriented environment prepares each child with deep confidence in their own learning process, having a deep sense of wonder and respect for life and learning.

Education

Education supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of Group 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.

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.

Health

Health is responsible for the management and operation of the on-reserve Health Clinic. They help provide access to services to the Skeetchestn community members.

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

Housing manages capital projects within the community undertaken to support the growth and or maintenance of the Groups infrastructure. They provide sustainable, affordable housing choices by instituting: quality control, safety measures and continued education with open communication and knowledge.

Social Housing

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

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

19. Segment Disclosure

2023

Revenue

	Administration	School	Education	Social Development	Health	Public Works	Housing	Social Housing	Total
ISC	\$ 632,780	\$ 635,389	\$ 1,274,209	\$ 712,481	\$ 122,562	\$ 1,170,158	\$ 143,605	\$ -	\$ 4,691,184
Other	10,735,816	1,074,716	342,757	2,880	1,249,412	577,135	3,667,571	411,980	18,062,267
Total	11,368,596	1,710,105	1,616,966	715,361	1,371,974	1,747,293	3,811,176	411,980	22,753,451

Expenses

Wages & benefits	582,698	913,131	120,475	77,386	340,755	472,299	372,303	-	2,879,047
Purchases	3,859,698	463,918	829,645	431,857	363,693	927,347	103,534	201,165	7,180,857
Amortization	611,134	-	-	-	-	-	-	136,295	747,429
Total	5,053,530	1,377,049	950,120	509,243	704,448	1,399,646	475,837	337,460	10,807,333

Surplus

\$ 6,315,066	\$ 333,056	\$ 666,846	\$ 206,118	\$ 667,526	\$ 347,647	\$ 3,335,339	\$ 74,520	\$ 11,946,118
--------------	------------	------------	------------	------------	------------	--------------	-----------	---------------

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2022

19. Segment Disclosure (Continued)

2022	Social																	
	Administration		School	Education	Development		Health	Public Works		Housing	Social Housing	Total						
Revenue																		
ISC	\$	1,288,401	\$	790,581	\$	733,704	\$	648,693	\$	13,595	\$	496,934	\$	140,850	\$	-	\$	4,112,758
Other		5,971,582		1,038,354		551,435		12,357		1,133,898		456,597		721,001		290,170		10,175,394
Total		7,259,983		1,828,935		1,285,139		661,050		1,147,493		953,531		861,851		290,170		14,288,152
Expenses																		
Wages & benefits		572,398		767,405		125,135		120,785		264,773		398,126		289,462		-		2,538,084
Purchases		4,089,231		367,764		766,347		673,808		458,266		751,260		294,248		148,138		7,549,062
Amortization		645,504		-		-		-		-		-		-		125,051		770,555
Total		5,307,133		1,135,169		891,482		794,593		723,039		1,149,386		583,710		273,189		10,857,701
Surplus (deficit)	\$	1,952,850	\$	693,766	\$	393,657	\$	(133,543)	\$	424,454	\$	(195,855)	\$	278,141	\$	16,981	\$	3,430,451

Skeetchestn Indian Band
Notes to Consolidated Financial Statements

March 31, 2023

21. Cash Flow Information

During the year, the Group paid interest on long-term debt of \$40,490 (2022 - \$41,219) and received interest of \$341,193 (2022 - \$38,90) from various sources.

22. Comparative Information

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

23. Subsequent Events

Subsequent to year end, a mudslide damaged the Skeetchestn Community School field and fencing. The financial effects of the damages are not yet known at the time of financial statements.