

**Skw'lax te Secwepemculew**  
**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 financial statements of Skw'lax te Secwepemculew (the "Group") are the responsibility of management and have been approved by the Chief and another Councilor of the Council.

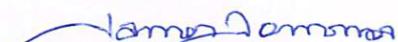
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it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

The Skw'lax te Secwepemculew maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Group's assets are appropriately accounted for and adequately safeguarded.

The Skw'lax te Secwepemculew is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through its Finance review meetings.

The Chief and Council review the Group's 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 financial statements and the external auditor's report. The Chief and Council take this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also appoint the engagement of the external auditors.

The 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 Council.

  
Chief Councilor

  
Administrator



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## Independent Auditor's Report

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**To the Chief and Council of Skw'lax te Secwepemculew**

**Qualified Opinion**

We have audited the consolidated financial statements of Skw'lax te Secwepemculew (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of changes in net financial 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 financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Basis for Qualified Opinion**

The financial statements for certain Government Business Enterprises have been prepared using Canadian accounting standards for private enterprises (ASPE) rather than international financial reporting standards (IFRS) as required by public sector accounting standards. We have not been engaged to audit the differences that may arise from using ASPE versus IFRS; Therefore, we are unable to determine the impact of this departure from public sector accounting standards on investments in government business enterprises as at March 31, 2022 and March 31, 2021, Government Business Enterprise income and annual surplus (deficit) for the year ended March 31, 2022 and March 31, 2021, and accumulated surplus as at April 1 and March 31 for the 2022 and 2021 year.

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

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

## **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 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 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 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**  
**August 11, 2023**

**Skw'lax te Secwepemculew**  
**Exhibit A - Consolidated Statement of Financial Position**

<b>As at March 31</b>	<b>2022</b>	<b>2021</b>
<b>Financial Assets</b>		
Cash (Note 2)	\$ 6,914,216	\$ 8,096,887
Temporary investments (Note 3)	12,146,510	7,711,347
Restricted cash (Note 4)	1,523,589	1,515,636
Accounts receivable (Note 5)	2,863,590	2,073,390
Portfolio investments (Note 6)	150,032	150,032
Due from related parties	4,258	4,138
Investment in Government Business entities (Note 15)	<u>6,736,985</u>	5,790,975
	<u>30,339,180</u>	25,342,408
<b>Liabilities</b>		
Accounts payable (Note 7)	1,641,303	1,426,028
Deferred revenue (Note 8)	1,308,859	1,650,734
Long term debt (Note 9)	<u>3,806,325</u>	4,015,571
	<u>6,756,487</u>	7,092,333
<b>Net Assets</b>	<u>23,582,693</u>	18,250,075
<b>Non-financial Assets</b>		
Prepaid expense	-	36,909
Tangible capital assets (Note 10)	<u>20,277,535</u>	20,460,632
	<u>20,277,535</u>	20,497,541
<b>Accumulated Surplus (Note 11)</b>	<u>\$ 43,860,228</u>	\$ 38,747,616

Approved on behalf of the Council:

  
 \_\_\_\_\_ Chief Councilor  
  
 \_\_\_\_\_ Administrator 

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**Skw'lax te Secwepemculew**  
**Exhibit B - Consolidated Statement of Change in Net Assets**

<b>For the year ended March 31</b>	<b>2022</b>	<b>2021</b>
<b>Annual surplus - Exhibit C</b>	<b>\$ 5,024,791</b>	<b>\$ 4,036,174</b>
Purchases of tangible capital assets	(761,415)	(1,340,072)
Amortization of tangible capital assets	945,381	901,019
Disposals of tangible capital assets	-	42,239
NBV of assets removed from former wholly owned subsidiaries	-	3,928,245
Change in Government Business Enterprise's and Partnership's	89,352	-
Change in prepaid expense	34,512	10,475
<b>Increase in net assets</b>	<b>5,332,621</b>	<b>7,578,080</b>
<b>Net assets, beginning of year</b>	<b>18,250,072</b>	<b>10,671,992</b>
<b>Net assets, end of year</b>	<b>\$ 23,582,693</b>	<b>\$ 18,250,072</b>

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

**Skw'lax te Secwepemculew**  
**Exhibit C - Consolidated Statement of Operations**

For the year ended March 31	Budget	2022	2021
(Note 20)			
<b>Revenue</b>			
Indigenous Services Canada	\$ -	\$ 4,263,847	\$ 3,547,510
Taxation	- -	1,190,757	1,137,605
Fisheries and Oceans Canada	- -	54,900	56,900
Province of British Columbia	- -	4,862,728	5,660,858
Natural Resource Canada	- -	387,147	218,553
Settlement funds Government of Canada	- -	1,740,529	-
Canada Mortgage and Housing Corporation	- -	153,300	153,579
Government Business Enterprise Income (loss) (Note 15)	- -	390,699	15,734
Partnership Income (Note 15)	- -	-	71,617
Rental income	- -	493,867	479,473
BC Gaming Revenue	- -	194,266	341,460
Interest and investment income	- -	481,805	199,847
Other income	- -	5,921,590	4,814,984
Administration (Note 12)	- -	42,100	99,950
	<hr/>	<hr/>	<hr/>
	- -	<b>20,177,535</b>	16,798,070
<b>Expenses (Note 19)</b>			
Administration	- -	3,994,243	3,772,792
Community Welfare	- -	1,020,967	965,617
Operations & maintenance	- -	2,245,470	1,908,827
Education	- -	958,039	1,351,945
Economic development	- -	71,111	300,737
Health services	- -	1,503,148	1,025,620
Social Housing	- -	859,451	853,242
Natural resource management	- -	4,364,927	2,551,722
Capital	- -	135,388	31,394
	<hr/>	<hr/>	<hr/>
	- -	<b>15,152,744</b>	12,761,896
<b>Surplus for the year</b>	<b>\$ -</b>	<b>\$ 5,024,791</b>	<b>\$ 4,036,174</b>

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

**Skw'lax te Secwepemculew**  
**Exhibit D - Consolidated Statement of Cash Flows**

<u>For the year ended March 31</u>	<u>2022</u>	<u>2021</u>
<b>Operating activities</b>		
Cash receipts from various sources	\$ 16,982,199	\$ 15,825,389
Cash from taxation	1,190,757	1,137,605
Cash paid to employees and suppliers	(13,925,248)	(11,230,216)
Interest paid	(32,263)	(38,502)
Interest earned	<u>454,653</u>	<u>199,847</u>
<b>Cash flows from operating activities</b>	<b><u>4,670,098</u></b>	<b><u>5,894,123</u></b>
<b>Capital activities</b>		
Purchase of capital assets	(674,264)	(1,340,073)
Sale of capital assets	-	42,241
Removal of former wholly owned subsidiaries capital assets	-	3,928,245
<b>Cash flows used in capital activities</b>	<b><u>(674,264)</u></b>	<b><u>2,630,413</u></b>
<b>Investing activities</b>		
Increase (decrease) in GIC's	(1,000,000)	3,476,263
Decrease in related party investments	(11,966,741)	(5,707,762)
Purchase of temporary investments	(3,408,011)	(158,377)
Increase in equity interest in investments	<u>11,413,447</u>	-
<b>Cash flows used in investing activities</b>	<b><u>(4,961,305)</u></b>	<b><u>(2,389,876)</u></b>
<b>Financing activity</b>		
Repayment of long term debt	<u>(209,247)</u>	<u>(232,090)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b><u>(1,174,718)</u></b>	<b><u>5,902,570</u></b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>9,612,523</u></b>	<b><u>3,709,953</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 8,437,805</u></b>	<b><u>\$ 9,612,523</u></b>
<b>Represented by:</b>		
Cash	\$ 6,914,216	\$ 8,096,887
Restricted cash	<u>1,523,589</u>	<u>1,515,636</u>
	<b><u>\$ 8,437,805</u></b>	<b><u>\$ 9,612,523</u></b>

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

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## Skw'lax te Secwepemculew Summary of Significant Accounting Policies

**March 31, 2022**

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<b>Basis of Presentation</b>	These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.
<b>Reporting Entity and Principles</b>	<p>The Skw'lax te Secwepemculew reporting entity includes the Skw'lax te Secwepemculew (the "Group") and all related entities which are accountable to Skw'lax te Secwepemculew and are either owned or controlled by the Group. All controlled entities are consolidated in the Group's financial statements according to the Group percentage ownership except for entities that meet the definition of a government business enterprise or a business partnership, which are included in the financial statements on a modified equity basis.</p> <p>The financial statements consolidate the assets, liabilities and results of operations for the following incorporated entities:</p> <ul style="list-style-type: none"><li>- Social Housing</li></ul> <p>All inter-entity balances have been eliminated on consolidation.</p>
<b>Investment in Government Business Enterprises</b>	<p>Skw'lax te Secwepemculew's investment in the following government business enterprises are accounted for on a modified equity basis. Under the modified equity basis, these entities' accounting policies are not adjusted to conform with those of Skw'lax te Secwepemculew and inter-organizational transactions and balances are not eliminated. Skw'lax te Secwepemculew recognizes its equity interest in the annual income of loss of the entities in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment asset account. Any dividends that Skw'lax te Secwepemculew may receive from the entities will be reflected as reductions in the investment asset account. Organizations accounted for on a modified equity basis include:</p> <ul style="list-style-type: none"><li>• Skw'lax Investments Inc.</li><li>• 0990532 B.C. Ltd.</li></ul>

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## Skw'lax te Secwepemculew Summary of Significant Accounting Policies

**March 31, 2022**

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**Investment in  
Partnerships**

Skw'lax te Secwepemculew's investment in Skw'lax Timber Limited Partnership is accounted for on a modified equity basis.

Under the modified equity basis, the partnership's accounting policies are not adjusted to conform with those of Skw'lax te Secwepemculew and inter-organizational transactions and balances are not eliminated. Skw'lax te Secwepemculew recognizes its equity interest in the annual income of loss of the partnership in its consolidated statement of operations and accumulated surplus, less cash advances or cash disbursements, with a corresponding increase or decrease in its investment asset account.

**Cash**

Cash consist of cash on hand and bank balances, and lines of credit used for operating purposes.

**Use of Estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that have an effect on the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Ottawa Trust Funds**

The Group uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized in revenue of the Group upon withdrawal from the Ottawa Trust Fund.

**Tangible Capital Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Tangible capital assets acquired as part of Social Housing are recorded in that entity. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded at revenue.

Amortization is provided over the estimated useful lives of the tangible capital asset as follows:

Automotive equipment	5 years
Buildings	20 to 50 years
Computer Software	3 years
Furniture and equipment	5 years
Water systems	15 to 25 years
Water wells	20 years

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## Skw'lax te Secwepemculew Summary of Significant Accounting Policies

**March 31, 2022**

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### **Revenue Recognition**

Government grants and transfers, which include Federal funding agreements are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. When the eligibility criteria is not met, transfers received are reflected as deferred revenue in the year of receipt and classified as such on the Consolidated Statement of Financial Position.

Rental revenue is recognized when a tenant commences occupancy and rent is due. For annual lease agreements the Skw'lax te Secwepemculew retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

Taxation revenue is recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

All other revenue is recognized in the period in which the events that give rise to the revenue occurs

Lease revenue is recorded on a straight-line basis over the term of the lease agreement and is recognized when the tenant commences occupancy, the amounts to be received can be reasonably estimated and collection is reasonably assured.

### **Deferred Revenue**

Deferred revenue represents grants and other fees which have been collected, but for which the related expenses or services have yet to be incurred or performed. These amounts will be recognized as revenues in the fiscal year in which the services are performed or related expenses are incurred.

### **Temporary Investments**

Temporary investments are recorded at cost, unless the market value of temporary investments has declined below cost, in which case they are written down to market value.

### **Funded Reserves**

In order to provide for replacement or major tangible capital assets, the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC") provide that a Replacement Reserve Fund be established by annual charges to operations in an amount prescribed by the agreement. Interest is to accrue on the cumulative reserve balance. In addition, under the terms of the agreement for the 2% Subsidy Program, Skw'lax te Secwepemculew may retain, in a Subsidy Surplus Reserve, excess federal assistance payments up to a maximum of \$500 per unit plus interest, and under the terms of the agreement for the Full Subsidy Program, Skw'lax te Secwepemculew may retain in an Operating Reserve all excess federal assistance, plus interest.

### **Segmented Disclosure**

A segment is defined as a distinguishable activity or group of activities of government for which it is appropriate to separately report financial information to achieve the objectives of Skw'lax te Secwepemculew. Skw'lax te Secwepemculew identifies its 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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**Skw'lax te Secwepemculew**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

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**1. Economic Dependence**

Skw'lax te Secwepemculew receives as part of its operational funding, a significant portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada ("ISC") and Province of BC.

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**2. Cash**

	<b>2022</b>	<b>2021</b>
Operating	\$ 6,914,216	\$ 8,089,094
Short-term deposits	-	7,793
	<hr/> <b>\$ 6,914,216</b>	<hr/> <b>\$ 8,096,887</b>

Cash is held in three Canadian Chartered Banks and earns interest at the current prevailing rates for business operating accounts.

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**Skw'lax te Secwepemculew  
Notes to Consolidated Financial Statements**

**March 31, 2022**

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**3. Temporary Investments**

Temporary investments are recorded at cost, unless the market value of temporary investments has declined below cost, in which case they are written down to market value

	<b>2022</b>	<b>2021</b>
RBC Wealth Management - Social Housing	\$ 439,007	\$ 425,657
RBC Wealth Management	9,707,503	6,285,690
CWB GIC's	<u>2,000,000</u>	1,000,000
	<b><u>\$ 12,146,510</u></b>	<b><u>\$ 7,711,347</u></b>

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**4. Restricted Cash**

	<b>2022</b>	<b>2021</b>
Ottawa Trust funds	\$ 1,434,068	\$ 1,388,441
Social Housing reserves	<u>89,521</u>	127,195
	<b><u>\$ 1,523,589</u></b>	<b><u>\$ 1,515,636</u></b>

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. These funds are restricted in their use. The Group is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Group and Group members. The expenditures of capital funds requires the consent of Indigenous Services Canada and generally must be for projects of a capital nature.

In order to provide for replacement of major capital items, the terms of the operating agreements between Skw'lax te Secwepemculew and CMHC provide that a replacement reserve fund be established by annual charges to operations in amount prescribed by the agreements. Under these agreements, Skw'lax te Secwepemculew is required to segregate annual transfers to reserve funds and interest earned on these funds from other cash. As at March 31, 2022, the replacement reserve was underfunded by \$418,385 and the operating surplus reserve was overfunded by \$27,652.

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**Skw'lax te Secwepemculew**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

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**5. Accounts Receivable**

Accounts receivable by program area is summarized as follows:

	<b>2022</b>	<b>2021</b>
Operating	\$ 5,432,938	\$ 4,642,742
Allowance for doubtful accounts	<u>(2,582,125)</u>	<u>(2,582,125)</u>
	\$ 2,850,813	\$ 2,060,617
Social Housing	<u>12,777</u>	<u>12,773</u>
	<b><u>\$ 2,863,590</u></b>	<b><u>\$ 2,073,390</u></b>

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**6. Portfolio Investments**

	<b>2022</b>	<b>2021</b>
Other Investments at cost		
All Nations Trust Company	\$ 150,000	\$ 150,000
Horseshoe Bay Developments Inc.	2	2
Squilax Investment	<u>30</u>	<u>30</u>
	<b><u>\$ 150,032</u></b>	<b><u>\$ 150,032</u></b>

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**7. Accounts Payable**

	<b>2022</b>	<b>2021</b>
Trade Payables	\$ 1,631,664	\$ 1,412,603
Social Housing	<u>9,639</u>	<u>13,425</u>
	<b><u>\$ 1,641,303</u></b>	<b><u>\$ 1,426,028</u></b>

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**Skw'lax te Secwepemculew**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

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**8. Deferred Revenue**

Deferred revenue represents funding received for programs/projects that were not completed during the year.

	<b>2022</b>	<b>2021</b>
Deferred lease revenue	\$ 1,291,589	\$ 1,312,706
Damage deposits	17,270	12,531
Province of BC - Sun Peaks	-	325,497
	<hr/> <b>\$ 1,308,859</b>	<hr/> <b>\$ 1,650,734</b>

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**Skw'lax te Secwepemculew**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

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**9. Long Term Debt**

	<b>2022</b>	<b>2021</b>
Bank of Montreal, demand loan, repayable in monthly installments of \$10,551 including interest at 3.45% per annum, maturing November 2022	\$ 1,798,950	\$ 1,866,476
Scotiabank, demand loan, repayable in monthly installments of \$810 including interest at 5.89% per annum, maturing April 2025	27,343	-
All Nations Trust Company, mortgage, repayable in monthly installments of \$1,619 including interest at 1.03% per annum, maturing August 2026	83,879	102,329
All Nations Trust Company, mortgage, repayable in monthly installments of \$1,798 including interest at 1.30% per annum, maturing June 2032	206,982	225,742
All Nations Trust Company, mortgage, repayable in monthly installments of \$3,043 including interest at 1.84% per annum, maturing September 2032	348,470	378,296
All Nations Trust Company, mortgage, repayable in monthly installments of \$2,636 including interest at 2.5% per annum, maturing June 2033	310,145	333,744
All Nations Trust Company, mortgage, repayable in monthly installments of \$1,839 including interest at 2.21% per annum, maturing February 2034	231,076	247,855
All Nations Trust Company, mortgage, repayable in monthly installments of \$3,377 including interest at 0.98% per annum, maturing March 2035	494,449	529,944
All Nations Trust Company, mortgage, repayable in monthly installments of \$1,497 including interest at 0.74% per annum, maturing February 2036	237,495	253,640
All Nations Trust Company, mortgage, repayable in monthly installments of \$985 including interest at 2.50% per annum, maturing May 2028	67,536	77,545
<b>Total Loans Payable</b>	<b>\$ 3,806,325</b>	<b>\$ 4,015,571</b>

All Social Housing mortgages are secured by a Ministerial Guarantee from Indigenous Services Canada

The estimated principal repayments required over the next five years and thereafter are as follows:

2023	\$ 2,166,816
2024	716,655
2025	93,814
2026	435,562
2027	240,403
Thereafter	153,075
	<hr/>
	<b>\$ 3,806,325</b>

**Skw'lax te Secwepemculew  
Notes to Consolidated Financial Statements**

**March 31, 2022**

**10. Tangible Capital Assets**

	<b>2022</b>		<b>2021</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Cost</b>	<b>Accumulated Amortization</b>
Automotive	\$ 1,657,675	\$ 1,304,411	\$ 1,328,851	\$ 1,208,917
Computer software	479,231	402,340	479,231	346,210
Water systems	8,834,688	4,320,850	8,834,688	3,935,110
Land	7,052,856	-	6,752,856	-
Equipment				
Furniture and equipment	1,493,989	1,370,273	1,483,899	1,335,577
Golf course equipment	158,287	158,287	158,287	158,287
Buildings				
Buildings	8,763,201	5,776,511	8,676,051	5,614,167
Commercial strip mall	846,058	310,979	846,058	294,058
Golf course maintenance	468,704	134,339	433,353	125,672
Health centre	2,195,222	526,853	2,195,222	482,949
Water towers	545,266	436,213	545,266	408,949
Water wells	<u>267,426</u>	<u>143,542</u>	267,426	130,170
	<u>32,762,603</u>	<u>14,884,598</u>	32,001,188	14,040,066
Social Housing				
Buildings	<u>5,539,561</u>	<u>3,140,031</u>	5,539,561	3,040,051
	<u>\$ 38,302,164</u>	<u>\$ 18,024,629</u>	\$ 37,540,749	\$ 17,080,117
Net book value		<u>\$ 20,277,535</u>		<u>\$ 20,460,632</u>

**Skw'lax te Secwepemculew**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**10. Tangible Capital Assets (continued)**

	<b>2022</b>										
	Water Systems	Water Wells	Furniture and Equipment	Buildings	Land	Automotive	Computer Software	Land Improvements	Art and Artifacts	Work in progress	Total
Cost, beginning of year	\$ 8,834,688	\$ 267,426	\$ 1,642,187	\$ 18,235,511	\$ 6,752,856	\$ 1,328,850	\$ 479,230	\$ -	\$ -	\$ -	\$ 37,540,748
Transfers	-	-	-	-	(6,752,856)	-	-	6,752,856	-	-	-
Additions	-	-	10,090	122,500	-	328,824	-	300,000	-	-	761,414
Disposals	-	-	-	-	-	(2,500)	-	-	-	-	(2,500)
Change in Government Business Enterprise's and Partnership's	-	-	-	(557,228)	-	-	-	-	-	-	(557,228)
Cost, end of year	\$ 8,834,688	\$ 267,426	\$ 1,652,277	\$ 17,800,783	\$ -	\$ 1,655,174	\$ 479,230	\$ 7,052,856	\$ -	\$ -	\$ 37,742,434
Accumulated amortization, beginning of year	\$ 3,935,110	\$ 130,168	\$ 1,493,865	\$ 9,965,699	\$ -	\$ 1,208,916	\$ 346,358	\$ -	\$ -	\$ -	\$ 17,080,116
Transfers	-	-	-	(3,040,051)	-	-	-	3,040,051	-	-	-
Amortization	385,740	13,371	40,626	261,883	-	87,651	56,130	99,980	-	-	945,381
Change in Government Business Enterprise and Partnership's	-	2	-	(553,830)	-	(4,224)	(148)	-	-	-	(558,200)
Accumulated amortization, end of year	\$ 4,320,850	\$ 143,541	\$ 1,534,491	\$ 6,633,701	\$ -	\$ 1,292,343	\$ 402,340	\$ 3,140,031	\$ -	\$ -	\$ 17,467,297
Net carrying amount, end of year	\$ 4,513,838	\$ 123,885	\$ 117,786	\$ 11,167,082	\$ -	\$ 362,831	\$ 76,890	\$ 3,912,825	\$ -	\$ -	\$ 20,275,137

**Skw'lax te Secwepemculew**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**10. Tangible Capital Assets (continued)**

	2021										
	Water Systems	Water Wells	Furniture and Equipment	Buildings	Land Improvements	Land	Automotive	Computer Software	Art and Artifacts	Work in Progress	Total
Cost, beginning of year	\$ 8,691,089	\$ 267,426	\$ 3,426,122	\$ 24,149,852	\$ 501,926	\$ 6,667,106	\$ 1,615,621	\$ 661,456	\$ 11,464	\$ 1,091,161	\$ 47,083,223
Former wholly owned subsidiaries removed	-	-	(1,869,845)	(6,795,599)	(501,926)	-	(245,161)	(325,150)	(11,464)	(1,091,161)	(10,840,306)
Additions	143,599	-	85,910	881,258	-	85,750	631	142,924	-	-	1,340,072
Disposals								(42,241)			(42,241)
Cost, end of year	\$ 8,834,688	\$ 267,426	\$ 1,642,187	\$ 18,235,511	\$ -	\$ 6,752,856	\$ 1,328,850	\$ 479,230	\$ -	\$ -	\$ 37,540,748
Accumulated amortization, beginning of year	\$ 3,552,242	\$ 116,797	\$ 2,949,817	\$ 12,671,287	\$ 474,322	\$ -	\$ 1,361,115	\$ 622,018	\$ -	\$ -	\$ 21,747,598
Former wholly owned subsidiaries removed	-	-	(1,486,978)	(3,060,053)	(474,322)	-	(227,830)	(310,869)	-	-	(5,560,052)
Amortization	382,868	13,371	31,026	354,465	-	-	84,080	35,209	-	-	901,019
Disposals	-	-	-	-	-	-	(8,449)	-	-	-	(8,449)
Accumulated amortization, end of year	\$ 3,935,110	\$ 130,168	\$ 1,493,865	\$ 9,965,699	\$ -	\$ -	\$ 1,208,916	\$ 346,358	\$ -	\$ -	\$ 17,080,116
Net carrying amount, end of year	\$ 4,899,578	\$ 137,258	\$ 148,322	\$ 8,269,812	\$ -	\$ 6,752,856	\$ 119,934	\$ 132,872	\$ -	\$ -	\$ 20,460,632

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## Skw'lax te Secwepemculew Notes to Consolidated Financial Statements

**March 31, 2022**

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### **11. Accumulated Surplus**

	<b>2022</b>	<b>2021</b>
Unrestricted Surplus	<b>\$ 27,958,695</b>	\$ 19,888,275
Equity in Fire department reserve	-	12,218
Equity in Capital assets	<b>19,211,442</b>	19,604,657
Equity in Replacement reserve	<b>480,253</b>	483,620
Equity in Ottawa trust	<b>1,434,068</b>	1,388,441
Equity in Health reserve	<b>10,680</b>	5,780
Equity in Horseshoe Bay Development	<b>50,002</b>	50,002
Equity in Government Business Entities	<b>(6,195,712)</b>	(3,596,177)
Equity in Daycare	<b>215,000</b>	215,000
Equity in Rep Res IR#1	<b>150,000</b>	150,000
Equity in Rep Res IR#4	<b>26,000</b>	26,000
Equity in Rep Res IR#5	<b>50,000</b>	50,000
Equity in Rep Res Capital	<b>469,800</b>	469,800
	<b><u>\$ 43,860,228</u></b>	<b><u>\$ 38,747,616</u></b>

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### **12. Administrative Revenue**

During the prior year, Skw'lax te Secwepemculew incurred revenue for administration services provided to Skwlax Investments Inc. and 0990532 B.C. Ltd in the amount of \$99,950.

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### **13. Federal Assistance Payments**

Skw'lax te Secwepemculew Housing Project has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56-1 of the *National Housing Act* to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of the assistance received through March 31, 2022 was \$153,300 (2021 - \$153,579). This assistance will continue, providing the Group is not in default of the agreement.

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### **14. Replacement Reserve**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited annually in the amount of \$44,267. These funds along with accumulating interest are to be held in a separate bank account. The funds in this account may only be used as approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal. As at March 31, 2022 Skw'lax te Secwepemculew has underfunded these reserves by \$418,385.

**Skw'lax te Secwepemculew  
Notes to Consolidated Financial Statements**

**March 31, 2022**

**15. Investment in Government Business Entities**

	<b>2022</b>	<b>2021</b>
Advances to related parties:		
Skwlax Investments Inc.	\$ 16,099,404	\$ 4,389,922
0990532 B.C. Ltd.	666,361	441,266
Skwlax Timber Limited Partnership	904,480	872,437
	<b>17,670,245</b>	<b>5,703,625</b>

	Skwlax Investment Inc.	0990532 B.C. Ltd	Skwlax Timber Limited Partnership	2022 Total	2021 Total
Current assets	\$1,521,084	\$772,886	\$2,195,786	\$4,489,756	\$2,923,117
Non-current assets	5,919,064	26,276	1,443,702	7,389,042	5,437,276
<b>Total assets</b>	<b>7,440,148</b>	<b>799,162</b>	<b>3,639,488</b>	<b>11,878,798</b>	<b>8,360,393</b>
Current liabilities	1,152,224	143,625	2,162,401	3,458,250	1,039,642
Non-current liabilities	17,733,077	685,816	1,150,695	19,569,588	18,644,582
<b>Total liabilities</b>	<b>18,885,301</b>	<b>829,441</b>	<b>3,313,096</b>	<b>23,027,838</b>	<b>19,684,224</b>
Share capital	30	-	2	32	32
Retained earnings (deficit)	(11,445,183)	(30,279)	326,390	(11,149,072)	(11,323,831)
<b>Total liabilities and equity</b>	<b>7,440,148</b>	<b>799,162</b>	<b>3,639,488</b>	<b>11,878,798</b>	<b>8,360,393</b>
Net income (loss):					
Revenue	7,890,404	4,880,882	4,923,288	17,694,574	11,633,425
Expenses	7,824,915	4,882,062	4,596,898	17,303,875	11,546,074
<b>Net income (loss)</b>	<b>\$65,489</b>	<b>\$(1,180)</b>	<b>\$326,390</b>	<b>\$390,699</b>	<b>\$87,351</b>

Skw'lax te Secwepemculew holds 100% ownership or otherwise exerts control over the above entities.

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**Skw'lax te Secwepemculew**  
**Notes to Consolidated Financial Statements**

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**March 31, 2022**

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**16. Employee Benefits**

The Group has a pension and RRSP matching plan providing benefits to certain of its employees. The cost charge represents contributions paid to the plans and amount to for the year ended March 31, 2022 \$- (2021 - \$308,354)

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**17. Comparative Figures**

Certain comparative amounts presented in the financial statements have been restated to conform to current year's presentation.

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**18. Fiscal Plan**

Canadian public sector accounting standards requires that the Group's budget be presented in the financial statements. As the Group currently does not prepare the budget in a format comparative to the consolidated statements of operations line items, no budget figures have been presented as otherwise required.

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**Skw'lax te Secwepemculew**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

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**19. Expenses by object**

	<b>2022</b>	<b>2021</b>
Advertising	\$ 100,560	\$ 14,577
Amortization	1,113,575	1,070,234
Automotive	70,054	41,701
Bad debts	1,093	138,923
Bank charges	32,997	31,741
Contract services	3,657,077	2,299,215
Donations	21,779	2,540
Equipment rental	171,018	217,883
Honoraria	30,895	55,204
Insurance	233,353	261,028
Interest	32,263	38,502
Licenses and dues	85,831	68,985
Local education agreement	355,466	455,268
Materials and supplies	609,322	273,099
Meetings	53,647	7,050
Office and miscellaneous	249,995	250,013
Patient transportation	40,150	33,930
Professional fees	717,323	993,821
Program expenses	944,058	998,725
Repairs and maintenance	335,895	317,689
Replacement reserve	43,486	40,267
Salaries and benefits	5,399,395	4,556,305
Social assistance	80,557	32,626
Student allowance and transportation	200,714	125,827
Training	107,435	36,577
Travel and accommodation	242,294	127,957
Utilities	222,512	272,209
	<hr/> <b>\$ 15,152,744</b>	<hr/> <b>\$ 12,761,896</b>

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## **Skw'lax te Secwepemculew Notes to Consolidated Financial Statements**

**March 31, 2022**

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### **20. Segment Disclosure**

Skw'lax te Secwepemculew is a diversified First Nations organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

#### **Administration**

This item relates to the revenues and expenses that relate to the operations of the Skw'lax te Secwepemculew itself and cannot be directly attributed to a specific segment.

#### **Community Welfare**

This service area provides services to help the Members by providing a variety of programs, community services and social assistance.

#### **Operations and Maintenance**

This service area provides services relating to the development, maintenance and service of the Skw'lax te Secwepemculew's assets, infrastructure and common property.

#### **Education**

This service area provides educational services through the operations of elementary, secondary and post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Skw'lax te Secwepemculew's Members.

#### **Economic Development**

This service area provides for the development of economic opportunities to the Members.

#### **Health Services**

This service area provides for health-related services and programs to the Members.

#### **Social Housing**

This service area provides for social housing to the Members.

#### **Natural Resource Management**

This service area includes exploration of natural resources and development of natural resource revenues.

#### **Capital**

This service area provides for the development of new capital projects and infrastructure programs on the reserve.

**Skw'lax te Secwepemculew  
Notes to Consolidated Financial Statements**

**March 31, 2022**

**22. Segment Disclosure  
(continued)**

<b>2022</b>		Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwlax Holdings Inc.	Capital	Total
<b>Revenue</b>												
ISC		\$ 633,255	\$ 1,779,283	\$ 1,051,328	\$ 660,575	\$ 16,698	\$ -	\$ 99,307	\$ 23,400	\$ -	\$ -	\$ 4,263,846
Other		3,590,273	32,550	89,174	290,844	31,992	1,620,598	637,958	9,229,601	390,699	-	15,913,689
		<b>4,223,528</b>	<b>1,811,833</b>	<b>1,140,502</b>	<b>951,419</b>	<b>48,690</b>	<b>1,620,598</b>	<b>737,265</b>	<b>9,253,001</b>	<b>390,699</b>	<b>-</b>	<b>20,177,535</b>
<b>Expenses</b>												
Payroll		1,479,091	222,821	713,539	228,405	8,624	1,028,734	194,727	1,554,959	-	-	5,430,900
Other		1,670,622	798,146	1,531,931	729,634	62,487	474,414	395,679	2,809,968	-	135,388	8,608,269
Amortization		844,530	-	-	-	-	-	269,045	-	-	-	1,113,575
		<b>3,994,243</b>	<b>1,020,967</b>	<b>2,245,470</b>	<b>958,039</b>	<b>71,111</b>	<b>1,503,148</b>	<b>859,451</b>	<b>4,364,927</b>	<b>-</b>	<b>135,388</b>	<b>15,152,744</b>
<b>Surplus (deficit)</b>		<b>\$ 229,285</b>	<b>\$ 790,866</b>	<b>\$ (1,104,968)</b>	<b>\$ (6,620)</b>	<b>\$ (22,421)</b>	<b>\$ 117,450</b>	<b>\$ (122,186)</b>	<b>\$ 4,888,074</b>	<b>\$ 390,699</b>	<b>\$ (135,388)</b>	<b>\$ 5,024,791</b>

<b>2021</b>		Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwlax Holdings Inc.	Capital	Total
<b>Revenue</b>												
ISC		\$ 551,944	\$ 1,444,368	\$ 790,187	\$ 619,970	\$ 16,371	\$ -	\$ 22,702	\$ 101,968	\$ -	\$ -	\$ 3,547,510
Other		2,648,269	(3,400)	38,662	1,789,861	1,800	1,225,787	633,260	6,817,720	87,351	11,250	13,250,560
		<b>3,200,213</b>	<b>1,440,968</b>	<b>828,849</b>	<b>2,409,831</b>	<b>18,171</b>	<b>1,225,787</b>	<b>655,962</b>	<b>6,919,688</b>	<b>87,351</b>	<b>11,250</b>	<b>16,798,070</b>
<b>Expenses</b>												
Payroll		1,316,157	156,889	733,536	382,926	13,515	727,421	196,181	1,084,883	-	-	4,611,508
Other		1,659,762	808,728	1,175,291	969,019	287,222	298,199	383,700	1,466,839	-	31,394	7,080,154
Amortization		796,873	-	-	-	-	-	273,361	-	-	-	1,070,234
		<b>3,772,792</b>	<b>965,617</b>	<b>1,908,827</b>	<b>1,351,945</b>	<b>300,737</b>	<b>1,025,620</b>	<b>853,242</b>	<b>2,551,722</b>	<b>-</b>	<b>31,394</b>	<b>12,761,896</b>
<b>Surplus (deficit)</b>		<b>\$ (572,579)</b>	<b>\$ 475,351</b>	<b>\$ (1,079,978)</b>	<b>\$ 1,057,886</b>	<b>\$ (282,566)</b>	<b>\$ 200,167</b>	<b>\$ (197,280)</b>	<b>\$ 4,367,966</b>	<b>\$ 87,351</b>	<b>\$ (20,144)</b>	<b>\$ 4,036,174</b>