

**Skw'lax te Secwepemculecw**  
**Consolidated Financial Statements**  
For the year ended March 31, 2023

**Skw'lax te Secwepemculecw**  
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For the year ended March 31, 2023

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## Management's Responsibility for Financial Reporting

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The accompanying financial statements of Skw'lax te Secwepemculecw (the "Group") are the responsibility of management and have been approved by the Chief and another Councillor 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 Secwepemculecw 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 Secwepemculecw 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.

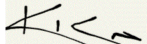
The Chief and Council review the Group's financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging 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.

Signed by:

  
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Signed by:

  
\_\_\_\_\_  
Administrator 0CC5182F6EBF4E5...

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## Independent Auditor's Report

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### To the Chief and Council of Skw'lax te Secwepemculecw

#### Qualified Opinion

We have audited the consolidated financial statements of Skw'lax te Secwepemculecw (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2023, 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, 2023 and its consolidated results of operations, its consolidated measurement gains and losses, its consolidated change in net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for Qualified Opinion

The Nation's investment in 0990532 BC Ltd., Skw'lax Investments Inc. and Skw'lax Timber Limited Partnership, government business enterprises and a government business partnership, accounted for using the modified equity method, is carried at \$7,043,014 (2022 - \$6,736,985) on the consolidated statement of financial position as at Mar 31, 2023, and net income of \$858,188 (2022 - (\$390,699)) is included in the Nations' equity pick up for the year then ended. We were unable to obtain sufficient appropriate audit evidence about the equity pick up of \$2,247,817 (2022 - \$60,649) and the related party balances as disclosed in Note 16 for the year and the corresponding effect on the carrying value of the investment because we are not able to complete audit procedures on the financial information. Consequently, we were unable to determine whether any adjustments to these amounts were necessary for the year ended March 31, 2023 and 2022 and accumulated surplus as at April 1 and March 31 for both the 2023 and 2022 years.

Additionally, due to the above, we were unable to satisfy ourselves regarding the appropriate treatment on the Nation's investment in 0990532 BC Ltd., Skw'lax Investments Inc. and Skw'lax Timber Limited Partnership. We are unable to determine whether adjustments, if any, to the investment in business entities are appropriate as at March 31, 2023 and 2022, revenue and annual surplus (deficit) for the year ended March 31, 2023 and 2022 and accumulated surplus as at April 1 and March 31 for both the 2023 and 2022 years.

Effective April 1, 2022, the First Nation 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. As of the audit report date, management has not completed its assessment of the First Nation's 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.

Our audit opinion on the financial statements for the year ended March 31, 2022 was modified for the departure from Canadian public sector accounting standards related to the government business entities.

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.

#### **Emphasis of Matter - Restated Comparative Information**

We draw attention to Note 20 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2022 has been restated. Our Opinion is not modified in respect of this matter.

#### **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.

*BDO Canada LLP*

**Chartered Professional Accountants**

**Kamloops, British Columbia**

**February 26, 2025**

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

<b>As at March 31</b>	<b>2023</b>	<b>2022</b>
		(Restated - Note 21)
<b>Financial Assets</b>		
Cash (Note 2)	\$ 10,571,217	\$ 6,914,216
Portfolio investments (Note 3)	12,065,982	11,707,503
Restricted cash (Note 4)	2,167,703	1,962,596
Accounts receivable (Note 5)	2,564,996	2,863,589
Long term investments (Note 6)	150,032	150,032
Due from related parties	104,331	4,258
Investment in Government Business Entities and Partnerships (Note 16)	16,228,366	6,736,985
	<b>43,852,627</b>	<b>30,339,179</b>
<b>Liabilities</b>		
Accounts payable (Note 7)	1,431,822	1,641,303
Deferred revenue (Note 8)	3,457,559	1,308,859
Long term debt (Note 9)	3,568,404	3,806,325
Obligations under capital lease (Note 11)	427,852	-
	<b>8,885,637</b>	<b>6,756,487</b>
<b>Net Assets</b>	<b>34,966,990</b>	<b>23,582,692</b>
<b>Non-financial Assets</b>		
Prepaid expense	85,617	-
Tangible capital assets (Note 10)	22,850,019	20,678,666
	<b>22,935,636</b>	<b>20,678,666</b>
<b>Accumulated Surplus (Note 12)</b>	<b>\$ 57,902,626</b>	<b>\$ 44,261,358</b>
<b>Accumulated surplus is comprised of:</b>		
Accumulated operating surplus	57,919,244	44,261,358
Accumulated remeasurement loss	(16,618)	-
	<b>57,902,626</b>	<b>44,261,358</b>

Approved on behalf of the Council:

Signed by:

*James Tomma*

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Chief Councillor

Signed by:

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Administrator

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

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

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
		(Restated - Note 21)
<b>Annual surplus - Exhibit C</b>	<b>\$ 13,643,736</b>	<b>\$ 5,594,986</b>
Purchases of tangible capital assets	(3,267,875)	(1,162,544)
Amortization of tangible capital assets	1,096,524	944,510
Change in Government Business Enterprise's and Partnership's	-	(79,712)
Change in prepaid expense	(71,469)	35,380
Adoption of PS 3450	422,397	-
Unrealized remeasurement losses	(439,015)	-
<b>Increase in net assets</b>	<b>11,384,298</b>	<b>5,332,620</b>
<b>Net assets, beginning of year</b>	<b>23,582,692</b>	<b>18,250,072</b>
<b>Net assets, end of year</b>	<b>\$ 34,966,990</b>	<b>\$ 23,582,692</b>

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

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

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2023</b>	<b>2022</b>
	(Note 22)		(Restated - Note 21)
<b>Revenue</b>			
Indigenous Services Canada	\$ -	\$ 5,649,110	\$ 4,263,847
Taxation	-	864,233	845,237
First Nations Goods and Services Tax	-	204,982	344,520
Fisheries and Oceans Canada	-	101,000	54,900
Province of British Columbia	-	4,531,467	4,862,728
Natural Resource Canada	-	212,094	387,147
Settlement funds Government of Canada	-	-	1,740,529
Canada Mortgage and Housing Corporation	-	282,916	153,300
First Nations Health Authority	-	2,097,248	1,085,992
Government Business Enterprise Income (loss) (Note 15)	-	8,327,164	390,699
Lease income	-	1,686,597	1,743,236
Rental income	-	459,395	493,867
BC Gaming Revenue	-	343,031	194,266
Interest and investment income	-	869,551	481,805
Other income	-	7,460,893	3,093,361
Administration (Note 12)	-	34,100	42,100
	-	33,123,781	20,177,534
<b>Expenses (Note 23)</b>			
Administration	-	5,951,936	3,994,243
Community Welfare	-	1,328,389	1,020,967
Operations & maintenance	-	2,015,915	1,968,916
Education	-	1,416,110	958,039
Economic development	-	296,230	71,111
Health services	-	2,109,869	1,503,148
Social Housing	-	882,062	690,386
Natural resource management	-	5,475,008	4,240,350
Capital	-	4,526	135,388
	-	19,480,045	14,582,548
<b>Surplus for the year</b>	\$ -	\$ 13,643,736	\$ 5,594,986

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

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

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
		(Restated - Note 21)
<b>Operating activities</b>		
Cash receipts from various sources	\$ 24,566,237	\$ 17,372,899
Cash from taxation	864,233	1,190,757
Cash paid to employees and suppliers	(18,616,718)	(13,434,833)
Interest paid	(34,683)	(32,263)
Interest earned	869,551	481,805
<b>Cash flows from operating activities</b>	<b>7,648,620</b>	<b>5,578,365</b>
<b>Capital activities</b>		
Purchase of capital assets	(3,267,875)	(1,162,544)
Assets acquired by capital lease	486,740	-
<b>Cash flows used in capital activities</b>	<b>(2,781,135)</b>	<b>(1,162,544)</b>
<b>Investing activities</b>		
Decrease in related party investments	(1,264,291)	(11,966,740)
Purchase of temporary investments	(358,479)	(3,996,156)
Increase in equity interest in investments	855,314	11,020,611
<b>Cash flows used in investing activities</b>	<b>(767,456)</b>	<b>(4,942,285)</b>
<b>Financing activity</b>		
Repayment of long term debt	(237,921)	(209,247)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,862,108</b>	<b>(735,711)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>8,876,812</b>	<b>9,612,523</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 12,738,920</b>	<b>\$ 8,876,812</b>
<b>Represented by:</b>		
Cash	\$ 10,571,217	\$ 6,914,216
Restricted cash	2,167,703	1,962,596
	<b>\$ 12,738,920</b>	<b>\$ 8,876,812</b>

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

**Skw'lax te Secwepemculecw**

**Exhibit E - Consolidated Statement of Remeasurement Gains and Losses**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
Accumulated remeasurement losses at beginning of year	\$ -	\$ -
Adoption of PSAS 3450 Financial Instruments	422,397	-
Unrealized losses attributable to: Portfolio Investments	(439,015)	-
Accumulated remeasurement losses at end of year	\$ (16,618)	\$ -

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 Secwepemculecw Summary of Significant Accounting Policies

**March 31, 2023**

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**Basis of Presentation**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

**Reporting Entity and Principles**

The Skw'lax te Secwepemculecw reporting entity includes the Skw'lax te Secwepemculecw (the "Group") and all related entities which are accountable to Skw'lax te Secwepemculecw 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.

The financial statements consolidate the assets, liabilities and results of operations for the following entities:

- Social Housing

All inter-entity balances have been eliminated on consolidation.

**Investment in Government Business Enterprises**

Skw'lax te Secwepemculecw'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 Secwepemculecw and inter-organizational transactions and balances are not eliminated. Skw'lax te Secwepemculecw recognizes its equity interest in the annual income or 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 Secwepemculecw may receive from the entities will be reflected as reductions in the investment asset account. Organizations accounted for on a modified equity basis include:

- Skw'lax Investments Inc.
- 0990532 B.C. Ltd.

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

**March 31, 2023**

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**Investment in  
Partnerships**

Skw'lax te Secwepemculecw'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 Secwepemculecw and inter-organizational transactions and balances are not eliminated. Skw'lax te Secwepemculecw recognizes its equity interest in the annual income or 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.

**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 Secwepemculecw Summary of Significant Accounting Policies**

**March 31, 2023**

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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 Secwepemculecw 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 uncollectible 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.

### **Financial Instruments**

During the year Skw'lax te Secwepemculecw adopted PSAS 3450 – Financial Instruments. Recognition, derecognition and measurement policies followed in financial statements for periods prior to the effective date of this Section are not reversed and, therefore, those financial statements are not restated.

Derivatives and equity instruments quoted in an active market are measured at fair value. Equity instruments quoted in an active market are disclosed in Note 3. All equity instruments are measured at a fair value hierarchy of level 1 for quoted prices (unadjusted) in active markets for identical assets.

All other financial assets and financial liabilities are measured at cost or amortized cost.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

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

**March 31, 2023**

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For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair 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 Secwepemculecw 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 Secwepemculecw may retain in an Operating Reserve all excess federal assistance, plus interest.

### **Leased Tangible Capital Assets**

A lease that transfers substantially all of the benefits and risks of ownership to the lessee is recorded as a tangible capital asset and the incurrence of a lease obligation. At inception, a tangible capital asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments, excluding executory costs, and the leased property's fair value at the beginning of the lease. The discount rate used to determine the present value of the lease payments is the lower of the organization's rate for incremental borrowing or the interest rate implicit in the lease. Leased tangible capital assets are amortized on a straight-line basis over the term of the lease as follows:

Automotive equipment	4 to 6 years
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### **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.

### **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 Secwepemculecw. Skw'lax te Secwepemculecw 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 2022/2023 operating and capital budgets approved by Chief and Council.

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**Skw'lax te Secwepemculecw**  
**Summary of Significant Accounting Policies**

**March 31, 2023**

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**1. Economic Dependence**

Skw'lax te Secwepemculecw 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**

	<u>2023</u>	<u>2022</u>
Operating	<u>\$ 10,571,217</u>	<u>\$ 6,914,216</u>
	<u>\$ 10,571,217</u>	<u>\$ 6,914,216</u>

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

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

March 31, 2023

### 3. Portfolio Investments

	2023	2022
At cost or amortized cost	\$ 5,140,646	\$ 11,707,503
At fair value	6,925,336	-
	<b>\$ 12,065,982</b>	<b>\$ 11,707,503</b>

Portfolio investments included guaranteed investment certificates earning annual interest rates ranging from 0.80% to 3.05% and maturity dates between April and July 2023, a high interest savings account earning interest at a rate of prime less 1.45%, and investments held in mutual funds.

### 4. Restricted Cash

	2023	2022
Ottawa Trust funds	\$ 1,633,900	\$ 1,434,068
Social Housing reserves	533,803	528,528
	<b>\$ 2,167,703</b>	<b>\$ 1,962,596</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 Secwepemculecw 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 Secwepemculecw is required to segregate annual transfers to reserve funds and interest earned on these funds from other cash. As at March 31, 2023, the replacement reserve was underfunded by \$134,345 and the operating surplus reserve was overfunded by \$10,758.

Within restricted cash \$528,660 (2022 - \$- nil) is recorded at fair value. The remainder is recorded at cost.

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

**March 31, 2023**

**5. Accounts Receivable**

Accounts receivable by program area is summarized as follows:

	<u>2023</u>	<u>2022</u>
Operating	\$ 5,133,969	\$ 5,432,938
Allowance for doubtful accounts	<u>(2,582,125)</u>	<u>(2,582,125)</u>
	\$ 2,551,844	\$ 2,850,813
Social Housing	<u>13,152</u>	<u>12,777</u>
	<u>\$ 2,564,996</u>	<u>\$ 2,863,590</u>

**6. Long term Investments**

	<u>2023</u>	<u>2022</u>
Other Investments at cost		
All Nations Trust Company	\$ 150,000	\$ 150,000
Horseshoe Bay Developments Inc.	2	2
Skw'lax Investment	<u>30</u>	<u>30</u>
	<u>\$ 150,032</u>	<u>\$ 150,032</u>

**7. Accounts Payable**

	<u>2023</u>	<u>2022</u>
Trade Payables	\$ 1,411,234	\$ 1,631,664
Social Housing	<u>20,588</u>	<u>9,639</u>
	<u>\$ 1,431,822</u>	<u>\$ 1,641,303</u>

**8. Deferred Revenue**

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

	<u>2023</u>	<u>2022</u>
Deferred lease revenue	\$ 1,208,676	\$ 1,291,589
Damage deposits	16,864	17,270
Province of BC	<u>2,232,019</u>	<u>-</u>
	<u>\$ 3,457,559</u>	<u>\$ 1,308,859</u>

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

**March 31, 2023**

**9. Long Term Debt**

	<b>2023</b>	<b>2022</b>
Bank of Montreal, demand loan, repayable in monthly installments of \$14,999 including interest at prime plus 0.5% per annum, due January 2024	<b>\$ 1,777,364</b>	\$ 1,798,950
Scotiabank, demand loan, repayable in monthly installments of \$810 including interest at 5.89% per annum, repaid in the year	-	27,343
All Nations Trust Company mortgage, repayable \$1,622 monthly, including interest at 1.12% per annum, due August 2026	<b>65,198</b>	83,879
All Nations Trust Company mortgage, repayable \$1,798 monthly, including interest at 1.3% per annum, due June 2032	<b>189,281</b>	206,982
All Nations Trust Company mortgage, repayable \$3,043 monthly, including interest at 1.84% per annum, due September 2032	<b>318,965</b>	348,470
All Nations Trust Company, mortgage, repayable in monthly installments of \$2,636 including interest at 2.5% per annum, maturing June 2033	<b>285,988</b>	310,145
All Nations Trust Company, mortgage, repayable in monthly installments of \$1,839 including interest at 2.21% per annum, maturing February 2034	<b>213,945</b>	231,076
All Nations Trust Company, mortgage, repayable in monthly installments of \$3,377 including interest at 0.98% per annum, maturing March 2035	<b>458,613</b>	494,449
All Nations Trust Company, mortgage, repayable in monthly installments of \$1,497 including interest at 0.74% per annum, maturing February 2036	<b>221,233</b>	237,495
All Nations Trust Company, mortgage, repayable in monthly installments of \$985 including interest at 2.50% per annum, maturing May 2028	<b>37,817</b>	67,536
Total Loans Payable	<b>\$ 3,568,404</b>	\$ 3,806,325

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:

2024	\$ 1,962,379
2025	732,645
2026	284,943
2027	87,953
2028	342,502
Thereafter	157,982
	<b>\$ 3,568,404</b>

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

**March 31, 2023**

**10. Tangible Capital Assets**

	<b>2023</b>		<b>2022</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Cost</b>	(Restated - Note 21) <b>Accumulated Amortization</b>
Automotive	\$ 2,494,923	\$ 1,498,825	\$ 1,657,674	\$ 1,304,411
Computer software	479,231	454,218	479,231	402,340
Water systems	8,834,688	4,706,589	8,834,688	4,320,850
Land	7,052,856	-	7,052,856	-
Equipment				
Furniture and equipment	1,645,555	1,426,656	1,493,989	1,370,273
Golf course equipment	158,287	158,287	158,287	158,287
Buildings				
Buildings	10,164,428	5,965,787	8,763,202	5,776,511
Commercial strip mall	846,057	327,900	846,058	310,979
Golf course maintenance	468,704	143,713	468,704	134,339
Health centre	2,195,222	570,757	2,195,222	526,853
Water towers	545,266	463,476	545,266	436,213
Gas station	1,201,754	12,018	-	-
Water wells	267,426	156,913	267,426	143,542
Industrial site	-	-	-	-
Work in Progress	77,212	-	401,131	-
	<b>36,431,609</b>	<b>15,885,139</b>	<b>33,163,734</b>	<b>14,884,598</b>
Social Housing Buildings	<b>5,539,561</b>	<b>3,236,012</b>	<b>5,539,561</b>	<b>3,140,031</b>
	<b>\$ 41,971,170</b>	<b>\$ 19,121,151</b>	<b>\$ 38,703,295</b>	<b>\$ 18,024,629</b>
Net book value		<b>\$ 22,850,019</b>		<b>\$ 20,678,666</b>

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

**March 31, 2023**

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

	<b>2023</b>									
	Water Systems	Water Wells	Furniture and Equipment	Buildings	Land	Automotive	Computer Software	Land Improvements	Work in progress	Total
Cost, beginning of year	\$ 8,834,688	\$ 267,426	\$ 1,652,277	\$ 18,358,009	\$ -	\$ 1,657,675	\$ 479,230	\$ 7,052,856	\$ 401,131	\$ 38,703,292
Transfers	-	-	-	401,131	-	-	-	-	(401,131)	-
Additions	-	-	151,567	2,201,848	-	798,876	-	-	77,212	3,229,503
Disposals	-	-	-	-	-	-	-	-	-	-
Cost, end of year	\$ 8,834,688	\$ 267,426	\$ 1,803,844	\$ 20,960,988	\$ -	\$ 2,456,551	\$ 479,230	\$ 7,052,856	\$ 77,212	\$ 41,932,795
Accumulated amortization, beginning of year	\$ 4,320,850	\$ 143,542	\$ 1,528,560	\$ 10,324,923	\$ -	\$ 1,304,411	\$ 402,340	\$ -	\$ -	\$ 18,024,626
Transfers	-	-	-	-	-	-	-	-	-	-
Amortization	385,740	13,371	56,383	394,736	-	190,576	51,878	-	-	1,092,684
Accumulated amortization, end of year	\$ 4,706,590	\$ 156,913	\$ 1,584,943	\$ 10,719,659	\$ -	\$ 1,494,987	\$ 454,218	\$ -	\$ -	\$ 19,117,310
Net carrying amount, end of year	\$ 4,128,098	\$ 110,513	\$ 218,901	\$ 10,241,329	\$ -	\$ 961,564	\$ 25,012	\$ 7,052,856	\$ 77,212	\$ 22,815,485

Obligations under capital lease (Note 11) have been recognized as tangible capital assets during the year. The obligations under capital lease are included in automotive, and were all included in the year at a cost of \$448,368 (2022 - \$nil) and amortization of \$44,837 (2022 - \$nil).

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

**March 31, 2023**

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

										2022
	Water Systems	Water Wells	Furniture and Equipment	Buildings	Land	Automotive	Computer Software	Land Improvements	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
Former wholly owned subsidiaries removed	-	-	-	-	(6,752,856)	-	-	6,752,856	-	-
Additions		-	10,090	122,498	-	328,825	-	300,000	401,131	1,162,544
Disposals										
Cost, end of year	\$ 8,834,688	\$ 267,426	\$ 1,652,277	\$ 18,358,009	\$ -	\$ 1,657,675	\$ 479,230	\$ 7,052,856	\$ 401,131	\$ 38,703,292
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	-	-	-	-	-	-	-	-	-	-
Amortization	385,740	13,374	34,695	359,224	-	95,495	55,982	-	-	944,510
Disposals	-	-	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	\$ 4,320,850	\$ 143,542	\$ 1,528,560	\$ 10,324,923	\$ -	\$ 1,304,411	\$ 402,340	\$ -	\$ -	\$ 18,024,626
Net carrying amount, end of year	\$ 4,513,838	\$ 123,884	\$ 123,717	\$ 8,033,086	\$ -	\$ 353,264	\$ 76,890	\$ 7,052,856	\$ 401,131	\$ 20,678,666

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

**March 31, 2023**

**11. Obligations Under Capital Leases**

	<u>2023</u>	<u>2022</u>
Obligation under a capital lease for a 2022 Ford Escape, monthly payments of \$866, with interest at the rate of 2.99%, maturing November 2026	\$ 36,144	\$ -
Obligation under a capital lease for a 2022 Ford F150, monthly payments of \$833, with interest at the rate of 2.99%, maturing October 2026	34,769	-
Obligation under a capital lease for a 2022 Ford F150, monthly payments of \$844, with interest at the rate of 2.99%, maturing October 2026	34,453	-
Obligation under a capital lease for a 2022 Ford F150, monthly payments of \$850, with interest at the rate of 2.99%, maturing July 2026	32,403	-
Obligation under a capital lease for a 2022 Ford F150, monthly payments of \$853, with interest at the rate of 2.99%, maturing July 2026	31,730	-
Obligation under a capital lease for a 2022 Ford F150, monthly payments of \$1,084, with interest at the rate of 0.99%, maturing January 2029	72,761	-
Obligation under a capital lease for a 2022 Ford F150, monthly payments of \$1,027, with interest at the rate of 0.99%, maturing September 2028	65,036	-
Obligation under a capital lease for a 2022 Ford Edge, monthly payments of \$692, with interest at the rate of 2.99%, maturing May 2026	24,495	-
Obligation under a capital lease for a 2022 Ford F150, monthly payments of \$850, with interest at the rate of 2%, maturing November 2026	35,469	-
Obligation under a capital lease for a 2022 Ford F150, monthly payments of \$850, with interest at the rate of 2.99%, maturing December 2026	36,231	-
	<u>\$ 403,491</u>	<u>\$ -</u>

Interest expense for the year related to obligations under capital leases is \$39,814 (2022 - \$nil).

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

**March 31, 2023**

**11. Obligations Under Capital Leases (continued)**

Future minimum lease payments under the capital leases for subsequent year is as follows:

2024	\$ 104,994
2025	104,994
2026	104,994
2027	66,652
2028	25,338
Thereafter	17,007
Total	<u>423,979</u>
Less: amounts representing interest	<u>(20,488)</u>
	<u>\$ 403,491</u>

**12. Accumulated Surplus**

	<u>2023</u>	<u>2022</u>
		(Restated - Note 21)
Unrestricted Surplus	\$ 41,396,374	\$ 27,958,694
Equity in Fire department reserve	-	-
Equity in Capital assets	21,546,005	19,612,573
Equity in Replacement reserve	658,373	480,253
Equity in Ottawa trust	1,633,900	1,434,068
Equity in Health reserve	15,580	10,680
Equity in Horseshoe Bay Development	50,002	50,002
Equity in Government Business Entities	(8,291,790)	(6,195,712)
Equity in Daycare	215,000	215,000
Equity in Rep Res IR#1	150,000	150,000
Equity in Rep Res IR#4	26,000	26,000
Equity in Rep Res IR#5	50,000	50,000
Equity in Rep Res Capital	469,800	469,800
Accumulated remeasurement loss	<u>(16,618)</u>	-
	<u>\$ 57,902,626</u>	<u>\$ 44,261,358</u>

**13. Administrative Revenue**

Skw'lax te Secwepemculecw incurred revenue for administration services provided to Skwlax Investments Inc. and 0990532 B.C. Ltd in the amount of \$34,100 (2022 - \$42,100).

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

March 31, 2023

### 14. Federal Assistance Payments

Skw'lax te Secwepemculecw 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, 2023 was \$156,416 (2022 - \$153,300). This assistance will continue, providing the Group is not in default of the agreement.

### 15. 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, 2023 Skw'lax te Secwepemculecw has underfunded these reserves by \$455,585.

### 16. Investment in Government Business Entities

Advances to related parties:

Skwlax Investments Inc.

0990532 B.C. Ltd.

Skwlax Timber Limited Partnership

<b>\$ 16,521,798</b>	<b>\$ 16,099,404</b>
<b>906,253</b>	<b>666,361</b>
<b>1,406,411</b>	<b>904,480</b>
<b>18,834,462</b>	<b>17,670,245</b>

Government Business entities surplus/(deficit):

Skwlax Investments Inc.

0990532 B.C. Ltd.

Skwlax Timber Limited Partnership

<b>(3,279,893)</b>	<b>(11,445,181)</b>
<b>(156,161)</b>	<b>(30,279)</b>
<b>829,958</b>	<b>542,200</b>
<b>(2,606,096)</b>	<b>(10,933,260)</b>
<b>\$ 16,228,366</b>	<b>\$ 6,736,985</b>

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

**March 31, 2023**

**16. Investment in Government Business Entities (continued)**

	<b>Skwlax Investment Inc.</b>	<b>0990532 B.C. Ltd</b>	<b>Skwlax Timber Limited Partnership</b>	<b>2023 Total</b>	<b>2022 Total</b>
Current assets	<b>\$335,429</b>	<b>\$673,138</b>	<b>\$616,518</b>	<b>\$1,625,085</b>	\$4,489,756
Non-current assets	<b>5,839,977</b>	<b>139,178</b>	<b>1,698,865</b>	<b>7,678,020</b>	7,389,042
<b>Total assets</b>	<b>6,175,406</b>	<b>812,316</b>	<b>2,315,383</b>	<b>9,303,105</b>	11,878,798
Current liabilities	<b>521,855</b>	<b>130,874</b>	<b>39,115</b>	<b>691,844</b>	3,458,250
Non-current liabilities	<b>18,118,767</b>	<b>834,729</b>	<b>1,549,094</b>	<b>20,502,590</b>	19,569,588
<b>Total liabilities</b>	<b>18,640,622</b>	<b>965,603</b>	<b>1,588,209</b>	<b>21,194,434</b>	23,027,838
Share capital	<b>30</b>	<b>-</b>	<b>100</b>	<b>32</b>	32
Retained earnings (deficit)	<b>(12,465,246)</b>	<b>(153,287)</b>	<b>727,074</b>	<b>(11,891,361)</b>	(11,149,072)
<b>Total liabilities and equity</b>	<b>6,175,406</b>	<b>812,316</b>	<b>2,315,383</b>	<b>9,303,105</b>	11,878,798
Net income (loss):					
Revenue	<b>5,025,106</b>	<b>5,764,870</b>	<b>602,404</b>	<b>11,392,380</b>	17,694,571
Expenses	<b>6,045,170</b>	<b>5,887,878</b>	<b>385,060</b>	<b>12,318,108</b>	17,303,875
<b>Net income (loss)</b>	<b>\$(1,020,064)</b>	<b>\$(123,008)</b>	<b>\$217,344</b>	<b>\$(925,728)</b>	\$390,696

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

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

**March 31, 2023**

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### **17. 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, 2023 \$223,015 (2022 - \$289,670)

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### **18. Comparative Figures**

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

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### **19. Subsequent Events**

Subsequent to the finalization of the audit for the fiscal ended March 31, 2023, there was a wildfire in July 2023 which destroyed 34 homes, various small assets and caused significant damage to remaining buildings. The scope of the loss is yet to be determined however insurance and additional funding did cover the assets. This is not considered to significant effect their profitability.

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### **20. Financial Instruments**

Skw'lax te Secwepemculecw is exposed to risks of varying degrees of significance from its use of financial instruments which could affect its ability to achieve its strategic objectives. The Chief and Council ensures that Skw'lax te Secwepemculecw has identified its major risks and ensures that management monitors and mitigates these risks.

#### Financial Instrument Classification:

Cash is recorded at fair value. Portfolio investments as disclosed in Note 3 are designated at fair value. All other financial instruments are measured at cost or amortized cost.

Financial instruments that are measured at fair value are grouped into Levels 1 to 3. The levels reflect the significance of the inputs used in making the fair value measurements, as described below:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Portfolio investments as disclosed in note 3 and investments at fair value included in restricted cash as disclosed in Note 4 are classified at level 2. All other financial assets recorded at fair value are classified at level 1. There has been no material transfers between levels 1, 2, and 3 for the year ended March 31, 2023.

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

**March 31, 2023**

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### **20. Financial Instruments (continued)**

#### Financial Instrument Risk Management:

The Group is exposed to credit risk, market and interest rate risk, and liquidity risk from its financial instruments. This note describes the organization's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

#### Credit Risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Skw'lax te Secwepemculecw is exposed to credit risk from its operating activities, which are primarily accounts receivables, and its investing activities, which includes portfolio investments with financial institutions. Accounts receivables includes grant receivables from the Federal and Provincial Government, trade receivables, and local area receivables.

The credit risk on accounts receivables is mitigated by the agreement approval and monitoring processes. A majority of the accounts receivable balances are compliant with signed funding agreements and signed general agreements for recovery work. Skw'lax te Secwepemculecw undergoes continuous monitoring of amounts that are not collectible or realizable and accounts for a specific bad debt provision when management considers that the expected recovery is less than the amount receivable. Skw'lax te Secwepemculecw considers all accounts receivable that are past due to be impaired, with the exception of funding from federal or provincial agreements. See Note 5 for further detail.

Skw'lax te Secwepemculecw has deposited cash and investments held with reputable financial institutions. The Group manages exposure to credit risk for portfolio investments by ensuring adequate diversification.

There have not been any changes from the prior year in the organization's exposure to credit risk or the policies, procedures and methods it uses to manage and measure the risk.

#### Market and Interest Rate Risk:

Market risk is the risk that changes in market prices, such as interest rates, will affect the Skw'lax te Secwepemculecw's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on investments. Skw'lax te Secwepemculecw is exposed to interest rate risk through its portfolio investments and, long-term debt, as detailed in Notes 3 and 9.

Portfolio investments are deemed to be low risk and are not subject to significant changes in market prices or interest rates. Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. It is management's opinion that the Skw'lax te Secwepemculecw is not exposed to significant interest rate risk arising from its financial instruments.

There have not been any changes from the prior year in the Group's exposure to market or interest rate risks or the policies, procedures and methods it uses to manage and measure these risks.

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

March 31, 2023

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### 20. Financial Instruments (continued)

#### Liquidity Risk:

Liquidity risk is the risk that Skw'lax te Secwepemculecw will not be able to meet its financial obligations as they become due. Skw'lax te Secwepemculecw manages this risk by monitoring cash activities and expected outflows through budgeting and forecasting cash flows from operations and anticipated investing and capital activities. It is management's opinion that Skw'lax te Secwepemculecw is not exposed to significant liquidity risk arising from its financial instruments.

There have not been any changes from the prior year in Skw'lax te Secwepemculecw's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure the risk.

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### 21. Prior Period Adjustment

During the year, it was noted that in the year ended March 31, 2022, there were capital items that were recorded as expenses in error. This amount should have been capitalized in the year. The impact of this restatement resulted in an increase to the annual surplus of \$401,131 on the Statement of Operations for the year ended March 31, 2022 and the following impact on the Statement of Financial Position as at March 31, 2022:

	As Previously Stated	Increase (Decrease)	Restated
Tangible capital assets	\$ 20,277,535	\$ 401,131	\$ 20,678,666
Accumulated surplus, end of year	43,860,228	401,131	44,261,359

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### 22. 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.

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

**March 31, 2023**

**23. Expenses by object**

	<b>2023</b>	<b>2022</b>
		(Restated - Note 21)
Advertising	\$ 220,121	\$ 100,560
Amortization	1,096,524	944,510
Automotive	115,373	70,054
Bad debts	(730)	1,093
Bank charges	50,444	32,997
Contract services	3,533,478	3,255,947
Donations	33,166	21,779
Equipment rental	232,338	171,018
Honoraria	112,874	30,895
Insurance	298,732	233,353
Interest	34,683	32,263
Licenses and dues	54,385	85,831
Local education agreement	382,034	355,466
Materials and supplies	729,856	609,322
Meetings	140,855	53,647
Office and miscellaneous	767,593	249,995
Patient transportation	38,201	40,150
Professional fees	1,935,879	717,323
Program expenses	1,371,016	944,058
Repairs and maintenance	475,659	335,895
Replacement reserve	-	43,486
Salaries and benefits	6,606,717	5,399,395
Social assistance	92,216	80,557
Student allowance and transportation	233,979	200,714
Training	204,946	107,435
Travel and accommodation	303,391	242,294
Utilities	416,315	222,511
	<b>\$ 19,480,045</b>	<b>\$ 14,582,548</b>

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

**March 31, 2023**

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### **24. Segment Disclosure**

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

**March 31, 2023**

**22. Segment Disclosure  
(continued)**

**2023**

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwlax Holdings Inc.	Capital	Total
<b>Revenue</b>											
ISC	\$ 677,362	\$ 1,146,951	\$ 2,950,410	\$ 688,292	\$ 17,161	\$ -	\$ 73,144	\$ 95,790	\$ -	\$ -	\$ 5,649,110
Other	2,996,211	8,321	74,735	321,150	5,200	2,184,615	727,524	12,829,751	8,327,164	-	27,474,671
	3,673,573	1,155,272	3,025,145	1,009,442	22,361	2,184,615	800,668	12,925,541	8,327,164	-	33,123,781
<b>Expenses</b>											
Payroll	2,047,143	173,364	785,477	258,852	125,774	1,327,276	200,824	1,873,933	-	-	6,792,643
Other	2,904,249	1,155,025	1,230,438	1,157,258	170,456	782,593	585,257	3,601,075	-	4,526	11,590,877
Amortization	1,000,544	-	-	-	-	-	95,981	-	-	-	1,096,525
	5,951,936	1,328,389	2,015,915	1,416,110	296,230	2,109,869	882,062	5,475,008	-	4,526	19,480,045
<b>Surplus (deficit)</b>	\$ (2,278,363)	\$ (173,117)	\$ 1,009,230	\$ (406,668)	\$ (273,869)	\$ 74,746	\$ (81,394)	\$ 7,450,533	\$ 8,327,164	\$ (4,526)	\$ 13,643,736

**2022**

(Restated -  
Note 21)

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Skwlax Holdings Inc.	Capital	Total
<b>Revenue</b>											
ISC	\$ 633,256	\$ 1,779,283	\$ 1,051,328	\$ 660,575	\$ 16,698	\$ -	\$ 99,307	\$ 23,400	\$ -	\$ -	\$ 4,263,847
Other	3,590,271	32,550	89,174	290,844	31,992	1,620,598	637,958	9,229,601	390,699	-	15,913,687
	4,223,527	1,811,833	1,140,502	951,419	48,690	1,620,598	737,265	9,253,001	390,699	-	20,177,534
<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	1,255,377	729,634	62,487	474,414	395,679	2,685,391	-	135,388	8,207,138
Amortization	844,530	-	-	-	-	-	99,980	-	-	-	944,510
	3,994,243	1,020,967	1,968,916	958,039	71,111	1,503,148	690,386	4,240,350	-	135,388	14,582,548
<b>Surplus (deficit)</b>	\$ 229,284	\$ 790,866	\$ (828,414)	\$ (6,620)	\$ (22,421)	\$ 117,450	\$ 46,879	\$ 5,012,651	\$ 390,699	\$ (135,388)	\$ 5,594,986