

Shuswap Indian Band
MARCH 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Shuswap Indian Band and all the information in this annual report are the responsibility of Chief and Council and have been approved by the Chief and Council.

The financial statements have been prepared in conformity with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants and where appropriate, includes certain amounts based on management's best 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 Shuswap Indian Band's Chief and Council maintains systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Shuswap Indian Band's assets are appropriately accounted for and adequately safeguarded.

The Shuswap Indian Band Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Chief and Council reviewed the Shuswap Indian Band's financial statements and recommends their approval. The management meets periodically with the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issued, 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 also considers the engagement of the external auditors.

The financial information have been audited by Ribeyre Chang Haylock, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the members. Ribeyre Chang Haylock has full and free access to Management.



Chief



Councillor

Mark Thomas

INDEPENDENT AUDITOR'S REPORT

To: The Members of Shuswap Indian Band

Report on the Audit of the Consolidated Financial Statements

We have audited the consolidated financial statements of Shuswap Indian Band, which comprise the consolidated statement of financial position as at March 31, 2021 and March 31, 2020, and the consolidated statements of income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Qualified Opinion

Except as noted in the below paragraphs, in our opinion, the financial statements present fairly, in all material respects, the financial position of Shuswap Indian Band as at March 31, 2021 and March 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

Basis for Qualified Opinion

Financial information for certain investments in nation business entities as described in Note 6 for the year ending March 31, 2021 was not available at the audit report date, and as a result, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves with respect to these balances included on the consolidated statement of financial position for the year ended March 31, 2021.

Included in advances to related nation entities is a balance of \$600,000 from an unrelated third party that may not be collectable. We were unable to determine if the amount is collectable based on information provided. We were unable to determine whether adjustments to advances to related Nation entities, investment in Nation business entities, earnings from investment in Nation business entities, and accumulated surplus were necessary.



Included in tangible capital assets is sub-leased land rights that are carried at fair value which is not in accordance with Canadian public sector accounting standards. We were unable to determine whether adjustments to tangible capital assets and accumulated surplus were necessary.

Deferred revenue includes adjustments related to an appraisal increase in sub-leased land rights of \$2,451,849 which is not in accordance with Canadian public sector accounting standards. We were unable to determine whether adjustments to deferred revenue and accumulated surplus were necessary.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 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 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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 financial statements. We are responsible for the direction, super-vision 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Aaron Keetley, CPA, CA, CMA.



Chartered Professional Accountants

Port Coquitlam, B.C.

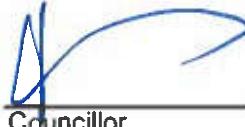
July 27, 2021

Shuswap Indian Band
SUMMARY STATEMENT OF FINANCIAL POSITION

As at March 31, 2021		Statement 1	
	Note	2021	2020 <i>Restated</i>
Financial assets			
Cash	3	11,169,817	7,290,514
Accounts receivable	4	2,699,151	1,673,087
Advances to related nation entities	5	905,876	1,195,070
Investment in nation business entities	6	1,790,546	702,723
Investment in All Nations Trust Company		1,000	1,000
Trust moneys	7	452,304	432,966
		17,018,694	11,295,360
Liabilities			
Accounts payable and accrued liabilities		1,604,149	1,354,085
Deferred revenue	8	13,439,982	11,469,866
Long-term debt	9	590,238	609,894
		15,634,369	13,433,845
Net debt		1,384,325	(2,138,485)
Non-financial assets			
Tangible capital assets	10	14,160,246	12,026,602
Prepaid expenses		37,476	36,837
Total non-financial assets		14,197,722	12,063,439
Accumulated surplus	11	\$ 15,582,047	\$ 9,924,954

See accompanying notes


Chief Councillor


Councillor


Mark Shores



RIBEYRE CHANG HAYLOCK

Shuswap Indian Band

SUMMARY STATEMENT OF OPERATIONS

For the year ended March 31, 2021		Statement 2		
		2021 Budget	2021 Actual	2020 Restated
Revenue				
Indigenous Services Canada		\$ 1,655,091	2,179,166	2,089,245
Canada Mortgage and Housing Corporation		287,000	1,476,384	38,422
First Nations Health Authority		325,697	507,352	332,508
BC First Nations Gaming Revenue Sharing		-	317,589	295,833
Columbia Basin Trust		775,000	982,675	140,000
Fisheries and Oceans		520,000	705,000	150,000
Kinbasket Development Corporation		-	112,636	177,515
Kinbasket Water and Sewer Corporation		-	794,517	619,553
Province of British Columbia		1,166,000	3,361,284	5,822,088
Property taxes		655,500	612,170	689,124
Kenpesq't Limited Partnership		-	1,087,791	98,477
First Nation GST/FCRSA		450,000	529,368	732,105
Miscellaneous income - Note 12		526,000	290,252	589,951
		6,360,288	12,956,184	11,774,821
Expenses				
Administration and Governance		1,127,617	1,268,637	1,641,732
Community Development		39,000	114,891	57,661
Education		349,500	408,176	433,200
First Nations GST/FCRSA		180,000	818,391	260,778
Health		418,579	384,046	425,896
Housing		114,490	172,246	132,329
Lands and Economic Development		2,218,967	1,684,654	2,242,913
Property Tax		383,307	369,863	502,729
Public Works		180,500	75,480	98,892
Social Development		206,155	242,822	255,207
Territorial Stewardship		437,578	994,111	641,367
Depreciation of Capital Fund Assets		-	135,498	80,817
Kenpesq't Holdings Ltd.		-	200	-
Kinbasket Development Corporation		-	115,350	229,814
Kinbasket Water and Sewer Corporation		-	471,871	701,499
Kinbasket Property Development Corporation		-	980	(20)
CMHC Section 96 Housing		-	41,875	53,699
		5,655,693	7,299,091	7,758,513
Annual surplus			5,657,093	4,016,308
Accumulated surplus, beginning of year as previously stated			9,823,819	5,908,646
Prior period adjustment - Note 17			101,135	-
Accumulated surplus, beginning of year as restated			9,924,954	5,908,646
Accumulated surplus, end of year			\$ 15,582,047	\$ 9,924,954

See accompanying notes

Shuswap Indian Band
SUMMARY STATEMENT OF NET FINANCIAL ASSETS

For the year ended March 31, 2021

Statement 3

	2021 Budget	2021	2020 Restated
Annual surplus	\$ -	\$ 5,657,093	\$ 4,016,308
Recoveries in the year	- -	- -	- -
	- -	5,657,093	4,016,308
Changes in tangible capital assets			
Acquisition of tangible capital assets	(2,464,405)	(2,464,405)	(459,802)
Amortization of tangible capital assets	330,761	330,761	277,363
	(2,133,644)	(2,133,644)	(182,439)
Changes in other non-financial assets			
Prepaid expenses and deposits	(639)	(639)	(4,421)
	(639)	(639)	(4,421)
Decrease in net debt	3,522,810	3,829,448	
Net debt at beginning of year as previously stated	(2,239,620)	(5,967,933)	
Prior Period Adjustment - Note 17	101,135	-	
Net debt at beginning of year as restated	(2,138,485)	(5,967,933)	
Net financial assets (net debt) at end of year	\$ 1,384,325	\$ (2,138,485)	

See accompanying notes

Shuswap Indian Band
SCHEDULE OF CASH FLOW

For the year ended March 31, 2021

Statement 4

	2021	2020
OPERATING ACTIVITIES		
Revenue received	\$ 13,880,898	\$ 11,500,273
Expenses paid	(6,703,991)	(7,025,203)
Recoveries paid	-	-
Interest paid on long-term debt	(14,914)	(15,463)
Cash provided by operating activities	7,161,993	4,459,607
INVESTING ACTIVITIES		
Advances to related Nation entities	289,194	(656,937)
Advances from Nation business entities	(1,087,823)	24,848
Purchase and construction of capital assets	(2,464,405)	(459,802)
Cash used in investing activities	(3,263,034)	(1,091,891)
FINANCING ACTIVITIES		
Proceeds of long-term debt	-	-
Repayment of long-term debt	(19,656)	(19,106)
Cash used in financing activities	(19,656)	(19,106)
Increase in cash during the year	3,879,303	3,348,610
Cash, beginning of year	7,290,514	3,941,904
Cash, end of year	\$ 11,169,817	\$ 7,290,514

See accompanying notes

Shuswap Indian Band

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March 31, 2021

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

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These Summary Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the CICPA Public Sector Accounting and Auditing Handbook, which encompasses the following principles.

a) Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity. Trusts administered on behalf of third parties by Shuswap Indian Band are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Kinbasket Development Corporation
- Kinbasket Property Development Corporation
- Kenpesq't Holdings Ltd.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

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

- SEM Holdings Ltd. - 20%
- Pelletiq't Energy Group Ltd. - 25%
- Kenpesq't Limited Partnership - 99.99%
- Kenpesq't GP Ltd. - 100%

Shuswap Indian Band

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b) Basis of presentation

Sources of revenue and expenses are recorded using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

c) Use of estimates

The preparation of schedules in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the schedules and reported amounts of revenues and expenditures during the reported period. Actual results could differ from the estimates.

d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

e) Revenue recognition

Government Funding

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

First Nation Capital and Revenue Trust Funds

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

Canada Mortgage and Housing Corporation ("CMHC")

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

Rental Income

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

Own Source Revenue

Revenues are recognized in the period in which the transaction or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Investment income

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

Shuswap Indian Band

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e) Revenue recognition (continued)

Other

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

f) Trust funds

Trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds. The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds are primarily governed by Sections 63 to 69 of the Indian Act.

g) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the assets.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital assets and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and the First Nation's incremental cost of borrowing.

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

Tangible capital assets are depreciated annually using the following methods at rates intended to depreciate the cost of the assets over their estimated useful lives. Land and work-in-progress are not depreciated. In the year of acquisition, depreciation is pro-rated.

Buildings	declining balance	5 %
Equipment	declining balance	20 %
Office & school equipment	declining balance	25 %
Social housing buildings	declining balance	5 %
Water system	declining balance	5 %
Leasehold improvements	straight-line	5 years
Roads	straight-line	40 years
Land lease	straight-line	90 years
Water and sewer system	declining balance	1.15 %

Shuswap Indian Band

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g) Tangible capital assets (continued)

The Band performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in operations for the year.

The Band does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not depreciated until the asset is available to be put into service.

h) Financial instruments

Financial instruments are initially classified upon initial recognition as a fair value or an amortized cost instrument. The fair value category includes investments in equity instruments that are quoted in an active market, money held in trust, and any other items elected by the Band to be recorded at fair value. All other financial instruments, including financial instruments with related parties for which fair value cannot be estimated, are recorded at amortized cost. Transaction costs directly attributable to the acquisition or issue of a financial instrument are added to the amortized cost or expensed if related to instruments recorded on a fair value basis. The effective interest rate method is used to measure interest for financial instruments recorded at amortized cost.

All financial assets are assessed for impairment on an annual basis.

The Band's financial instruments consist of cash and cash equivalents, accounts receivable, due from and to related entities, funds held in trust, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, it is management's opinion that the Band is not exposed to significant interest, credit or currency risks arising from these financial instruments and the fair value of these financial instruments approximates their carrying values.

i) Net debt

The Band's consolidated financial statements are presented so as to highlight net debt as the measurement of consolidated financial position. The net debt of the Band is determined by its financial assets less its liabilities.

Shuswap Indian Band

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j) Asset classification

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

k) Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Band is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2021.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2021, no liability for contaminated site exists.

Shuswap Indian Band

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2. ECONOMIC DEPENDENCE

The Shuswap Indian Band receives major portions of its revenue pursuant to funding arrangements with Indigenous Services Canada, First Nations Health Authority and the Province of British Columbia.

3. CASH AND CASH EQUIVALENTS

Banking facilities:

The Band has an unused facility arrangement with Bank of Montreal secured by a general security agreement and band council resolution. The facility includes:

- i) \$1,000,000 non borrowing guarantee
- ii) \$200,000 On Reserve Housing Loan Program for renovations

4. ACCOUNTS RECEIVABLE

	2021	2020
Canada Mortgage and Housing Corporation	\$ 2,492	\$ 2,492
Property taxes receivable	155,767	155,818
Indigenous Services Canada	-	757,311
Goods and services tax receivable	216,475	104,085
Due from others	2,324,417	653,381
	<hr/> 2,699,151	1,673,087
Allowance for doubtful accounts	-	-
	<hr/> \$ 2,699,151	<hr/> \$ 1,673,087

5. ADVANCES TO RELATED NATION ENTITIES

Advances to related First Nation entities are unsecured, non-interest bearing and due on demand. These entities are related by virtue of joint control by the Band.

Shuswap Indian Band
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6. INVESTMENT IN NATION BUSINESS ENTITIES

The Band's investment in Nation business entities consist of the following:

	2021	2020
SEM Holdings Ltd.	\$ 604,096	\$ 604,096
Investment in North Rock Holdings	40	40
Kenpesq't Limited Partnership	1,186,830	98,857
Kenpesq't GP Ltd.	(562)	(190)
Kenpesq't Territorial Operations Ltd.	-	(190)
Kenpesq't Entities	32	-
BCFN GRS GP Ltd.	10	10
BC First Nations Gaming Revenue Sharing Limited Partnership	100	100
	\$ 1,790,546	\$ 604,136

The financial information for SEM Holdings Ltd. and Kenpesq't Limited Partnership for the years ended March 31, 2021, December 31, 2020, December 31, 2019 and March 31, 2020 are not audited. The financial results have been recorded in the consolidated financial statements using the modified equity method in accordance with Canadian public sector accounting standards.

The financial information for North Rock Holdings and SEM Holdings Ltd. is not available.

The qualification noted in the Independent Auditor's Report applies to SEM Holdings Ltd. and North Rock Holdings only.

7. TRUST MONEYS

	2021	2020
Ottawa Trust	\$ 27,140	\$ 11,345
Ashcroft & Company	425,164	421,621
	\$ 452,304	\$ 432,966

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

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8. DEFERRED REVENUE

	Balance, beginning of year	Contributions received	Amortization	Balance, end of year
Kinbasket Development Corporation				
Land lease revenue	6,187,262	\$ -	\$ 81,869	\$ 6,105,393
Appraisal increase: sub-leased land	2,451,849	- -	32,691	2,419,158
Kinbasket Water & Sewer Company				
Land lease revenue	2,045,091	- -	27,046	2,018,045
Unamortized capital allocations	360,000	- -	15,000	345,000
Shuswap Indian Band				
NAHS New Construction				
2019/2020 Capital Project	425,664	- -	425,664	- -
Other	- -	2,552,386	- -	2,552,386
	\$ 11,469,866	\$ 2,552,386	\$ 582,270	\$ 13,439,982

9. LONG-TERM DEBT

	2021	2020
All Nations Trust - Mortgage payable with payments of \$2,880.77 per month including interest at 2.5% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on May 1, 2043 and renewal on June 1, 2023.	\$ 590,238	\$ 609,894
Future principal payments for the next five subsequent years are as follows:		
2022	20,118	
2023	20,624	
2024	549,496	
2025	- -	
2026	- -	
	\$ 590,238	

Shuswap Indian Band
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10. TANGIBLE CAPITAL ASSETS

	2021						2020					
	Beginning Cost	Additions	Disposal	Ending Cost	Accumulated Depreciation	Depreciation	Disposals	Accumulated Depreciation	Depreciation	Disposals	Ending	Net Book Value
Buildings	\$ 3,878,226	\$ 2,302,542	\$ -	\$ 6,180,768	\$ 1,623,560	\$ 132,838	\$ -	\$ 1,756,398	\$ 4,424,370	\$ -	\$ 2,254,666	
Equipment	30,250	11,990	-	42,240	3,025	6,644	-	9,669	32,571	-	27,225	
Office furniture and equipment	313,967	19,889	-	333,856	271,912	12,796	-	284,708	49,148	-	42,055	
Water and sewer systems	5,074,489	-	-	5,074,489	1,544,045	60,056	-	1,604,101	3,470,388	-	3,530,444	
Leasehold improvements	86,228	-	-	86,228	83,084	3,144	-	86,228	-	-	3,144	
Vehicles	-	127,989	-	127,989	-	-	-	6,809	6,809	121,180	-	
Roads	1,579,738	-	-	1,579,738	673,359	39,493	-	712,852	866,886	906,379	-	
Land leases	6,028,697	-	-	6,028,697	934,764	66,986	-	1,001,750	5,026,947	5,093,933	-	
	16,991,595	2,462,410	-	19,454,005	5,133,749	328,766	-	5,462,515	13,991,490	11,857,846	-	
Land	168,756	-	-	168,756	-	-	-	-	-	168,756	168,756	
Total	\$ 17,160,351	\$ 2,462,410	\$ -	\$ 19,622,761	\$ 5,133,749	\$ 328,766	\$ -	\$ 5,462,515	\$ 14,160,246	\$ 12,026,602		

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11. ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following:

	2021	2020
Equity in tangible capital assets	\$ 13,919,077	\$ 11,592,165
Equity in trust funds	452,304	432,966
Investment in Nation business entities	2,697,422	1,898,793
Deficit in operating fund	(1,486,756)	(3,998,970)
	\$ 15,582,047	\$ 9,924,954

12. MISCELLANEOUS INCOME

	2021	2020
BC Hydro	73,300	-
Cost recovery	6,106	73,244
Deferred revenue	(1,815,701)	(425,664)
First Nations Education Steering Committee	76,963	9,915
First Peoples Heritage	101,560	69,930
Grants and contributions	216,200	47,000
Interest on trust moneys	16,487	937
Interest income	59,170	119,105
Rental	50,427	46,650
Other government funding	68,735	4,974
Other miscellaneous income	643,854	265,760
Qwelmine	209,000	260,500
Shuswap Nation Tribal Council	368,720	117,600
Teck Coal - Elk Valley	115,431	-
Terrestrial Cumulative Effects Initiative	100,000	-
	\$ 290,252	\$ 589,951

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13. BUDGET INFORMATION

Budgeted figures are unaudited and have been derived from the estimates approved by the Chief and Council for comparison purposes. Individual program operations not showing budget information does not mean budgets were not prepared but rather that their amounts were not readily determinable.

14. RELATED PARTY TRANSACTIONS

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

15. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation.

16. FINANCIAL INSTRUMENTS

Risk management policy

Shuswap Indian Band is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2021.

Credit risk

The carrying value of the Band's main financial assets represents the maximum credit risk to which the band is exposed.

Liquidity risk

Shuswap Indian Band considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long-term financial needs, at a reasonable cost.

Market risk

Shuswap Indian Band is exposed to interest rate risk on its fixed-interest and variable-interest financial instruments. Fixed-interest instruments subject the band to a fair value risk while the variable-interest instruments subject it to a cash flow risk.

The following table summarizes the contractual maturities of the financial liabilities as at March 31, 2021.

	Carrying Amount	Contractual cash flows	Within 1 year	2 to 5 years	Subsequent
Accounts payable and accrued expenses	\$ 1,604,149	\$ 1,604,149	\$ 1,604,149	\$ -	\$ -
Long-term debt	590,238	622,040	34,569	587,471	-
	\$ 2,194,387	\$ 2,226,189	\$ 1,638,718	\$ 587,471	\$ -

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17. PRIOR PERIOD ADJUSTMENT

Subsequent to the release of the 2021 audited Consolidated Financial Statements of Shuswap First Nation, information became available that required adjustments to the fiscal 2020 figures presented. These adjustments include:

- 1) Recognizing a loss for the Government Business Enterprise SEM Holdings Ltd. picked up under the modified equity method for \$123,435 and a corresponding decrease to the investment value.
- 2) Accruing a receivable and corresponding revenue from Fisheries and Oceans Canada for \$150,000 attributed to fiscal 2020 funding arrangements.
- 3) Accruing a receivable and corresponding revenue from Shuswap Nation Tribal Council for \$74,570 attributed to fiscal 2020 funding arrangements.

A summary of changes are as follows:

Summary Statement of Financial Position

	2020	2020	2020
	<i>As previously stated</i>	<i>Changes</i>	<i>Restated</i>
Financial Assets			
Accounts receivable	1,448,517	224,570	1,673,087
Investment in nation business entities	826,158	(123,435)	702,723
Net debt	(2,239,620)	101,135	(2,138,485)
Accumulated surplus	\$ 9,823,819	\$ 101,135	\$ 9,924,954

Summary Statement of Operations

	2020	2020	2020
	<i>As previously stated</i>	<i>Changes</i>	<i>Restated</i>
Revenue			
Fisheries and Oceans	-	150,000	150,000
Miscellaneous income	541,354	74,570	615,924
Expenses			
Administration and Governance	1,518,297	123,435	1,641,732
Annual surplus	3,947,282	101,135	4,048,417
Accumulated surplus, end of year	\$ 9,823,819	\$ 101,135	\$ 9,924,954

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17. PRIOR PERIOD ADJUSTMENT (Continued)

Summary Statement of Net Debt

	2020 <i>As previously stated</i>	Changes	2020 <i>Restated</i>
Annual surplus	\$ 3,947,282	\$ 101,135	\$ 4,048,417
Decrease in net debt	3,728,313	101,135	3,829,448
Net debt at end of year	<u>\$ (2,239,620)</u>	<u>\$ 101,135</u>	<u>\$ (2,138,485)</u>

18. SUBSEQUENT EVENTS

Subsequent to year-end, the global outbreak of the COVID-19 virus continued, which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation, as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place in Canada to fight the virus.

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19. EXPENSES BY OBJECT

The following is a summary of expenses by object.

	2021 Budget	2021	2020
Advertising	\$ 6,290	\$ 6,723	\$ 17,228
Amortization	-	155,154	99,923
Bad debt expense	-	-	(11,733)
Bank charges and interest	5,200	20,459	8,756
Community support and wellness	150,350	424,342	287,888
Construction	702,000	38,116	638
Contractors	1,113,701	2,252,599	951,740
Council expenses	17,000	10,661	45,403
Donations	70,000	72,838	109,649
Equipment rental/lease	20,000	17,415	22,339
Honorariums	97,200	6,925	23,561
Hot lunch program	76,800	39,431	89,688
Insurance	57,000	66,462	56,465
Interest on long-term debt	-	14,914	15,463
Kenpesq't Holdings Ltd.	200	-	-
Kinbasket Development Corporation	-	115,350	229,814
Kinbasket Water and Sewer Corporation	-	471,871	701,499
Kinbasket Property Development Corporation	-	980	(20)
Loss from business entities	-	-	123,435
Medical	50,600	34,827	59,482
Office and other	994,890	169,777	1,902,057
Payments to St. Eugene	-	465,931	-
Professional fees	281,000	457,325	420,031
Property taxes	-	38,230	42,370
Repairs and maintenance	237,750	63,568	154,429
Rent	21,395	1,813	32,412
Salaries and benefits	2,335,409	1,790,944	1,591,501
Social assistance	99,000	135,311	116,033
Supplies	66,300	38,510	17,521
Telecommunications	22,620	42,768	29,949
Training	34,400	34,734	25,004
Travel	88,000	49,714	248,052
Tuition, allowances and incentives	279,688	237,816	257,697
Utilities	20,000	18,919	-
Workshops	117,000	4,460	90,239
	<u>\$ 6,963,593</u>	<u>\$ 7,299,091</u>	<u>\$ 7,758,513</u>