



**Shuswap Band**

**CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2022**



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**Shuswap Band**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**INDEX TO STATEMENTS**

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**For the year ended March 31, 2022**

**Management's Responsibility for Financial Reporting**

**Independent Auditor's Report**

**SUMMARY SCHEDULES**

Consolidated Statement of Financial Position	Statement 1
Consolidated Statement of Operations	Statement 2
Consolidated Statement of Net Financial Assets	Statement 3
Consolidated Statement of Cash Flows	Statement 4
Notes to the Statements	
Operating Fund Statement of Financial Position	Schedule 1
Administration and Governance	Schedule 2
Community Development	Schedule 3
Social Development	Schedule 4
Education	Schedule 5
Lands and Economic Development	Schedule 6
Health	Schedule 7
Public Works	Schedule 8
Territorial	Schedule 9
Housing	Schedule 10
Property Tax	Schedule 11
First Nation GST / FCRSA	Schedule 12
Capital Asset Equity	Schedule 13
Kinbasket Development Corporation Statement of Financial Position	Schedule 14
Kinbasket Development Corporation Statement of Income and Equity	Schedule 15
Kinbasket Water & Sewer Company Ltd. Statement of Financial Position	Schedule 16
Kinbasket Water & Sewer Company Ltd. Statement of Income and Equity	Schedule 17
Kinbasket Property Development Corporation Statement of Financial Position	Schedule 18
Kinbasket Property Development Corporation Statement of Income and Equity	Schedule 19
Non-Profit Housing Fund Statement of Financial Position	Schedule 20
Non-Profit Housing Fund Statement of Operations and Changes in Fund Balances	Schedule 21
Trust Fund Statement of Financial Position	Schedule 22
Schedule of Changes in Ottawa Trust Funds	Schedule 23

## Shuswap Band **MARCH 31, 2022**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Shuswap 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 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 Band's assets are appropriately accounted for and adequately safeguarded.

The Shuswap 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 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 Barbara Cote

- 6 -

Tim Eugene

CONTENTS

## INDEPENDENT AUDITOR'S REPORT

To: The Members of Shuswap Band

### Report on the Audit of the Consolidated Financial Statements

We have audited the consolidated financial statements of Shuswap Band, which comprise the consolidated statement of financial position as at March 31, 2022 and March 31, 2021, 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 Band as at March 31, 2022 and March 31, 2021, 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, 2022 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, 2022.

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 \$2,386,467 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.

Port Coquitlam, B.C.  
July 28, 2022

*Ribeyre Chang Haylock*  
Chartered Professional Accountants



**Shuswap Band**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at March 31, 2022		Statement 1	
	Note	2022	2021 <i>Restated</i>
<b>Financial assets</b>			
Cash	3	\$ 15,686,649	\$ 11,169,817
Accounts receivable	4	3,407,056	2,499,151
Advances to related nation entities	5	463,595	905,876
Investment in nation business entities	6	1,703,415	1,350,540
Investment in All Nations Trust Company		1,000	1,000
Trust moneys	7	439,405	452,304
		<b>21,701,120</b>	16,378,688
<b>Liabilities</b>			
Accounts payable and accrued liabilities		1,757,646	1,604,149
Deferred revenue	8	15,100,799	13,439,982
Long-term debt	9	854,557	590,238
		<b>17,713,002</b>	15,634,369
<b>Net financial assets</b>		<b>3,988,118</b>	744,319
<b>Non-financial assets</b>			
Tangible capital assets	10	15,716,048	14,103,075
Prepaid expenses		29,826	37,476
<b>Total non-financial assets</b>		<b>15,745,874</b>	14,140,551
<b>Accumulated surplus</b>	11	<b>\$ 19,733,992</b>	\$ 14,884,870

See accompanying notes

*Chief Barbara Cote*  
 Chief Councillor

*Tim Eugene*  
 Councillor

**Shuswap Band**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

For the year ended March 31, 2022	2022 Budget	2022 Actual	Statement 2 2021 Restated
<b>Revenue</b>			
Indigenous Services Canada	\$ 2,705,970	\$ 2,705,970	\$ 1,805,853
Canada Mortgage and Housing Corporation	29,909	29,909	1,476,384
First Nations Health Authority	442,591	664,490	507,352
BC First Nations Gaming Revenue Sharing	79,397	180,825	317,589
Columbia Basin Trust	36,225	692,224	982,675
Department of Fisheries and Oceans	500,000	600,000	505,000
Kinbasket Development Corporation	-	428,274	112,636
Kinbasket Water and Sewer Company Ltd.	-	624,469	794,517
Province of British Columbia	1,271,000	4,252,256	3,361,284
Property taxes	607,300	596,098	612,348
Kenpesq't Limited Partnership	-	352,778	1,087,791
First Nation GST/FCRSA	450,000	592,292	529,368
Miscellaneous income - Note 12	54,690	2,234,466	663,383
	<b>6,177,082</b>	<b>13,954,051</b>	<b>12,756,180</b>
<b>Expenses</b>			
Administration and Governance	1,161,306	1,306,761	1,708,643
Community Development	95,028	100,627	114,891
Education	401,993	416,672	408,176
First Nations GST/FCRSA	1,784,339	1,753,194	818,391
Health	459,989	705,927	384,046
Housing	53,790	148,137	172,246
Lands and Economic Development	1,021,090	1,391,943	1,684,654
Property Tax	429,172	445,634	369,863
Public Works	430,662	386,292	75,480
Social Development	254,258	231,196	242,818
Territorial Stewardship	691,379	1,344,085	994,111
Depreciation of Capital Fund Assets	-	185,227	212,325
Kenpesq't Holdings Ltd.	-	57,835	200
Kinbasket Development Corporation	-	69,278	115,350
Kinbasket Water and Sewer Company Ltd.	-	530,197	471,871
Kinbasket Property Development Corporation	-	2,075	980
CMHC Section 96 Housing	-	29,849	22,219
	<b>6,783,006</b>	<b>9,104,929</b>	<b>7,796,264</b>
<b>Annual surplus</b>			
Accumulated surplus, beginning of year as previously stated		4,849,122	4,959,916
Prior period adjustment - Note 17		15,559,267	9,924,954
		(674,397)	-
<b>Accumulated surplus, beginning of year as restated</b>			
<b>Accumulated surplus, end of year</b>		<b>\$ 19,733,992</b>	<b>\$ 14,884,870</b>

See accompanying notes

**Shuswap Band**  
**CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS**

For the year ended March 31, 2022

Statement 3

	2022 Budget	2022 Actual	2021 Restated
<b>Annual surplus</b>	\$ -	\$ 4,849,122	\$ 4,959,916
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets	(1,972,337)	(1,972,337)	(2,462,410)
Amortization of tangible capital assets	359,364	359,364	385,937
	<b>(1,612,973)</b>	<b>(1,612,973)</b>	<b>(2,076,473)</b>
<b>Changes in other non-financial assets</b>			
Prepaid expenses and deposits	7,650	7,650	(639)
	<b>7,650</b>	<b>7,650</b>	<b>(639)</b>
<b>Increase in net financial assets</b>		<b>3,243,799</b>	2,882,804
<b>Net financial assets (debt) at beginning of year as previously stated</b>		<b>1,418,716</b>	(2,138,485)
<b>Prior Period Adjustment - Note 17</b>		<b>(674,397)</b>	-
<b>Net financial assets (debt) at beginning of year as restated</b>		<b>744,319</b>	(2,138,485)
<b>Net financial assets at end of year</b>		<b>\$ 3,988,118</b>	<b>\$ 744,319</b>

See accompanying notes

**Shuswap Band**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended March 31, 2022

**Statement 4**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Revenue received	\$ 14,719,861	\$ 13,880,894
Expenses paid	(8,569,923)	(7,145,988)
Interest paid on long-term debt	(14,495)	(14,914)
<b>Cash provided by operating activities</b>	<b>6,135,443</b>	6,719,992
<b>INVESTING ACTIVITIES</b>		
Advances to related Nation entities	442,281	289,194
Advances from Nation business entities	(352,875)	(647,817)
Purchase and construction of capital assets	(1,972,337)	(2,462,410)
<b>Cash used in investing activities</b>	<b>(1,882,931)</b>	(2,821,033)
<b>FINANCING ACTIVITIES</b>		
Proceeds of long-term debt	284,435	-
Repayment of long-term debt	(20,115)	(19,656)
<b>Cash provided by (used in) financing activities</b>	<b>264,320</b>	(19,656)
Increase in cash during the year	4,516,832	3,879,303
Cash, beginning of year	11,169,817	7,290,514
<b>Cash, end of year</b>	<b>\$ 15,686,649</b>	\$ 11,169,817

See accompanying notes

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# Shuswap Band

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO STATEMENTS

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March 31, 2022

See Auditor's Report

The Shuswap Band (the "Band") is located in the province of British Columbia, and provides various services to its members. The Shuswap 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 public sector accounting standards for local government entities, as defined in the Canadian Institute of Chartered Professional Accountants 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 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 Water & Sewer Company Ltd.
- 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 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% interest)
- Kenpesq't Limited Partnership (99.99% interest)
- Kenpesq't GP Ltd. (100% interest)

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# Shuswap Band

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO STATEMENTS

---

March 31, 2022

See Auditor's Report

**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 public sector accounting standards 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.

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**Shuswap Band**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES TO STATEMENTS**

---

**March 31, 2022**

**See Auditor's Report**

**e) Revenue recognition (continued)**

*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.

*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) 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.

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# Shuswap Band

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO STATEMENTS

---

March 31, 2022

See Auditor's Report

**f) Tangible capital assets (continued)**

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 %

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.

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**Shuswap Band**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES TO STATEMENTS**

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**March 31, 2022**

**See Auditor's Report**

**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) 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.

**2. ECONOMIC DEPENDENCE**

The Shuswap 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**

	<b>2022</b>	<b>2021</b>
Cash is comprised of the following:		
Cash and cash equivalents	\$ 15,642,517	\$ 11,169,817
Restricted cash	44,132	-
	<hr/> <b>\$ 15,686,649</b>	<hr/> <b>\$ 11,169,817</b>

**Shuswap Band**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES TO STATEMENTS**

**March 31, 2022**

**See Auditor's Report**

**4. ACCOUNTS RECEIVABLE**

	<b>2022</b>	2021
Accounts receivable is comprised of the following:		
Canada Mortgage and Housing Corporation	\$ 2,492	\$ 2,492
Property taxes receivable	164,260	155,767
Indigenous Services Canada	85,222	15,224
Department of Fisheries and Oceans	735,000	500,000
Goods and services tax receivable	443,464	246,872
Due from others	1,976,618	1,578,796
Allowance for doubtful accounts	-	-
	<b>\$ 3,407,056</b>	<b>\$ 2,499,151</b>

**5. ADVANCES TO/(FROM) RELATED NATION ENTITIES**

	<b>2022</b>	2021
Kenpesq't Territorial Operations Limited Partnership		
North Rock Holdings	\$ (74,509)	\$ 367,773
Columbia River Property	(61,865)	(61,865)
Kenpesq't Territorial Operations Ltd.	600,000	600,000
Kenpesq't Construction GP Ltd.	(1)	(1)
Kenpesq't Forestry GP Ltd.	(10)	(10)
Kenpesq't Leasehold GP Ltd.	(10)	(10)
	<b>\$ 463,595</b>	<b>\$ 905,877</b>

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 Band**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES TO STATEMENTS**

**March 31, 2022**

**See Auditor's Report**

**6. INVESTMENT IN NATION BUSINESS ENTITIES**

	<b>2022</b>	<b>2021</b>
The Band's investment in Nation business entities consist of the following:		
SEM Holdings Ltd.	\$ 164,090	\$ 164,090
Investment in North Rock Holdings	40	40
Kenpesq't Limited Partnership	1,540,346	1,186,830
Kenpesq't GP Ltd.	(1,300)	(562)
Kenpesq't Entities	129	32
BCFN GRS GP Ltd.	10	10
BC First Nations Gaming Revenue Sharing Limited Partnership	100	100
	<b>\$ 1,703,415</b>	<b>\$ 1,350,540</b>

The financial information for SEM Holdings Ltd. and Kenpesq't Limited Partnership for the years ended March 31, 2022, December 31, 2021, December 31, 2020 and March 31, 2021 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**

	<b>2022</b>	<b>2021</b>
Ottawa Trust	\$ 11,538	\$ 27,140
Ashcroft & Company	427,867	425,164
	<b>\$ 439,405</b>	<b>\$ 452,304</b>

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.

**Shuswap Band**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES TO STATEMENTS**

**March 31, 2022**

**See Auditor's Report**

**8. DEFERRED REVENUE**

	<b>Balance, beginning of year</b>	<b>Contributions received</b>	<b>Amortization</b>	<b>Balance, end of year</b>
<b>Kinbasket Development Corporation</b>				
Land lease revenue	6,105,393	\$ -	\$ 81,869	\$ 6,023,524
Appraisal increase: sub-leased land	2,419,158	- -	32,691	2,386,467
<b>Kinbasket Water &amp; Sewer Company</b>				
Land lease revenue	2,018,045	- -	27,046	1,990,999
Unamortized capital allocations	345,000	- -	15,000	330,000
<b>Shuswap Band</b>				
Prior year deferred revenue	2,552,386	- -	2,552,386	- -
Current year deferred revenue	- -	4,369,809	- -	4,369,809
	<b>\$13,439,982</b>	<b>\$ 4,369,809</b>	<b>\$ 2,708,992</b>	<b>\$ 15,100,799</b>

**9. LONG-TERM DEBT**

	<b>2022</b>	<b>2021</b>
All Nations Trust - Mortgage payable for new housing with payments of \$1,241.82 per month starting April 1, 2022 including interest at 2.27% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on April 1, 2047 and renewal on April 1, 2027.	\$ 284,435	\$ - -
All Nations Trust - Mortgage payable for duplexes 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.	570,122	590,238
	<b>\$ 854,557</b>	<b>\$ 590,238</b>

Future principal payments for the next five subsequent years are as follows:

2023	<b>20,624</b>
2024	<b>549,498</b>
2025	- -
2026	- -
2027	- -
	<b>\$ 570,122</b>

**Shuswap Band**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2022

See Auditor's Report

**10. TANGIBLE CAPITAL ASSETS**

	2022							2021		
	Beginning Cost	Additions	Disposal	Ending Cost	Beginning Accumulated Depreciation	Depreciation	Disposals	Ending Accumulated Depreciation	Net Book Value	Net Book Value
Buildings	\$ 6,180,768	\$ 1,145,391	\$ -	\$ 7,326,159	\$ 1,813,569	\$ 116,898	\$ -	\$ 1,930,467	\$ 5,395,692	\$ 4,367,199
Equipment	42,240	14,752	-	56,992	9,669	7,950	-	17,619	39,373	32,571
Office furniture and equipment	333,856	11,791	-	345,647	284,708	14,452	-	299,160	46,487	49,148
Water and sewer systems	5,074,489	744,340	-	5,818,829	1,604,101	64,836	-	1,668,937	4,149,892	3,470,388
Leasehold improvements	86,228	-	-	86,228	86,228	-	-	86,228	-	-
Vehicles	127,989	56,064	-	184,053	6,809	48,750	-	55,559	128,494	121,180
Roads	1,579,738	-	-	1,579,738	712,852	39,493	-	752,345	827,393	866,886
Land leases	6,028,697	-	-	6,028,697	1,001,750	66,986	-	1,068,736	4,959,961	5,026,947
Land	19,454,005	1,972,338	-	21,426,343	5,519,686	359,365	-	5,879,051	15,547,292	13,934,319
Total	\$ 19,622,761	\$ 1,972,338	\$ -	\$ 21,595,099	\$ 5,519,686	\$ 359,365	\$ -	\$ 5,879,051	\$ 15,716,048	\$ 14,103,075

**Shuswap Band**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES TO STATEMENTS**

**March 31, 2022**

**See Auditor's Report**

**11. ACCUMULATED SURPLUS**

	<b>2022</b>	2021
Accumulated surplus is comprised of the following:		
Equity in tangible capital assets	\$15,174,033	\$13,861,906
Equity in trust funds	439,405	452,304
Investment in Nation business entities	2,168,010	2,257,416
Surplus (deficit) in operating fund	1,952,544	(1,726,756)
	<b>\$19,733,992</b>	<b>\$14,844,870</b>

**12. MISCELLANEOUS INCOME**

	<b>2022</b>	2021
BC Hydro	149,460	73,300
Cost recovery	54,788	6,106
Deferred revenue	(927,762)	(1,442,388)
First Nations Education Steering Committee	237,064	76,963
First Peoples Heritage	32,750	101,560
Grants and contributions	595,053	216,200
Interest on trust moneys	885	16,487
Interest income	77,100	59,170
Rental	75,105	50,427
Other government funding	354,232	68,735
Other miscellaneous income	553,323	643,676
Qwelminte	254,595	209,000
Shuswap Nation Tribal Council	643,419	368,720
Teck Coal - Elk Valley	134,454	115,431
Terrestrial Cumulative Effects Initiative	-	100,000
	<b>\$ 2,234,466</b>	<b>\$ 663,383</b>

**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.

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# Shuswap Band

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO STATEMENTS

---

March 31, 2022

See Auditor's Report

#### 15. COMPARATIVE AMOUNTS

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

#### 16. FINANCIAL INSTRUMENTS

##### *Risk management policy*

Shuswap Band is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2022.

##### *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 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 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, 2022.

	Carrying Amount	Contractual cash flows	Within 1 year	2 to 5 years	Subsequent
Accounts payable and					
accrued expenses	\$ 1,757,646	\$ 1,757,646	\$ 1,757,646	\$ -	\$ -
Long-term debt	854,557	871,909	34,569	552,905	284,435
	\$ 2,612,203	\$ 2,629,555	\$ 1,792,215	\$ 552,905	\$ 284,435

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**Shuswap Band**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES TO STATEMENTS**

---

**March 31, 2022**

**See Auditor's Report**

**17. PRIOR PERIOD ADJUSTMENT**

Subsequent to the release of the 2022 audited Consolidated Financial Statements of the Shuswap Band, information became available that required adjustments to the fiscal 2021 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 \$440,006 and a corresponding decrease to the investment value.
- 2) Reversing a receivable and corresponding revenue from the Department of Fisheries and Oceans for \$200,000 attributed to fiscal 2020 funding arrangements.
- 3) Adjusting the accumulated amortization on the CMHC building for \$34,391 to conform with the accounting policies.

A summary of changes are as follows:

**Summary Statement of Financial Position**

	<b>2021</b>	<b>Changes</b>	<b>2021</b>
	<i>As previously stated</i>		<i>Restated</i>
<b>Financial Assets</b>			
Accounts receivable	2,699,151	(200,000)	2,499,151
Investment in nation business entities	1,790,546	(440,006)	1,350,540
<b>Net financial assets</b>	<b>1,384,325</b>	<b>(640,006)</b>	<b>744,319</b>
<b>Non-financial assets</b>			
Tangible capital assets	14,137,466	(34,391)	14,103,075
<b>Total non-financial assets</b>	<b>14,174,942</b>	<b>(34,391)</b>	<b>14,140,551</b>
Accumulated surplus	\$15,559,267	\$ (674,397)	\$14,884,870

**Shuswap Band**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES TO STATEMENTS**

**March 31, 2022**

**See Auditor's Report**

**17. PRIOR PERIOD ADJUSTMENT (CONTINUED)**

**Summary Statement of Operations**

	<b>2021</b>		<b>2021</b>
	<i>As previously stated</i>	<i>Changes</i>	<i>Restated</i>
<b>Revenue</b>			
Department of Fisheries and Oceans	705,000	(200,000)	505,000
<b>Expenses</b>			
Administration and Governance	1,268,637	440,006	1,708,643
Depreciation of Capital Fund Assets	177,934	34,391	212,325
<b>Annual surplus</b>	5,634,313	(674,397)	4,959,916
<b>Accumulated surplus, end of year</b>	<b>\$ 15,559,267</b>	<b>\$ (674,397)</b>	<b>\$ 14,884,870</b>

**Summary Statement of Net Financial Assets**

	<b>2021</b>		<b>2021</b>
	<i>As previously stated</i>	<i>Changes</i>	<i>Restated</i>
<b>Annual surplus</b>	\$ 5,634,313	\$ (674,397)	\$ 4,959,916
<b>Increase in net financial assets</b>	3,557,201	(674,397)	2,882,804
<b>Net financial assets at end of year</b>	<b>\$ 1,418,716</b>	<b>\$ (674,397)</b>	<b>\$ 744,319</b>

**18. CONTINGENT LIABILITIES**

As at March 31, 2022, the total ministerial housing loan guarantees provided to financial institutions for loans to individual members are in the amount of \$198,052 and the outstanding balance for the loan is \$195,169.

**Shuswap Band**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES TO STATEMENTS**

**March 31, 2022**

**See Auditor's Report**

**19. EXPENSES BY OBJECT**

	<b>Budget</b>	<b>2022</b>	<b>2021</b>
Advertising	\$ 21,500	\$ 13,961	\$ 6,723
Amortization	-	185,227	212,325
Bank charges and interest	14,300	15,340	20,459
Community support and wellness	332,700	282,824	424,342
Construction	1,450,000	23,607	38,116
Contractors	1,799,082	2,605,053	2,252,599
Council expenses	60,000	5,102	10,661
Donations	-	91,584	72,838
Equipment rental/lease	15,000	22,929	17,415
Honorariums	22,650	48,333	6,925
Hot lunch program	62,500	70,433	39,431
Insurance	51,800	85,470	66,462
Interest on long-term debt	7,000	14,495	14,914
Kenpesq't Holdings Ltd.	-	57,835	200
Kinbasket Development Corporation	-	69,278	115,350
Kinbasket Water and Sewer Corporation	-	530,197	471,871
Kinbasket Property Development Corporation	-	2,075	980
Loss from business entities	-	-	440,006
Medical	47,900	21,333	34,827
Office and other	100,300	348,812	169,777
Payments to St. Eugene	-	1,429,339	465,931
Professional fees	260,000	451,548	457,325
Property taxes	38,000	5,413	38,230
Repairs and maintenance	89,937	188,415	63,568
Rent	15,000	30,977	1,813
Salaries and benefits	2,074,398	1,986,090	1,790,944
Social assistance	133,700	144,806	135,311
Supplies	7,000	17,231	38,510
Telecommunications	34,700	59,156	42,768
Training	89,000	37,598	34,734
Travel	13,000	44,085	49,714
Tuition, allowances and incentives	242,500	140,022	237,816
Utilities	12,000	50,279	18,919
Workshops	58,351	26,082	4,460
	<b>\$ 7,052,318</b>	<b>\$ 9,104,929</b>	<b>\$ 7,796,264</b>

**20. SUBSEQUENT EVENT**

In July 2022, the Band loaned \$1,000,000 to a company it holds a 20% interest in. The terms of the loan are monthly payments including interest of prime plus 1.5% due on demand.