



Shuswap Band
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023



Shuswap Band
CONSOLIDATED FINANCIAL STATEMENTS
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For the year ended March 31, 2023

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Shuswap Band
MARCH 31, 2023

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

Chief

Mark Thomas

Councillor

Richard Martin

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, 2023 and March 31, 2022, and the consolidated statement of operations, net financial assets 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, 2023 and March 31, 2022, 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, 2023 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, 2023.

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 \$2,353,776 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 26, 2023


Chartered Professional Accountants

Shuswap Band
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2023		Statement 1	
	Note	2023	2022 <i>Restated</i>
Financial assets			
Cash	3	\$ 20,716,079	\$ 15,686,649
Accounts receivable	4	5,898,759	3,613,536
Loan receivable	5	1,000,000	-
Advances to related nation entities	6	433,175	463,595
Investment in nation business entities	7	424	(18)
Investment in government business partnerships	8	1,919,426	1,540,346
Investment in Specific Land Claims		77,541	-
Trust moneys	9	445,970	439,405
		30,491,374	21,743,513
Liabilities			
Accounts payable and accrued liabilities		2,036,091	1,757,646
Deferred revenue	10	15,805,080	15,100,799
Long-term debt	11	826,171	854,557
Specific Land Claims loan		96,950	-
		18,764,292	17,713,002
Net financial assets		11,727,082	4,030,511
Non-financial assets			
Tangible capital assets	12	16,002,571	15,716,048
Prepaid expenses		42,839	29,826
Total non-financial assets		16,045,410	15,745,874
Accumulated surplus	13	\$ 27,772,492	\$ 19,776,385

See accompanying notes

Chief Barbara Cote
 —
 Chief Councillor

Richard Martin *Mark Thomas*
 —
 Councillor

Shuswap Band

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended March 31, 2023	2023 Budget	2023 Actual	Statement 2 2022 Restated
Revenue			
Indigenous Services Canada	\$ 2,446,530	\$ 2,273,564	\$ 3,276,181
Canada Mortgage and Housing Corporation	-	49,067	29,909
First Nations Health Authority	486,340	649,266	664,490
BC First Nations Gaming Revenue Sharing	318,911	425,788	180,825
Kinbasket Development Corporation	-	129,820	428,274
Kinbasket Water and Sewer Company Ltd.	-	754,298	624,469
Province of British Columbia	2,359,543	5,914,123	4,341,520
Property taxes	650,000	632,071	632,628
Kenpesq't Limited Partnership	-	379,618	352,778
First Nation GST/FCRSA	450,000	790,475	592,292
TransCanada Pipelines	-	1,200,000	-
Miscellaneous income - Note 14	5,159,329	4,379,010	3,017,215
	11,870,653	17,577,100	14,140,581
Expenses			
Administration and Governance	1,111,634	1,346,245	1,306,761
Community Development	533,706	285,807	100,627
Education	678,386	721,507	416,672
First Nations GST/FCRSA	413,700	302,116	1,753,194
Health	827,998	780,648	705,927
Housing	1,851,156	261,392	148,137
Lands and Economic Development	926,817	1,681,266	1,391,943
Property Tax	454,795	335,484	445,634
Public Works	453,077	464,596	386,292
Social Development	279,262	183,765	231,196
Territorial Stewardship	2,377,218	2,077,713	1,344,085
Depreciation of Capital Fund Assets	351,318	351,318	185,227
Kenpesq't Holdings Ltd.	-	34,193	57,835
Kinbasket Development Corporation	-	60,212	69,278
Kinbasket Water and Sewer Company Ltd.	-	648,840	530,197
Kinbasket Property Development Corporation	-	1,389	2,075
CMHC Section 96 Housing	-	44,502	29,849
	10,259,067	9,580,993	9,104,929
Annual surplus			
Accumulated surplus, beginning of year as previously stated	19,733,992	14,884,870	
Prior period adjustment - Note 19	42,393	(144,137)	
Accumulated surplus, beginning of year as restated	19,776,385	14,740,733	
Accumulated surplus, end of year	\$ 27,772,492	\$ 19,776,385	

See accompanying notes

Shuswap Band
CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS

For the year ended March 31, 2023

Statement 3

	2023 Budget	2023 Actual	2022 Restated
Annual surplus	\$ -	\$ 7,996,107	\$ 5,035,652
Changes in tangible capital assets			
Acquisition of tangible capital assets	(815,679)	(815,679)	(1,972,337)
Amortization of tangible capital assets	529,156	529,156	359,364
	(286,523)	(286,523)	(1,612,973)
Changes in other non-financial assets			
Prepaid expenses and deposits	(13,013)	(13,013)	7,650
Increase in net financial assets		7,696,571	3,430,329
Net financial assets at beginning of year as previously stated		3,988,118	744,319
Prior Period Adjustment - Note 19	42,393		(144,137)
Net financial assets at beginning of year as restated		4,030,511	600,182
Net financial assets at end of year		\$ 11,727,082	\$ 4,030,511

See accompanying notes

Shuswap Band
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2023

Statement 4

	2023	2022
OPERATING ACTIVITIES		
Revenue received	\$ 15,989,593	\$ 14,719,862
Expenses paid	(8,766,155)	(8,569,923)
Interest paid on long-term debt	(20,250)	(14,495)
Cash provided by operating activities	7,203,188	6,135,444
INVESTING ACTIVITIES		
Advances from related Nation entities	30,420	442,281
Advances (to) from Nation business entities	(442)	641
Advances to government business partnerships	(379,080)	(353,516)
Loan receivable advanced	(1,000,000)	-
Purchase and construction of capital assets	(815,679)	(1,972,337)
Cash used in investing activities	(2,164,781)	(1,882,931)
FINANCING ACTIVITIES		
Proceeds of long-term debt	19,409	284,434
Repayment of long-term debt	(28,386)	(20,115)
Cash (used in) provided by financing activities	(8,977)	264,319
Increase in cash during the year	5,029,430	4,516,832
Cash, beginning of year	15,686,649	11,169,817
Cash, end of year	\$ 20,716,079	\$ 15,686,649

See accompanying notes

Shuswap Band

CONSOLIDATED FINANCIAL STATEMENTS

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1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated 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:

- Kenpesq't Limited Partnership (99.99% interest)
- Kenpesq't GP Ltd. (100% interest)

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.

Shuswap Band

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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

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.

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.

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 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.

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

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.

Shuswap Band

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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.

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 %
Vehicles	declining balance	30 %
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.

Shuswap Band

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f) Tangible capital assets (continued)

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) 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.

Shuswap Band
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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 AND RESTRICTED CASH

	2023	2022
Cash is comprised of the following:		
Cash and cash equivalents	\$ 20,670,648	\$ 15,642,517
Restricted cash	45,431	44,132
	<hr/> \$ 20,716,079	<hr/> \$ 15,686,649

4. ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable is comprised of the following:		
Canada Mortgage and Housing Corporation	\$ 154,074	\$ 2,492
Property taxes receivable	252,686	164,260
Indigenous Services Canada	40,000	85,222
Ministry of Environment Climate Change	429,074	-
Province of BC	1,097,061	51,787
Shuswap National Tribal Council	272,878	181,647
Department of Fisheries and Oceans	777,500	735,000
Goods and services tax receivable	661,746	443,464
Due from others	2,227,905	1,949,664
Allowance for doubtful accounts	(14,165)	-
	<hr/> \$ 5,898,759	<hr/> \$ 3,613,536

5. LOANS RECEIVABLE

	2023	2022
Loan receivable	<hr/> \$ 1,000,000	<hr/> \$ -

The loan to SEM Holdings Ltd. is initially recorded at cost less any valuation allowances. The term of the loan is 10 years with monthly interest only payments for the first two years at prime + 1.5% per annum. After the first two years, the monthly payments are a mix of principal and interest with a 25 year amortization period.

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6. ADVANCES TO/(FROM) RELATED NATION ENTITIES

	2023	2022
Kenpesq't Territorial Operations Limited Partnership	\$ (104,928)	\$ (74,509)
North Rock Holdings	(61,865)	(61,865)
Columbia River Property	600,000	600,000
Kenpesq't Territorial Operations Ltd.	(1)	(1)
Kenpesq't Construction GP Ltd.	(10)	(10)
Kenpesq't Forestry GP Ltd.	(10)	(10)
Kenpesq't Leasehold GP Ltd.	(10)	(10)
Kenpesq't-IDL Inc.	(1)	-
	\$ 433,175	\$ 463,595

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.

7. INVESTMENT IN NATION BUSINESS ENTITIES

	2023	2022
The Band's investment in Nation business entities consist of the following:		
SEM Holdings Ltd.	\$ 1	\$ 1
St. Eugene Mission Holdings Ltd.	1	1
St. Eugene Mission Development Corporation	1	1
Investment in North Rock Holdings	40	40
Kenpesq't GP Ltd.	(762)	(1,203)
Kenpesq't Territorial Operations Ltd.	1	1
Kenpesq't Construction GP Ltd.	10	10
Kenpesq't Forestry GP Ltd.	10	10
Kenpesq't Leasehold GP Ltd.	10	10
Kenpesq't-IDL Inc.	1	-
Kinbaskset Water & Sewer Limited Partnership	1	1
BCFN GRS GP Ltd.	10	10
BC First Nations Gaming Revenue Sharing Limited Partnership	100	100
All Nations Trust	1,000	1,000
	\$ 424	\$ (18)

The financial information for Kenpesq't Limited Partnership for the years ended December 31, 2022 and December 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.

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8. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS

The Band's investment in government business partnerships consist of the following:

	2023	2022
Kenpesq't Limited Partnership - 99.99%	\$ 1,919,426	\$ 1,540,346

Financial information for Kenpesq't Limited Partnership is as follows:

	Total	Total
	December 31	December 31
	2022	2021
Current assets	\$ 105	\$ 69
Investment in partnerships	1,926,067	1,544,859
Total assets	\$ 1,926,172	\$ 1,544,928
Current liabilities	\$ 6,563	\$ 4,437
Partners' equity	\$ 1,919,609	\$ 1,540,491
Total liabilities and equity	\$ 1,926,172	\$ 1,544,928
Revenue	\$ 381,206	\$ 354,982
Expenses	2,088	1,431
Net income	\$ 379,118	\$ 353,551

9. TRUST MONEYS

	2023	2022
Ottawa Trust	\$ 11,430	\$ 11,538
Ashcroft & Company	434,540	427,867
	\$ 445,970	\$ 439,405

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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10. DEFERRED REVENUE

	Balance, beginning of year	Contributions received	Amortization	Balance, end of year
Kinbasket Development Corporation				
Land lease revenue	6,023,524	\$ -	\$ 81,869	\$ 5,941,655
Appraisal increase: sub-leased land	2,386,467	- -	32,691	2,353,776
Kinbasket Water & Sewer Company				
Land lease revenue	1,990,999	- -	27,046	1,963,953
Unamortized capital allocations	330,000	- -	15,000	315,000
Shuswap Band				
Prior year deferred revenue	4,369,809	- -	4,369,809	- -
Current year deferred revenue	- -	5,230,696	- -	5,230,696
	\$15,100,799	\$ 5,230,696	\$ 4,526,415	\$ 15,805,080

11. LONG-TERM DEBT

	2023	2022
All Nations Trust - Mortgage payable for new housing with payments of \$1,242 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.	\$ 276,670	\$ 284,435
All Nations Trust - Mortgage payable for duplexes with payments of \$2,881 per month including interest at 2.50% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on May 1, 2043 and renewal on June 1, 2023.	\$ 549,501	\$ 570,122
	\$ 826,171	\$ 854,557

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

2024	558,195
2025	8,910
2026	9,115
2027	9,324
2028	240,627
	\$ 826,171

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12. TANGIBLE CAPITAL ASSETS

2023	Beginning				Beginning				Ending			
	Cost	Additions	Disposal	Cost	Accumulated	Depreciation	Depreciation	Disposals	Accumulated	Depreciation	Net Book	Value
Buildings	\$ 7,326,159	\$ 208,108	\$ -	\$ 7,534,267	\$ 1,930,467	\$ 272,181	\$ -	\$ 2,202,648	\$ 5,331,619			
Equipment	56,992	8,444	-	65,436	17,619	7,968	-	25,587	39,849			
Office furniture and equipment	345,647	25,407	-	371,054	299,160	13,035	-	312,195	58,859			
Water and sewer systems	5,818,829	87,429	-	5,906,258	1,668,937	75,331	-	1,744,268	4,161,990			
Leasehold improvements	86,228	-	-	86,228	86,228	-	-	86,228	-			
Vehicles	184,053	158,583	-	342,636	55,559	42,086	-	97,645	244,991			
Roads	1,579,738	327,708	-	1,907,446	752,345	51,569	-	803,914	1,103,532			
Land leases	6,028,697	-	-	6,028,697	1,068,736	66,986	-	1,135,722	4,892,975			
Land	168,756	-	-	168,756	-	-	-	-	-			168,756
Total	\$ 21,595,099	\$ 815,679	\$ -	\$ 22,410,778	\$ 5,879,051	\$ 529,156	\$ -	\$ 6,408,207	\$ 16,002,571			
2022	Beginning				Beginning				Ending			
	Cost	Additions	Disposal	Cost	Accumulated	Depreciation	Depreciation	Disposals	Accumulated	Depreciation	Net Book	Value
Buildings	\$ 6,180,768	\$ 1,145,391	\$ -	\$ 7,326,159	\$ 1,813,569	\$ 116,898	\$ -	\$ 1,930,467	\$ 5,395,692			
Equipment	42,240	14,752	-	56,992	9,669	7,950	-	17,619	39,373			
Office furniture and equipment	333,856	11,791	-	345,647	284,708	14,452	-	299,160	46,487			
Water and sewer systems	5,074,489	744,340	-	5,818,829	1,604,101	64,836	-	1,668,937	4,149,892			
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			
Roads	1,579,738	-	-	1,579,738	712,852	39,493	-	752,345	827,393			
Land leases	6,028,697	-	-	6,028,697	1,001,750	66,986	-	1,068,736	4,959,961			
Land	168,756	-	-	168,756	-	-	-	-	-			168,756
Total	\$ 19,622,761	\$ 1,972,338	\$ -	\$ 21,595,099	\$ 5,519,686	\$ 359,365	\$ -	\$ 5,879,051	\$ 15,716,048			

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13. ACCUMULATED SURPLUS

	2023	2022
Accumulated surplus is comprised of the following:		
Equity in tangible capital assets	\$ 15,175,050	\$ 14,861,491
Equity in trust funds	445,970	439,405
Investment in Nation business entities	2,353,025	2,003,923
Operating fund	9,798,447	2,471,566
	\$ 27,772,492	\$ 19,776,385

14. MISCELLANEOUS INCOME

	2023	2022
BCACCS	\$ 393,518	\$ -
BC Hydro	161,136	317,683
Columbia Basin Trust	522,435	692,224
Cost recovery	73,339	54,788
Deferred revenue	(1,177,839)	(1,497,973)
Department of Fisheries and Oceans	500,000	600,000
First Nations Education Steering Committee	153,490	237,064
First Peoples Heritage	160,300	32,750
Grants and contributions	20,485	428,303
Interest on trust moneys	938	885
Interest income	560,879	77,100
Rental	115,133	75,105
Other government funding	761,616	419,232
Other miscellaneous income	832,286	547,586
Own Source revenue	22,186	-
Qwelmine	144,333	254,595
Shuswap Nation Tribal Council	481,453	643,419
Teck Coal - Elk Valley	148,599	134,454
Water Settlement	504,723	-
	\$ 4,379,010	\$ 3,017,215

15. 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.

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16. RELATED PARTY TRANSACTIONS

The financial statements include the following transactions recorded at the exchange amount with related parties:

1. The Band paid \$75,016 of expenses on behalf of Kinbasket Water & Sewer Company Ltd.

17. COMPARATIVE AMOUNTS

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

18. 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, 2023.

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, 2023.

	Carrying Amount	Contractual cash flows	Within 1 year	2 to 5 years	Subsequent
Accounts payable and accrued expenses	\$ 2,036,091	\$ 2,036,091	\$ 2,036,091	\$ -	\$ -
Long-term debt	826,171	826,171	558,195	267,976	-
	\$ 2,862,262	\$ 2,862,262	\$ 2,594,286	\$ 267,976	\$ -

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19. PRIOR PERIOD ADJUSTMENT

Subsequent to the release of the 2023 audited Consolidated Financial Statements of the Shuswap Band, information became available that required adjustments to the fiscal 2022 figures presented. These adjustments include:

- 1) Increasing a receivable and corresponding revenue for the Province of BC for \$169,950 attributed to fiscal 2021 and 2022 funding arrangements.
- 2) Increasing a receivable and corresponding revenue for property taxes for \$36,350 attributed to fiscal 2022.
- 3) Decrease the investment in Nation Business Entities by \$164,087.

A summary of changes are as follows:

Summary Statement of Financial Position

	2022 <i>As previously stated</i>	2022 <i>Changes</i>	2022 <i>Restated</i>
Financial Assets			
Accounts receivable	3,407,056	206,480	3,613,536
Investment in Nation Business Entities and Government Business Partnerships	1,704,415	(164,087)	1,540,328
Net financial assets	3,988,118	42,393	4,030,511
Accumulated surplus	\$19,733,992	\$ 42,393	\$ 19,776,385

Summary Statement of Operations

	2022 <i>As previously stated</i>	2022 <i>Changes</i>	2022 <i>Restated</i>
Revenue			
Province of BC	4,191,520	150,000	4,341,520
Property taxes	596,098	36,530	632,628
Annual surplus at beginning of year	14,884,870	(144,137)	14,740,733
Accumulated surplus, end of year	\$19,733,992	\$ 42,393	\$ 19,776,385

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19. PRIOR PERIOD ADJUSTMENT (CONTINUED)

Summary Statement of Net Financial Assets

	2022		2022
	<i>As previously stated</i>	<i>Changes</i>	<i>Restated</i>
Annual surplus	\$ 4,849,122	\$ 186,530	\$ 5,035,652
Increase in net financial assets	3,243,799	186,530	3,430,329
Net financial assets at beginning of year	744,319	(144,137)	600,182
Net financial assets at end of year	<u>\$ 3,988,118</u>	<u>\$ 42,393</u>	<u>\$ 4,030,511</u>

20. CONTINGENT LIABILITIES

As at March 31, 2023, 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 \$189,497.

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21. EXPENSES BY OBJECT

	Budget	2023	2022
Advertising	\$ 2,500	\$ 39,969	\$ 13,961
Amortization	-	351,318	185,227
Bad debts	-	14,165	-
Bank charges and interest	5,300	6,502	15,340
Community support and wellness	382,700	160,099	282,824
Construction	1,709,136	39,650	23,607
Contractors	2,785,212	3,154,115	2,607,603
Council expenses	75,000	23,043	5,102
Donations	3,000	108,941	91,584
Equipment rental/lease	6,500	32,902	22,929
Honorariums	144,900	55,333	48,333
Hot lunch program	97,500	100,450	70,433
Insurance	28,575	116,424	85,470
Interest on long-term debt	-	20,293	14,495
Kenpesq't Holdings Ltd.	-	34,193	57,835
Kinbasket Development Corporation	-	60,212	69,278
Kinbasket Water and Sewer Corporation	-	648,840	530,197
Kinbasket Property Development Corporation	-	1,389	2,075
Medical	47,000	24,760	21,333
Office and other	298,500	385,014	319,646
Payments to St. Eugene	-	40,000	1,429,339
Professional fees	526,500	321,589	451,548
Property taxes	-	1,070	5,413
Repairs and maintenance	221,437	184,491	188,415
Rent	20,000	21,991	30,977
Salaries and benefits	2,679,797	2,632,180	1,986,090
Social assistance	124,000	141,547	144,806
Specific claim costs capitalized	-	(77,541)	-
Supplies	17,000	238,154	43,847
Telecommunications	44,900	42,671	59,156
Training	392,278	179,286	37,598
Travel	58,000	198,509	44,085
Tuition, allowances and incentives	215,000	143,323	140,022
Utilities	37,000	65,893	50,279
Workshops	71,574	70,218	26,082
	\$ 9,993,309	\$ 9,580,993	\$ 9,104,929