

**Shackan Indian Band**  
**Financial Statements**  
*March 31, 2021*

**Shackan Indian Band**  
**Contents**  
*For the year ended March 31, 2021*

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## **Management's Responsibility**

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To the Members of Shackan Indian Band

The accompanying financial statements of Shackan Indian Band are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Shackan Indian Band Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

August 16, 2022



Arnold Lampman \_\_\_\_\_ Chief

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To the Members of Shackan Indian Band:

**Opinion**

We have audited the financial statements of Shackan Indian Band (the "First Nation"), which comprise the statement of financial position as at March 31, 2021, and the statement of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Basis for Opinion**

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, 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 First Nation'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 First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

**Auditor's Responsibilities for the Audit of the 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.

**ACCOUNTING > CONSULTING > TAX**

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 First Nation'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 First Nation'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 First Nation 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.

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.

Chilliwack, British Columbia

August 16, 2022

*MNP LLP*

Chartered Professional Accountants

**Shackan Indian Band**  
**Statement of Financial Position**  
*As at March 31, 2021*

	2021	2020
<b>Financial assets</b>		
Cash and cash equivalents	3,753,043	1,298,131
Accounts receivable	200,823	160,551
Marketable securities (Note 3)	1,140,921	1,018,111
Restricted cash (Note 4)	13,684	15,431
Investments (Note 5)	9,290	6,230
Investments in Nation business entities (Note 6)	2,003,109	1,358,933
Funds held in trust (Note 7)	425,458	408,664
Note receivable (Note 8)	45,068	45,068
<b>Total of financial assets</b>	<b>7,591,396</b>	<b>4,311,119</b>
<b>Liabilities</b>		
Accounts payable and accruals	1,720,610	246,281
Deferred revenue (Note 10)	1,668,012	1,113,618
Long-term debt (Note 11)	134,378	143,412
Reforestation obligation	34,954	34,954
<b>Total of financial liabilities</b>	<b>3,557,954</b>	<b>1,538,265</b>
<b>Net financial assets</b>	<b>4,033,442</b>	<b>2,772,854</b>
<b>Commitments (Note 12)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	7,633,249	3,675,803
Prepaid expenses	29,003	23,961
<b>Total non-financial assets</b>	<b>7,662,252</b>	<b>3,699,764</b>
<b>Accumulated surplus (Note 13)</b>	<b>11,695,694</b>	<b>6,472,618</b>

Approved on behalf of the Council

Arnold Lampman

Chief

J. May

Councilor

**Shackan Indian Band**  
**Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2021*

	<b>2021 Budget</b>	<b>2021</b>	2020
<b>Revenue</b>			
Canada Mortgage and Housing Corporation	1,772,676	<b>3,079,893</b>	6,105
Indigenous Services Canada	379,677	<b>1,842,913</b>	1,446,896
Band contracts and other income	375,506	<b>1,173,395</b>	1,483,683
Province of British Columbia	225,980	<b>188,628</b>	282,122
Citxw Nlaka'pamux Assembly	-	<b>22,000</b>	-
First Nation Education Steering Committee	21,000	<b>1,152</b>	22,886
First Nations and Inuit Youth Employment Strategy	-	<b>-</b>	21,000
Investment income	-	<b>407,653</b>	307,863
Earnings (loss) from investment in Nation business entities	-	<b>195,152</b>	(134,901)
Emergency funding	-	<b>42,015</b>	34,393
Rental income	6,000	<b>12,600</b>	13,540
Ottawa Trust income	-	<b>16,794</b>	30,031
BC Hydro	90,441	<b>2,000</b>	16,100
Administration fees	-	<b>-</b>	550
Funding reimbursement (recovery)	-	<b>-</b>	(20,879)
	<b>2,871,280</b>	<b>6,984,195</b>	3,509,389
<b>Program expenses</b>			
Administration	368,520	<b>339,693</b>	541,474
Band Revenue	190,530	<b>172,357</b>	268,776
Special Services	801,869	<b>501,311</b>	250,022
Housing	1,570,083	<b>39,175</b>	39,978
Education	113,413	<b>181,453</b>	176,769
Community Operations & Maintenance	257,588	<b>454,927</b>	403,363
Special Projects	32,156	<b>61,485</b>	211,823
Capital	159,089	<b>10,719</b>	142,501
<b>Total expenditures</b>	3,493,248	<b>1,761,120</b>	2,034,706
<b>Annual surplus (deficit)</b>	<b>(621,968)</b>	<b>5,223,075</b>	1,474,683
<b>Accumulated surplus, beginning of year</b>	<b>6,472,618</b>	<b>6,472,618</b>	4,997,935
<b>Accumulated surplus, end of year (Note 13)</b>	<b>5,850,650</b>	<b>11,695,693</b>	6,472,618

**Shackan Indian Band**  
**Statement of Changes in Net Financial Assets**  
*For the year ended March 31, 2021*

	<b>2021 Budget</b>	<b>2021</b>	2020
<b>Annual surplus</b>	<b>(621,968)</b>	<b>5,223,075</b>	1,474,683
Purchases of tangible capital assets	-	(4,202,372)	(705,473)
Amortization of tangible capital assets	-	244,926	139,735
	-	(3,957,446)	(565,738)
Acquisition of prepaid expenses	-	(29,003)	(23,961)
Use of prepaid expenses	-	23,961	11,138
	-	(5,042)	(12,823)
<b>Increase (decrease) in net financial assets</b>	<b>(621,968)</b>	<b>1,260,587</b>	896,122
<b>Net financial assets, beginning of year</b>	<b>2,772,854</b>	<b>2,772,854</b>	1,876,732
<b>Net financial assets, end of year</b>	<b>2,150,886</b>	<b>4,033,441</b>	2,772,854

**Shackan Indian Band**  
**Statement of Cash Flows**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	5,223,075	1,474,683
Non-cash items		
Amortization	244,926	139,735
Ottawa trust income	(16,794)	(30,031)
Earnings (loss) from investment in Nation business entities	(195,152)	134,901
Investment income	(15,165)	(17,268)
Investment (gain) loss	(107,645)	24,729
	<b>5,133,245</b>	1,726,749
Changes in working capital accounts		
Accounts receivable	(40,272)	80,863
Prepaid expenses	(5,042)	(12,823)
Restricted cash	1,747	40
Accounts payable and accruals	1,474,329	(54,332)
Deferred revenue	554,394	456,752
	<b>7,118,401</b>	2,197,249
<b>Financing activities</b>		
Repayment of long-term debt	(9,033)	(8,822)
<b>Capital activities</b>		
Purchases of tangible capital assets	(4,202,372)	(705,473)
<b>Investing activities</b>		
Purchase of investments	-	(600,110)
Advances to Nation business entities	(452,084)	(240,594)
	<b>(452,084)</b>	(840,704)
<b>Increase in cash resources</b>	<b>2,454,912</b>	642,250
<b>Cash resources, beginning of year</b>	<b>1,298,131</b>	655,881
<b>Cash resources, end of year</b>	<b>3,753,043</b>	1,298,131
<b>Supplementary cash flow information</b>		
Interest paid	8,626	8,904

**Shackan Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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## 1. Operations

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

### ***Impact of COVID-19 on operations***

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on communities through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The First Nation's operations were not materially impacted by COVID-19.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation's operations 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 by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the First Nation's operations.

## 2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

### ***Basis of presentation***

Sources of revenue and expenses are recorded on 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.

### ***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 and prepaid expenses.

### ***Net financial assets***

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

### ***Measurement uncertainty***

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

### ***Cash and cash equivalents***

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**Shackan Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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**2. Significant accounting policies** *(Continued from previous page)*

***Marketable securities***

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

***Funds held in Ottawa Trust Fund***

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on land or other First Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

***Investments***

The First Nation uses the modified equity method to account for its investment in Shackan Development Corporation, Spayum Holdings Limited Partnership, and K'en T'em Limited Partnership whereby the Nation records its proportionate share of annual earnings as revenue.

Other equity investments not traded in an active market are recorded at cost less impairment.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

***Amortization***

Tangible capital assets are amortized annually using the following method at terms intended to amortize the cost of the assets over their estimated useful lives:

	<b>Method</b>	<b>Term</b>
Automotive	straight-line	10 years
Buildings	straight-line	20 to 40 years
Bridges	straight-line	50 years
Equipment	straight-line	5 to 10 years
Roads	straight-line	10 to 75 years
Water Systems	straight-line	50 years
Housing	straight-line	40 years

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the First Nation determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

***Revenue recognition***

***Funding***

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

**Shackan Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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**2. Significant accounting policies** *(Continued from previous page)*

***Government Transfers***

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, 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.

***Housing 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.

***Funds held in Ottawa Trust Fund***

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

***Own source revenue***

Own source revenue derived from such sources as resource based revenues, interest income and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

***Investments***

The First Nation uses the modified equity method to account for its investment in Shackan Development Corporation, Spayum Holdings Limited Partnership, and K'en T'em Limited Partnership whereby the Nation records its proportionate share of annual earnings as revenue.

***Retirement benefits***

The First Nation has a defined contribution pension plan covering substantially all full-time employees who have completed one year of service. There are no prior service costs. Contributions are discretionary, and are based on percentage of participants' contributions, up to a maximum. The First Nation contributions totaled \$21,636 (2020 - \$17,563).

***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 First Nation 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. Management has determined that no liability exists as at March 31, 2021.

**3. Marketable securities**

The market value of the marketable securities at March 31, 2021 is \$1,140,921 (2020 - \$1,018,111).

**Shackan Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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**4. Restricted cash**

	<b>2021</b>	2020
Replacement Reserve	<u>13,684</u>	15,431
<b>Total</b>	<b><u>13,684</u></b>	<b>15,431</b>

***Operating Reserve***

Under agreements with Canada Mortgage and Housing Corporation ("CMHC"), the First Nation established the following:

An operating reserve resulting from annual surplus after the payment of all costs and expenses including allocation to the replacement reserve. These funds along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as otherwise mutually agreed to by the Band and CMHC. These funds may only be used for the ongoing operating costs of the housing projects committed under the agreement with CMHC. Accordingly, future years' deficits may be recovered from the Operating Reserve fund. At March 31, 2021 (and March 31, 2020) there was no operating reserve surplus and thus no requirement to set funds aside.

***Replacement Reserve***

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") the Band established a replacement reserve, funded by an annual allocation of \$2,000 (2020 - \$2,000), to ensure replacement of buildings financed by CMHC. At March 31, 2021, \$13,684 (2020 - \$15,431) has been set aside to fund this reserve. At March 31, 2021, the reserve was overfunded by \$3,189 (2020 overfunded by \$4,266).

In accordance with terms of the agreement, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

**5. Investments**

	<b>2021</b>	2020
<b>Measured at cost:</b>		
All Nations Trust Company - 9,180 Class A Common Shares	9,180	6,120
BC First Nations Gaming Revenue Sharing LP	100	100
BC First Nations Gaming Revenue Sharing General Partner Ltd.	10	10
	<b><u>9,290</u></b>	<b>6,230</b>

**Shackan Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

**6. Investment in Nation business entities**

The First Nation has investments in the following business entities and partnerships:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>	<b>2021</b>
<b>First Nation Partnership and Business Entities - Modified Equity</b>					
Shackan Development Corporation (100%)	120	1,722,359	(875,406)	847,073	
K'en T'em Limited Partnership (12.50%)	100	400,000	127,250	527,350	
Spayum Holdings Limited Partnership	120	188,378	440,188	628,686	
	<b>340</b>	<b>2,310,737</b>	<b>(307,968)</b>	<b>2,003,109</b>	

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>	<b>2020</b>
<b>First Nation Partnership and Business Entities - Modified Equity</b>					
Shackan Development Corporation (100%)	120	1,673,285	(779,577)	893,828	
K'en T'em Limited Partnership (12.50%)	100	-	112,207	112,307	
Spayum Holdings Limited Partnership	120	188,428	164,250	352,798	
	<b>340</b>	<b>1,861,713</b>	<b>(503,120)</b>	<b>1,358,933</b>	

The First Nation's investment in the following investments was established for the purposes of development and management of own source revenue contracts and economic development opportunities with third parties.

Summary financial information for each First Nation business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Shackan Development Corporation As at March 31, 2021</i>	<i>K'en T'em Limited Partnership As at December 31, 2020</i>	<i>Spayum Holdings Limited Partnership As at March 31, 2021</i>
<b>Assets</b>			
Current assets	1,609,558	442,046	193,174
Long-term assets	5,363	3,810,083	4,188,397
<b>Total assets</b>	<b>1,614,921</b>	<b>4,252,129</b>	<b>4,381,571</b>
<b>Liabilities</b>			
Current liabilities	256,081	28,848	2,180,611
Long-term liabilities	2,234,246	-	-
Equity (deficit)	(875,406)	4,223,281	2,200,960
<b>Total liabilities and equity</b>	<b>1,614,921</b>	<b>4,252,129</b>	<b>4,381,571</b>
Total revenue	2,788,369	733,316	1,729,359
Total expenses	2,884,197	612,960	349,659
<b>Net income (loss)</b>	<b>(95,828)</b>	<b>120,356</b>	<b>1,379,700</b>

**Shackan Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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**7. Funds held in trust**

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

	2021	2020
<b>Capital Trust</b>		
Balance, beginning/end of year	<b>26,344</b>	26,344
<b>Revenue Trust</b>		
Balance, beginning of year	382,320	352,289
Interest	4,788	6,308
Provincial grants	<b>12,006</b>	23,723
Balance, end of year	<b>399,114</b>	382,320
	<b>425,458</b>	408,664

**8. Note receivable**

Note receivable consists of a note receivable from Nlaka'pamux Legacy Trust (2013), which is non-interest bearing, unsecured and has no stated terms of repayment.

**9. Bank indebtedness**

Under a line of credit arrangement with the Royal Bank of Canada, the First Nation may borrow up to \$100,000 in revolving increments of \$5,000. The line of credit bears interest at bank's prime rate plus 2%. The prime rate at March 31, 2021 was 2.45% (2020 - 2.45%). This arrangement does not have a termination date and can be withdrawn at the bank's option. At March 31, 2021 the unused portion of the line of credit was \$100,000 (2020 - \$100,000).

**10. Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Recognized</i>	<i>Balance, end of year</i>
Canada Mortgage and Housing Corporation Rapid Housing Initiative	-	4,414,435	3,073,787	1,340,648
Indigenous Services Canada - housing subdivision	<b>1,113,618</b>	-	786,254	327,364
	<b>1,113,618</b>	<b>4,414,435</b>	<b>3,860,041</b>	<b>1,668,012</b>

**Shackan Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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**11. Long-term debt**

	<b>2021</b>	2020
All Nation's Trust Company mortgage, payments of \$1,009 per month including interest at 2.22%, secured by the building with a carrying value of \$244,897, due January 2024.	<b>134,378</b>	143,412

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2021	9,245
2022	9,450
2023	9,659
2024	9,875
2025	10,094

**12. Commitments**

The First Nation has committed to leasing office equipment under three long-term leases which expire September 2023, December 2024, and January 2026. Future minimum lease payments in each of the next five years as at March 31, 2021 are as follows:

2022	14,259
2023	14,259
2024	13,587
2025	11,891
2026	7,350

**13. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2021</b>	2020
Equity in Ottawa Trust Funds	<b>425,458</b>	408,664
CMHC Replacement Reserve	<b>10,495</b>	11,165
Operating surplus	<b>3,751,579</b>	2,514,168
Equity in Tangible Capital Assets	<b>7,498,871</b>	3,532,391
Long-term investments	<b>9,290</b>	6,230
	<b>11,695,693</b>	6,472,618

**Shackan Indian Band**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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**14. Segments**

The First Nation conducts its business through nine reportable segments. These segments are differentiated by major activities, accountability and control relationships.

Administration - Includes general operation, support, and financial management of the First Nation.

Band Revenue - Includes activities related to administering projects the First Nation is involved in annually and on an on-going basis relating to the overall objectives of the First Nation.

Special Services - Includes services offered to community members. Services include, but are not limited to, income assistance, child and family support, assisted living, and early childhood development.

Housing - Includes activities related to the administration and management of social housing and band-owned housing units, and renovation projects for private homeowners.

Education - Includes activities related to education at all levels, including elementary, secondary and post-secondary. Additional services include transportation, accommodation, and guidance and counselling.

Community Operations & Maintenance - Includes activities related to construction contracts, general community maintenance, fire protection, and public works.

Special Projects - Includes activities related to development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, as well as research and advocacy. It also manages economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects.

Capital - Includes activities related to capital projects within the community undertaken to support growth and/or maintenance of the First Nation's infrastructure.

Other - Other activities include administration and management of Ottawa Trust Funds and Tangible Capital Assets.

**15. Economic dependence**

Shackan Indian Band receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

**16. Budget information**

The disclosed budget information has been approved by the Chief and Council of the Shackan Indian Band. The budget information is projected based on operating expenses to be incurred during the year on a program by program basis.

**17. Comparative figures**

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

**Shackan Indian Band**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2021*

	<i>Roads</i>	<i>Buildings</i>	<i>Water Systems</i>	<i>Automotive</i>	<i>Equipment</i>	<i>Bridges</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	208,058	1,150,245	2,819,667	295,587	239,829	256,739	4,970,125
Acquisition of tangible capital assets	-	4,147,464	54,908	-	-	-	4,202,372
Balance, end of year	208,058	5,297,709	2,874,575	295,587	239,829	256,739	9,172,497
<b>Accumulated amortization</b>							
Balance, beginning of year	131,864	450,663	399,835	251,194	220,675	184,855	1,639,086
Annual amortization	2,774	95,078	123,171	4,714	4,737	5,135	235,609
Balance, end of year	134,638	545,741	523,006	255,908	225,412	189,990	1,874,695
<b>Net book value of tangible capital assets</b>	<b>73,420</b>	<b>4,751,968</b>	<b>2,351,569</b>	<b>39,679</b>	<b>14,417</b>	<b>66,749</b>	<b>7,297,802</b>
2020 Net book value of tangible capital assets	76,194	699,582	2,419,832	44,393	19,154	71,884	3,331,039

**Shackan Indian Band**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2021*

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	<i>Subtotal</i>	<i>Housing</i>	<i>Land</i>	2021	2020
<b>Cost</b>					
Balance, beginning of year	4,970,125	372,677	90,550	5,433,352	4,727,879
Acquisition of tangible capital assets	4,202,372	-	-	4,202,372	705,473
Balance, end of year	<b>9,172,497</b>	<b>372,677</b>	<b>90,550</b>	<b>9,635,724</b>	<b>5,433,352</b>
<b>Accumulated amortization</b>					
Balance, beginning of year	1,639,086	118,463	-	1,757,549	1,617,814
Annual amortization	235,609	9,317	-	244,926	139,735
Balance, end of year	<b>1,874,695</b>	<b>127,780</b>	<b>-</b>	<b>2,002,475</b>	<b>1,757,549</b>
<b>Net book value of tangible capital assets</b>	<b>7,297,802</b>	<b>244,897</b>	<b>90,550</b>	<b>7,633,249</b>	<b>3,675,803</b>
2020 Net book value of tangible capital assets	3,331,039	254,214	90,550	3,675,803	

**Shackan Indian Band**  
**Schedule 2 - Segmented Information**  
*For the year ended March 31, 2021*

	Administration	Band Revenue	Special Services	Education	Community Maintenance	Capital	Special Projects	Housing	Other	2021
<b>Revenue</b>										
Indigenous Services Canada	\$ 230,075	\$ -	\$ 367,674	\$ 169,330	\$ 233,804	\$ 827,030	\$ 15,000	\$ -	\$ -	\$ 1,842,913
Other government	10,000	-	262,000	100,692	88,838	11,900	16,740	3,079,893	12,006	3,582,069
Economic activities and other	705,564	203,518	85,553	1,250	35,670	-	510,270	12,600	4,788	1,559,213
	<b>945,639</b>	<b>203,518</b>	<b>715,227</b>	<b>271,272</b>	<b>358,312</b>	<b>838,930</b>	<b>542,010</b>	<b>3,092,493</b>	<b>16,794</b>	<b>6,984,195</b>
<b>Expenses</b>										
Amortization	-	-	-	-	235,609	-	-	9,317	-	244,926
Operating expenses	134,461	80,224	109,635	73,352	161,520	-	61,485	8,458	-	629,136
Salaries, wages and benefits	204,184	90,701	167,549	4,038	57,738	10,719	-	21,400	-	556,329
Program and services delivery expenses	1,047	1,433	224,127	104,062	60	-	-	-	-	330,729
	<b>339,693</b>	<b>172,357</b>	<b>501,311</b>	<b>181,453</b>	<b>454,927</b>	<b>10,719</b>	<b>61,485</b>	<b>39,175</b>	<b>-</b>	<b>1,761,120</b>
<b>Surplus (deficit) before transfers</b>										
Surplus (deficit) before transfers	<b>605,946</b>	<b>31,161</b>	<b>213,916</b>	<b>89,820</b>	<b>(96,616)</b>	<b>828,211</b>	<b>480,524</b>	<b>3,053,318</b>	<b>16,794</b>	<b>5,223,075</b>
Transfers between programs	(5,026)	-	-	1,155	12,806	(1,128,583)	(30,335)	(3,052,388)	4,202,372	-
Annual surplus (deficit)	\$ 600,920	\$ 31,161	\$ 213,916	\$ 90,975	\$ (83,810)	\$ (300,372)	\$ 450,189	\$ 930	\$ 4,219,166	\$ 5,223,075

	Administration	Band Revenue	Special Services	Education	Community Maintenance	Capital	Special Projects	Housing	Other	2020
<b>Revenue</b>										
Indigenous Services Canada	\$ 315,071	\$ -	\$ 169,883	\$ 161,188	\$ 107,748	\$ 656,866	\$ 36,140	\$ -	\$ -	\$ 1,446,896
Other government	233,591	-	116,676	38,226	130,156	107,100	30,071	6,105	23,723	685,648
Economic activities and other	365,296	(144,671)	4,050	300	-	-	1,132,022	13,540	6,308	1,376,845
	<b>913,958</b>	<b>(144,671)</b>	<b>290,609</b>	<b>199,714</b>	<b>237,904</b>	<b>763,966</b>	<b>1,198,233</b>	<b>19,645</b>	<b>30,031</b>	<b>3,509,389</b>
<b>Expenses</b>										
Amortization	-	-	-	-	130,418	-	-	9,317	-	139,735
Operating expenses	263,727	182,027	24,245	29,952	213,864	126,398	183,319	16,509	-	1,040,042
Salaries, wages and benefits	228,520	83,398	65,195	15,983	59,011	15,604	22,875	14,152	-	504,737
Program and services delivery expenses	49,227	3,351	160,583	130,834	69	500	5,629	-	-	350,193
	<b>541,474</b>	<b>268,776</b>	<b>250,022</b>	<b>176,769</b>	<b>403,363</b>	<b>142,501</b>	<b>211,823</b>	<b>39,978</b>	<b>-</b>	<b>2,034,706</b>
<b>Surplus (deficit) before transfers</b>										
Surplus (deficit) before transfers	<b>372,484</b>	<b>(413,447)</b>	<b>40,587</b>	<b>22,945</b>	<b>(165,459)</b>	<b>621,465</b>	<b>986,411</b>	<b>(20,333)</b>	<b>30,031</b>	<b>1,474,683</b>
Transfers between programs	(109,825)	73,528	-	-	23,948	(646,936)	(48,658)	13,865	694,079	-
Annual surplus (deficit)	\$ 262,659	\$ (339,919)	\$ 40,587	\$ 22,945	\$ (141,511)	\$ (25,471)	\$ 937,752	\$ (6,468)	\$ 724,110	\$ 1,474,683