

Shackan Indian Band
Financial Statements
March 31, 2022

Shackan Indian Band

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For the year ended March 31, 2022

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Management's Responsibility

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 fulfils 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 First 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.

September 28, 2022



Chief

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, 2022, 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, 2022, 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.

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

September 28, 2022

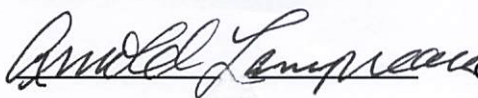
MNP LLP


Chartered Professional Accountants

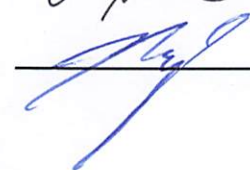
Shackan Indian Band
Statement of Financial Position
As at March 31, 2022

	2022	2021
Financial assets		
Cash and cash equivalents	1,462,192	3,753,043
Accounts receivable	4,665,239	200,823
Marketable securities (Note 4)	1,136,339	1,140,921
Restricted cash (Note 5)	13,644	13,684
Investments (Note 6)	9,290	9,290
Investments in Nation business entities (Note 7)	1,847,981	2,003,109
Funds held in trust (Note 8)	433,937	425,458
Note receivable	-	45,068
Total of financial assets	9,568,622	7,591,396
Liabilities		
Accounts payable and accruals	1,986,672	1,720,610
Deferred revenue (Note 10)	2,811,637	1,668,012
Long-term debt (Note 11)	125,151	134,378
Reforestation obligation	34,954	34,954
Total of financial liabilities	4,958,414	3,557,954
Net financial assets	4,610,208	4,033,442
Commitments (Note 12)		
Non-financial assets		
Tangible capital assets (Schedule 1)	8,636,783	7,633,249
Prepaid expenses	48,350	29,003
Total non-financial assets	8,685,133	7,662,252
Accumulated surplus (Note 13)	13,295,341	11,695,694

Approved on behalf of the Council

 Chief

 Councilor

 Councilor

Shackan Indian Band
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

	2022 Budget	2022	2021
Revenue			
Indigenous Services Canada	520,358	4,196,938	1,842,913
Canada Mortgage and Housing Corporation	1,110,136	1,116,241	3,079,893
Band contracts and other income	148,657	523,582	1,217,410
Citxw Nlaka'pamux Assembly	-	65,000	22,000
First Nation Education Steering Committee	-	43,956	1,152
Province of British Columbia	-	21,060	188,628
Investment income	-	163,122	407,653
Earnings (loss) from investment in Nation business entities	-	(155,728)	195,152
First Nation Health Authority	-	102,700	-
Government of Canada	-	59,940	-
Rental income	-	13,200	12,600
Ottawa Trust income	-	8,479	16,794
	1,779,151	6,158,490	6,984,195
Program expenses			
Administration	384,892	524,140	339,693
Band Revenue	-	121,179	172,357
Special Services	103,099	422,464	501,311
Housing	20,556	60,332	39,175
Education	89,681	114,934	181,453
Community Operations & Maintenance	83,343	3,151,632	400,410
Special Projects	-	93,393	116,002
Capital	-	4,019	10,719
Other Programs	-	66,750	-
Total expenditures	681,571	4,558,843	1,761,120
Annual surplus	1,097,580	1,599,647	5,223,075
Accumulated surplus, beginning of year	11,695,694	11,695,694	6,472,619
Accumulated surplus, end of year (Note 13)	12,793,274	13,295,341	11,695,694

Shackan Indian Band
Statement of Changes in Net Financial Assets
For the year ended March 31, 2022

	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
Annual surplus	1,097,580	1,599,647	5,223,075
Purchases of tangible capital assets	-	(1,381,849)	(4,202,372)
Amortization of tangible capital assets	-	311,566	244,926
Loss on impairment of tangible capital assets	-	66,749	-
	-	(1,003,534)	(3,957,446)
Acquisition of prepaid expenses	-	(48,350)	(29,003)
Use of prepaid expenses	-	29,003	23,962
	-	(19,347)	(5,041)
Increase in net financial assets	1,097,580	576,766	1,260,588
Net financial assets, beginning of year	4,033,442	4,033,442	2,772,854
Net financial assets, end of year	5,131,022	4,610,208	4,033,442

Shackan Indian Band
Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	1,599,647	5,223,075
Non-cash items		
Amortization	311,566	244,926
Income on funds held in trust	(8,479)	(16,794)
Loss (earnings) from investment in Nation business entities	155,728	(195,152)
Forgiveness of note receivable	45,068	-
Investment income	4,582	(122,810)
Loss on impairment of tangible capital assets	66,749	-
	2,174,861	5,133,245
Changes in working capital accounts		
Accounts receivable	(4,464,416)	(40,272)
Prepaid expenses	(19,347)	(5,041)
Restricted cash	40	1,747
Accounts payable and accruals	266,062	1,474,328
Deferred revenue	1,143,625	554,394
	(899,175)	7,118,401
Financing activities		
Repayment of long-term debt	(9,227)	(9,033)
Capital activities		
Purchases of tangible capital assets	(1,381,849)	(4,202,372)
Investing activities		
Advances to Nation business entities	(600)	(452,084)
Increase (decrease) in cash resources	(2,290,851)	2,454,912
Cash resources, beginning of year	3,753,043	1,298,131
Cash resources, end of year	1,462,192	3,753,043
Supplementary cash flow information		
Interest paid	2,859	8,626

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.

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

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.

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:

	<i>Method</i>	<i>Term</i>
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.

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

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.

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 \$11,293 (2021 - \$26,636).

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, 2022.

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, 2022.

3. Recent accounting pronouncement

PS 3280 Asset Retirement Obligations (New)

In August 2018, new PS 3280 Assets Retirement Obligations was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of new PS 3280, PS 3270 Solid Waste Landfill Closure and Post-Closure Liability will be withdrawn.

The main features of this standard are as follows:

- An ARO represents a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- The best method to estimate the liability is often a present value technique.

This standard was to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

4. Marketable securities

The market value of the marketable securities at March 31, 2022 is \$1,136,339 (2021 - \$1,140,921).

5. Restricted cash

	2022	2021
Replacement Reserve	<u>13,644</u>	13,684
Total	<u>13,644</u>	13,684

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, 2022 (and March 31, 2021) there was no operating reserve surplus and thus no requirement to set funds aside.

Shackan Indian Band
Notes to the Financial Statements
For the year ended March 31, 2022

5. Restricted cash *(Continued from previous page)*

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 (2021 - \$2,000), to ensure replacement of buildings financed by CMHC. At March 31, 2022, \$13,644 (2021 - \$13,684) has been set aside to fund this reserve. At March 31, 2022, the reserve was overfunded by \$8,095 (2021 - overfunded by \$3,189).

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.

6. Investments

	2022	2021
Measured at cost:		
All Nations Trust Company - 9,180 Class A Common Shares	9,180	9,180
BC First Nations Gaming Revenue Sharing LP	100	100
BC First Nations Gaming Revenue Sharing General Partner Ltd.	10	10
	9,290	9,290

7. 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>	2022 <i>Total investment</i>
First Nation Partnership and Business Entities - Modified Equity				
Shackan Development Corporation (100%)	120	1,722,909	(1,072,675)	650,354
K'en T'em Limited Partnership (12.50%)	100	400,000	174,535	574,635
Spayum Holdings Limited Partnership (20%)	120	188,428	434,444	622,992
	340	2,311,337	(463,696)	1,847,981

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	2021 <i>Total investment</i>
First Nation Partnership and Business Entities - Modified Equity				
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 (20%)	120	188,378	440,188	628,686
	340	2,310,737	(307,968)	2,003,109

Shackan Indian Band
Notes to the Financial Statements
For the year ended March 31, 2022

7. Investment in Nation business entities *(Continued from previous page)*

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 entity, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Shackan Development Corporation As at March 31, 2022</i>	<i>K'en T'em Limited Partnership As at December 31, 2021</i>	<i>Spayum Holdings Limited Partnership As at March 31, 2022</i>
Assets			
Current assets	1,512,470	828,071	2,541,116
Long-term assets	14,894	3,859,424	4,285,605
Total assets	1,527,364	4,687,495	6,826,721
Liabilities			
Current liabilities	336,832	85,901	4,547,556
Long-term liabilities	2,263,207	-	106,924
Equity (deficit)	(1,072,675)	4,601,594	2,172,241
Total liabilities and equity	1,527,364	4,687,495	6,826,721
Total revenue	2,171,708	1,114,521	211,692
Total expenses	2,368,977	736,206	240,412
Net income (loss)	(197,269)	378,315	(28,720)

8. 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.

	<i>2022</i>	<i>2021</i>
Capital Trust		
Balance, beginning/end of year	26,344	26,344
Revenue Trust		
Balance, beginning of year	399,114	382,320
Interest	8,186	4,788
Provincial grants	293	12,006
Balance, end of year	407,593	399,114
	433,937	425,458

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, 2022 was 2.70% (2021 - 2.45%). This arrangement does not have a termination date and can be withdrawn at the bank's option. At March 31, 2022 the unused portion of the line of credit was \$100,000 (2021 - \$100,000).

Shackan Indian Band
Notes to the Financial Statements
For the year ended March 31, 2022

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>
CMHC Rapid Housing Initiative	1,340,648	-	1,110,136	230,512
Indigenous Services Canada - housing subdivision	327,364	-	91,203	236,161
Indigenous Services Canada - flood response	-	4,871,709	2,527,345	2,344,364
Other deferred income	-	600	-	600
	1,668,012	4,872,309	3,728,684	2,811,637

11. Long-term debt

	2022	2021
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 \$235,580, due January 2024.	125,151	134,378

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:

2023	9,245
2024	9,637
2025	9,852
2026	10,074
2027	10,300

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 four years as at March 31, 2022 are as follows:

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

Shackan Indian Band
Notes to the Financial Statements
For the year ended March 31, 2022

13. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
Equity in Ottawa Trust Funds	433,937	425,458
CMHC Replacement Reserve	5,549	10,495
Operating surplus	4,334,933	3,751,580
Equity in Tangible Capital Assets	8,511,632	7,498,871
Long-term investments	9,290	9,290
	13,295,341	11,695,694

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, 2022

	<i>Roads</i>	<i>Buildings</i>	<i>Water Systems</i>	<i>Automotive</i>	<i>Equipment</i>	<i>Bridges</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	208,058	5,297,709	2,874,575	295,587	239,829	256,739	9,172,497
Acquisition of tangible capital assets	-	1,201,339	7,450	105,470	67,590	-	1,381,849
Write down of tangible capital assets	-	-	-	-	-	(256,739)	(256,739)
Balance, end of year	208,058	6,499,048	2,882,025	401,057	307,419	-	10,297,607
Accumulated amortization							
Balance, beginning of year	134,638	545,741	523,006	255,908	225,412	189,990	1,874,695
Annual amortization	2,774	161,938	124,885	7,351	5,301	-	302,249
Accumulated amortization on disposals	-	-	-	-	-	(189,990)	(189,990)
Balance, end of year	137,412	707,679	647,891	263,259	230,713	-	1,986,954
Net book value of tangible capital assets	70,646	5,791,369	2,234,134	137,798	76,706	-	8,310,653
2021 Net book value of tangible capital assets	73,420	4,751,968	2,351,569	39,679	14,417	66,749	7,297,802

Shackan Indian Band
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Subtotal</i>	<i>Housing</i>	<i>Land</i>	<i>2022</i>	<i>2021</i>
Cost					
Balance, beginning of year	9,172,497	372,677	90,550	9,635,724	5,433,352
Acquisition of tangible capital assets	1,381,849	-	-	1,381,849	4,202,372
Write down of tangible capital assets	(256,739)	-	-	(256,739)	-
Balance, end of year	10,297,607	372,677	90,550	10,760,834	9,635,724
Accumulated amortization					
Balance, beginning of year	1,874,695	127,780	-	2,002,475	1,757,549
Annual amortization	302,249	9,317	-	311,566	244,926
Accumulated amortization on disposals	(189,990)	-	-	(189,990)	-
Balance, end of year	1,986,954	137,097	-	2,124,051	2,002,475
Net book value of tangible capital assets	8,310,653	235,580	90,550	8,636,783	7,633,249
2021 Net book value of tangible capital assets	7,297,802	244,897	90,550	7,633,249	

Shackan Indian Band
Schedule 2 - Segmented Information
For the year ended March 31, 2022

	Administration	Band Revenue	Special Services	Education	Community Maintenance	Capital	Special Projects	Housing	Other	2022
Revenue										
Indigenous Services Canada	\$ 243,309	\$ -	\$ 361,965	\$ 112,259	\$ 3,337,762	\$ 91,203	\$ 15,000	\$ 35,440	\$ -	\$ 4,196,938
Other government	-	15,850	165,390	34,260	152,155	-	5,000	1,128,241	293	1,501,190
Economic activities and other	332,361	(89,117)	2,966	11,472	5,000	-	188,294	1,200	8,186	460,363
	575,670	(73,267)	530,321	157,991	3,494,917	91,203	208,294	1,164,881	8,479	6,158,490
Expenses										
Amortization	-	-	-	-	302,339	-	-	9,228	-	311,566
Operating expenses	369,750	86,696	16,423	13,839	2,537,321	-	59,956	21,379	66,750	3,172,113
Salaries, wages and benefits	140,260	34,483	174,539	24,647	157,791	4,019	-	28,885	-	564,624
Program and services delivery expenses	14,130	-	231,502	76,448	154,182	-	33,437	840	-	510,539
	524,140	121,179	422,464	114,934	3,151,632	4,019	93,393	60,332	66,750	4,558,843
Surplus (deficit) before transfers	51,530	(194,446)	107,857	43,057	343,285	87,184	114,901	1,104,549	(58,272)	1,599,647
Transfers between programs	(1,628)	-	(103,834)	-	(67,598)	(98,653)	-	(1,110,136)	1,381,849	-
Annual surplus (deficit)	\$ 49,902	\$ (194,446)	\$ 4,023	\$ 43,057	\$ 275,687	\$ (11,469)	\$ 114,901	\$ (5,587)	\$ 1,323,578	\$ 1,599,647

	Administration	Band Revenue	Special Services	Education	Community Maintenance	Capital	Special Projects	Housing	Other	2021
Revenue										
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	-	11,900	105,577	3,079,893	12,006	3,582,069
Economic activities and other	705,564	203,518	85,553	1,250	25,670	-	520,270	12,600	4,788	1,559,213
	945,639	203,518	715,227	271,272	259,474	838,930	640,847	3,092,493	16,794	6,984,195
Expenses										
Amortization	-	-	-	-	235,609	-	-	9,317	-	244,926
Operating expenses	134,461	80,224	109,635	73,352	107,003	-	116,002	8,458	-	629,136
Salaries, wages and benefits	204,184	90,701	167,549	4,038	57,738	10,719	-	21,400	-	556,330
Program and services delivery expenses	1,047	1,433	224,127	104,062	60	-	-	-	-	330,729
	339,693	172,357	501,311	181,453	400,410	10,719	116,002	39,175	-	1,761,120
Surplus (deficit) before transfers	605,946	31,161	213,916	89,820	(140,936)	828,211	524,845	3,053,318	16,794	5,223,075
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	\$ (128,130)	\$ (300,372)	\$ 494,510	\$ 930	\$ 4,219,166	\$ 5,223,075