

Shackan Indian Band
Financial Statements
March 31, 2024

Shackan Indian Band

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For the year ended March 31, 2024

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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, 2024, and the statements of operations and accumulated surplus, remeasurement gains and losses, 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, 2024, and the results of its operations, its remeasurement gains and losses, changes in its net financial assets 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 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 public sector accounting standards, 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

July 29, 2024

MNP LLP

Chartered Professional Accountants

Shackan Indian Band

Statement of Financial Position

As at March 31, 2024

	2024	2023
Financial assets		
Cash	4,883,652	1,527,221
Portfolio investments (Note 4)	1,162,182	1,097,607
Accounts receivable	6,985,256	4,538,552
Restricted cash	-	13,644
Investments (Note 5)	9,290	9,290
Investments in Nation partnerships and business entities (Note 6)	2,683,995	1,997,557
Funds held in trust (Note 7)	463,170	447,637
Total of financial assets	16,187,545	9,631,508
Liabilities		
Accounts payable and accruals	5,564,395	173,825
Deferred revenue (Note 9)	4,653,535	861,093
Reforestation obligation	34,954	34,954
Long-term debt	-	115,717
Total of financial liabilities	10,252,884	1,185,589
Net financial assets	5,934,661	8,445,919
Commitments (Note 10)		
Non-financial assets		
Tangible capital assets (Schedule 1)	8,656,267	8,445,423
Prepaid expenses	79,962	81,244
Total non-financial assets	8,736,229	8,526,667
Accumulated surplus (Note 11)	14,670,890	16,972,586
Accumulated surplus is comprised of:		
Surplus	14,644,926	16,986,365
Accumulated Remeasurement Gains (losses)	25,964	(13,776)
	14,670,890	16,972,589

Approved on behalf of the Council




Chief

Councillor



Councillor

The accompanying notes are an integral part of these financial statements

Shackan Indian Band
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2024

	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
Revenue			
Indigenous Services Canada	2,020,559	8,109,248	9,021,756
Province of BC	3,576,017	2,319,627	631,859
Band contracts and other income	988,109	565,953	953,116
Nlaka'pamux Legacy Trust	142,254	277,479	-
Canada Mortgage and Housing Corporation	189,713	125,404	58,009
First Nation Education Steering Committee	-	63,172	98,902
Government of Canada	-	1,104,027	-
Earnings from Nation partnerships and business entities	155,256	686,438	149,576
Investment income	345,156	514,109	382,869
New Relationship Trust	-	260,000	-
Rental income	13,200	50,175	15,360
First Nation Health Authority	15,000	17,831	47,500
Trust distribution	14,500	15,533	13,700
	7,459,764	14,108,996	11,372,647
Expenses			
Administration	517,552	1,041,544	827,836
Band Revenue	138,249	10,189	65,268
Special Services	1,105,371	725,518	523,376
Education	232,323	79,423	124,073
Community Operations & Maintenance	4,275,465	7,047,690	5,785,946
Capital	729,991	333,999	47,056
Special Projects	3,904,799	6,384,480	244,404
Housing	705,387	827,592	63,666
	11,609,137	16,450,435	7,681,625
Annual surplus (deficit)	(4,149,373)	(2,341,439)	3,691,022
Accumulated surplus, beginning of year	16,986,367	16,986,365	13,295,343
Accumulated surplus, end of year	12,836,994	14,644,926	16,986,365

The accompanying notes are an integral part of these financial statements

Shackan Indian Band
Statement of Remeasurement Gains and Losses
For the year ended March 31, 2024

	2024	2023
Accumulated remeasurement losses, beginning of year	(13,776)	-
Unrealized gains (losses) attributable to:		
Portfolio investments - beginning of year	-	47,770
Portfolio investments	39,740	(61,546)
Change in remeasurement gains (losses), for the year	39,740	(13,776)
Accumulated remeasurement gains (losses), end of year	25,964	(13,776)

The accompanying notes are an integral part of these financial statements

Shackan Indian Band
Statement of Change in Net Financial Assets
For the year ended March 31, 2024

	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
Annual surplus (deficit)	(4,149,373)	(2,341,439)	3,691,022
Purchases of tangible capital assets	-	(574,336)	(153,977)
Amortization of tangible capital assets	350,000	363,492	345,337
	350,000	(210,844)	191,360
Acquisition of prepaid expenses	-	(79,960)	(81,245)
Use of prepaid expenses	-	81,245	48,350
Change in remeasurement gains (losses) for the year	-	39,740	(13,776)
	-	41,025	(46,671)
Increase (decrease) in net financial assets	(3,799,373)	(2,511,258)	3,835,711
Net financial assets, beginning of year	8,445,919	8,445,919	4,610,208
Net financial assets, end of year	4,646,546	5,934,661	8,445,919

The accompanying notes are an integral part of these financial statements

Shackan Indian Band
Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	(2,341,439)	3,691,022
Non-cash items		
Amortization	363,492	345,337
Earnings from investment in Nation business entities	(686,438)	(149,576)
Income on funds held in trust	(15,533)	(13,700)
Investment income	(64,575)	38,732
Remeasurement gains (losses)	39,740	(13,776)
	(2,704,753)	3,898,039
Changes in working capital accounts		
Accounts receivable	(2,446,704)	126,687
Prepaid expenses	1,285	(32,895)
Accounts payable and accruals	5,390,570	(1,812,847)
Deferred revenue	3,792,442	(1,950,544)
Restricted cash	13,644	-
	4,046,484	228,440
Financing activities		
Repayment of long-term debt	(115,717)	(9,434)
Capital activities		
Purchases of tangible capital assets	(574,336)	(153,977)
Increase in cash resources	3,356,431	65,029
Cash resources, beginning of year	1,527,221	1,462,192
Cash resources, end of year	4,883,652	1,527,221

The accompanying notes are an integral part of these financial statements

1. Operations

The 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 members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

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

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for those entities not dependent on the First Nation for their continuing operations, which are included in the financial statements using the modified equity method.

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

- Shackan Development Limited Partnership

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.

Government 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 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 government 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:

- Shackan Development Corporation
- Spayum Holdings Limited Partnership
- K'en T'em Limited Partnership

Investments in partnerships are accounted for using the proportionate consolidation method. The First Nation's pro-rata share of the assets, liabilities, revenue, and expenses of the partnership have been combined on a line-by-line basis with similar items of the First Nation.

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.

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

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 annual surplus.

Cash

Cash includes 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.

Portfolio investments

Portfolio investments 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 moneys consist of:

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

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.

When conditions indicate that a tangible capital asset no longer contributes to the First Nation's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the First Nation reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

Amortization

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

	<i>Method</i>	<i>Rate</i>
Auotmotive	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.

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

Long-lived assets *(Continued from previous page)*

The Nation 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 quoted market prices. Any impairment is included in surplus for the year.

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.

Rental revenue

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 investment method to account for its investments in business entities as listed under reported entity. Investment income earned from portfolio investments is recognized in the period the income is earned.

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 collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

A liability for asset retirement obligations reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

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

Measurement uncertainty *(Continued from previous page)*

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

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 a percentage of participants' contributions, up to a maximum. The First Nation contributions totalled \$21,088 (- \$18,325).

Segments

The First Nation conducts its business through nine reportable segments: Administration, Band Revenue, Special Services, Housing, Education, Community Operations & Maintenance, Special Projects, Capital and Other. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

Statement of Remeasurement Gains and Losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the statement of operations. The statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the statement of remeasurement gains and losses. Taken together, the two statements account for changes in a First Nation's net assets (liabilities) in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to all financial instruments are reported in the statement of operations.

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

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

3. Change in accounting policy

Effective April 1, 2023, the First Nation adopted the recommendations relating to the following accounting policy, as set out in the Canadian public sector accounting standards.

- PS 3400 Revenue

Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated. The adoption of PS 3400 did not have a material impact on the financial statements.

4. Portfolio investments

The market value of the portfolio investments at March 31, 2024 is \$1,162,182 (2023 - \$1,097,607).

5. Investments

	2024	2023
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

Shackan Indian Band
Notes to the Financial Statements
For the year ended March 31, 2024

6. Investments in Nation business entities

The First Nation has investments in the following entities:

				2024
	Investment cost	Loans / advances	Cumulative share of earnings (loss)	Total investment
First Nation Government Business Enterprises				
Shackan Development Corporation (100%)	120	1,722,909	(959,122)	763,907
First Nation Business Partnerships – Modified Equity:				
K'en T'em Limited Partnership (12.50%)	100	400,000	821,995	1,222,095
Spayum Holdings Limited Partnership (20%)	120	188,428	509,445	697,993
	220	588,428	1,331,440	1,920,088
	340	2,311,337	372,318	2,683,995

				2023
	Investment cost	Loans / advances	Cumulative share of earnings (loss)	Total investment
First Nation Government Business Enterprises				
Shackan Development Corporation (100%)	120	1,722,909	(1,031,375)	691,654
First Nation Business Partnerships – Modified Equity:				
K'en T'em Limited Partnership (12.50%)	100	400,000	286,556	686,656
Spayum Holdings Limited Partnership (20%)	120	188,428	430,699	619,247
	220	588,428	717,255	1,305,903
	340	2,311,337	(314,120)	1,997,557

Shackan Indian Band
Notes to the Financial Statements
For the year ended March 31, 2024

6. Investments in Nation business entities *(Continued from previous page)*

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

	<i>K'en T'em Limited Partnership As at December 31, 2023</i>	<i>Spayum Holdings Limited Partnership As at March 31, 2024</i>
Assets		
Cash	4,066,621	563,678
Accounts receivable	1,255,422	9,208
Prepaid expenses and deposits	11,524	986,386
Investments	2,728,181	-
Advances to related parties	1,156,891	-
Property, plant and equipment	747,392	4,353,989
Total assets	9,966,031	5,913,261
Liabilities		
Accounts payable and accruals	188,616	11,645
Deferred revenue	-	990,212
Short-term debt	-	208,891
Advances from related parties	-	2,155,255
Total liabilities	188,616	3,366,003
Equity	9,777,415	2,547,258
Total revenue	7,645,842	667,069
Total expenses	3,361,903	284,734
Net income	4,283,939	382,335

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

	<i>Shackan Development Corporation As at March 31, 2024</i>
Assets	
Cash	1,026,069
Accounts receivable	89,887
Prepaid expenses and deposits	54,793
Investments	260,309
Property, plant and equipment	17,444
Total assets	1,448,502
Liabilities	
Accounts payable and accruals	186,064
Reforestation obligation	497,467
Advances from related parties	1,723,029
Long-term debt	1,064
Total liabilities	2,407,624
	(959,122)
Total revenue	2,526,670
Total expenses	2,454,417
Net income	72,253

Shackan Indian Band
Notes to the Financial Statements
For the year ended March 31, 2024

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.

	2024	2023
Capital Trust		
Balance, beginning and end of year	26,344	26,344
Revenue Trust		
Balance, beginning of year	421,293	407,593
Interest	15,253	13,412
Provincial grants	280	288
Balance, end of year	436,826	421,293
	463,170	447,637

8. 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, 2024 was 7.20% (2023 - 6.70%). This arrangement does not have a termination date and can be withdrawn at the bank's option. At March 31, 2024 the unused portion of the line of credit was \$100,000 (2023 - \$100,000).

9. 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>Contributions recognized</i>	<i>Balance, end of year</i>
CMHC Rapid Housing Initiative	183,608	-	-	183,608
Indigenous Services Canada - housing subdivision	225,272	-	-	225,272
Indigenous Services Canada - housing renovations	406,613	1,348,830	510,788	1,244,655
Indigenous Services Canada - project administration	45,000	-	45,000	-
Province of BC - land acquisition	-	3,000,000	-	3,000,000
Other deferred income	600	-	600	-
	861,093	4,348,830	556,388	4,653,535

10. Commitments

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

2025	11,891
2026	7,350

Shackan Indian Band
Notes to the Financial Statements
For the year ended March 31, 2024

11. Accumulated operating surplus

Accumulated operating surplus consists of the following:

	2024	2023
Accumulated remeasurement gains (losses)	25,964	(13,776)
Equity in CMHC reserve	-	13,644
Equity in Nation business entities	372,318	1,997,557
Equity in Funds held in trust	463,170	447,637
Equity in Tangible capital assets	8,656,267	8,329,706
Operating surplus	5,153,171	6,197,821
	14,670,890	16,972,589

12. 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.

13. Economic dependence

Shackan Indian Band receives a significant portion of its revenue from Indigenous Services Canada as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by Indigenous Services Canada 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.

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.

14. Segments *(Continued from previous page)*

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. Financial Instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Fair Value of Financial Instruments

Financial instruments measured at fair value on the statement of financial position include portfolio investments quoted in active markets.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The First Nation enters into transactions to purchase and sell portfolio investments for which the market price fluctuates.

16. 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, 2024

	<i>Roads</i>	<i>Buildings</i>	<i>Water Systems</i>	<i>Automotive</i>	<i>Equipment</i>	<i>Housing</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	208,058	6,556,840	2,882,025	459,566	345,095	372,677	10,824,261
Acquisition of tangible capital assets	-	368,357	-	-	205,979	-	574,336
Balance, end of year	208,058	6,925,197	2,882,025	459,566	551,074	372,677	11,398,597
Accumulated amortization							
Balance, beginning of year	140,186	885,356	772,807	279,495	245,130	146,414	2,469,388
Annual amortization	2,774	183,004	124,916	21,112	22,369	9,317	363,492
Balance, end of year	142,960	1,068,360	897,723	300,607	267,499	155,731	2,832,880
Net book value of tangible capital assets	65,098	5,856,837	1,984,302	158,959	283,575	216,946	8,565,717
Net book value of tangible capital assets (2023)	67,872	5,671,484	2,109,218	180,071	99,965	226,263	8,354,873

Shackan Indian Band
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2024

	<i>Subtotal</i>	<i>Land</i>	<i>2024</i>	<i>2023</i>
Cost				
Balance, beginning of year	10,824,261	90,550	10,914,811	10,760,834
Acquisition of tangible capital assets	574,336	-	574,336	153,977
Balance, end of year	11,398,597	90,550	11,489,147	10,914,811
Accumulated amortization				
Balance, beginning of year	2,469,388	-	2,469,388	2,124,051
Annual amortization	363,492	-	363,492	345,337
Balance, end of year	2,832,880	-	2,832,880	2,469,388
Net book value of tangible capital assets	8,565,717	90,550	8,656,267	8,445,423
Net book value of tangible capital assets (2023)	8,354,873	90,550	8,445,423	

Shackan Indian Band
Schedule 2 - Segmented Information
For the year ended March 31, 2024

	Administration	Band Revenue	Special Services	Education	Community Maintenance	Capital	Special Projects	Housing	Other	2024
Revenue										
Indigenous Services Canada	\$ 476,595	\$ -	\$ 366,512	\$ 119,428	\$ 1,176,071	\$ -	\$ 5,264,327	\$ 706,315	\$ -	\$ 8,109,248
Other government	20,570	1,211,680	92,831	63,172	115,480	725,496	1,766,907	129,604	15,533	4,141,273
Economic activities and other	225,406	1,233,472	186,884	12,195	553	90,450	63,540	45,975	-	1,858,475
	722,571	2,445,152	646,227	194,795	1,292,104	815,946	7,094,774	881,894	15,533	14,108,996
Expenses										
Amortization	-	-	-	-	354,175	-	-	9,317	-	363,492
Operating expenses	529,308	10,189	187,360	21,059	6,146,383	254,442	6,018,554	818,275	-	13,985,570
Salaries, wages and benefits	482,010	-	326,653	-	242,376	79,557	101,071	-	-	1,231,667
Program and services delivery expenses	30,226	-	211,505	58,364	304,756	-	264,855	-	-	869,706
	1,041,544	10,189	725,518	79,423	7,047,690	333,999	6,384,480	827,592	-	16,450,435
Surplus (deficit) before transfers	(318,973)	2,434,963	(79,291)	115,372	(5,755,586)	481,947	710,294	54,302	15,533	(2,341,439)
Transfers between programs	93,094	(116,414)	(171,479)	(13,014)	69,283	(246,595)	(180,374)	(1,132)	566,631	-
Annual surplus (deficit)	\$ (225,879)	\$ 2,318,549	\$ (250,770)	\$ 102,358	\$ (5,686,303)	\$ 235,352	\$ 529,920	\$ 53,170	\$ 582,164	\$ (2,341,439)

	Administration	Band Revenue	Special Services	Education	Community Maintenance	Capital	Special Projects	Housing	Other	2023
Revenue										
Indigenous Services Canada	\$ 361,976	\$ -	\$ 265,428	\$ 121,213	\$ 7,781,255	\$ 10,889	\$ 436,576	\$ 44,419	\$ -	\$ 9,021,756
Other government	47,000	50,000	50,581	98,902	352,381	25,000	157,478	69,484	-	850,825
Economic activities and other	517,412	170,971	523,698	2,867	142,454	-	125,078	3,885	13,700	1,500,065
	926,388	220,971	839,707	222,982	8,276,090	35,889	719,132	117,788	13,700	11,372,647
Expenses										
Amortization	-	-	-	-	335,904	-	-	9,434	-	345,338
Operating expenses	674,013	66,118	40,266	1,552	5,002,213	6,280	24,904	33,905	-	5,849,251
Salaries, wages and benefits	86,616	-	288,788	1,292	227,196	40,776	32,582	20,328	-	697,578
Program and services delivery expenses	67,204	(850)	194,322	121,229	220,634	-	186,919	-	-	789,458
	827,836	65,268	523,376	124,073	5,785,946	47,056	244,404	63,666	-	7,681,625
Surplus (deficit) before transfers	98,552	155,703	316,331	98,909	2,490,144	(11,167)	474,728	54,122	13,700	3,691,022
Transfers between programs	875,245	(50,000)	(90,295)	-	(215,134)	(10,889)	(616,002)	(46,904)	153,977	-
Annual surplus (deficit)	\$ 973,797	\$ 105,703	\$ 226,036	\$ 98,909	\$ 2,275,010	\$ (22,056)	\$ (141,274)	\$ 7,218	\$ 167,678	\$ 3,691,022