

Stswecem'c Xgat'tem First Nation
Consolidated Financial Statements
March 31, 2021

Stswecem'c Xgat'tem First Nation

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Management's Responsibility

To the Members of Stswecem'c Xgat'tem First Nation:

The accompanying consolidated financial statements of Stswecem'c Xgat'tem First Nation 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 consolidated 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 consolidated 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 consolidated financial statements.

The Stswecem'c Xgat'tem First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditor. The Council is also responsible for recommending the appointment of the Nation's external auditor.

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

October 29, 2021



Band Administrator

Independent Auditor's Report

To the Members of Stswecem'c Xgat'tem First Nation:

Qualified Opinion

We have audited the consolidated financial statements of Stswecem'c Xgat'tem First Nation and its subsidiaries (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, accumulated surplus, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2021, and the results of its consolidated operations, changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Stswecem'c Xgat'tem First Nation holds investments in two entities, SXDC Ltd. and SXD Limited Partnership. The audited financial statements were not available for these entities as of the audit report date. Therefore, we are unable to determine whether adjustments are required to investment in government business entities and earnings (loss) from investment in government business entities.

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 Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 qualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 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 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 consolidated 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 Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Prince George, British Columbia

October 29, 2021







MNP LLP

Chartered Professional Accountants

Stswecem'c Xgat'tem First Nation
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020
Financial assets		
Cash (Note 3)	3,218,703	2,140,402
Trade and other receivables (Note 4)	1,276,657	1,141,074
Guaranteed investment certificates (Note 5)	2,093,860	2,069,130
Inventory for resale	17,263	66,789
Funds held in trust (Note 6)	1,415,017	1,396,976
Restricted cash - Canada Mortgage and Housing Corporation	-	264,292
Investment in Nation business entities (Note 7)	545,129	441,418
Total financial assets	8,566,629	7,520,081
Liabilities		
Trade and other payables (Note 8)	524,885	552,573
Deferred revenue (Note 9)	530,442	1,409,712
Debt (Note 10)	1,335,760	1,077,195
Capital lease obligation (Note 11)	40,802	61,607
Total liabilities	2,431,889	3,101,087
Net financial assets	6,134,740	4,418,994
Contingencies (Note 12)		
Significant event (Note 13)		
Non-financial assets		
Tangible capital assets (Schedule 1)	11,484,243	9,782,667
Prepaid expenses	10,236	3,115
Total non-financial assets	11,494,479	9,785,782
Accumulated surplus (Note 14)	17,629,219	14,204,776

Approved on behalf of the Council:

	Chief		Councilor
	Councilor		Councilor
	Councilor		Councilor

Stswecem'c Xgat'tem First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

	<i>Schedules</i>	<i>2021 Budget (Note 19)</i>	<i>2021</i>	<i>2020</i>
Revenue				
Indigenous Services Canada (Note 15)		2,016,082	5,385,933	5,696,316
Province of British Columbia		120,586	1,601,119	1,560,553
Revenue sharing agreements and land referrals		49,220	1,556,018	831,629
Northern Shuswap Treaty Society		496,514	627,838	488,507
Three Corners Health Services Society		403,580	432,671	435,652
First Nations Health Authority		112,000	245,897	173,603
First Nations Education Steering Committee		99,965	198,066	153,424
Canada Mortgage and Housing Corporation		-	20,600	45,379
Cariboo Chilcotin Aboriginal Training Employment Centre		52,000	169,562	165,535
Grants and contract services		146,735	570,433	364,931
First Nation store sales		-	453,235	511,580
Rental income		150,458	399,025	301,491
Forest license		-	152,441	120,625
Fisheries and Oceans Canada (DFO)		-	142,948	26,520
First Peoples' Cultural Council		96,550	142,891	6,573
Enbridge		-	64,000	50,000
Interest income		15,000	51,353	62,258
Earnings (loss) from investment government business entities (Note 7)		-	21,823	(268,730)
Knucwentwecw Society		-	-	115,500
		3,758,690	12,235,853	10,841,346
Program expenses				
Administration	3	600,355	1,370,800	832,592
Business Development	4	-	980,859	378,631
Operations and Maintenance	5	405,164	293,902	284,390
Stewardship	6	433,800	545,744	740,019
Education - Elem/Sec & Post Sec	7	397,657	831,361	560,618
Education - Employment & Skills Training	8	-	189,998	126,360
Nation Operated School	9	555,651	708,278	676,459
Social Development	10	258,364	595,796	617,301
Health and Wellness	11	624,811	1,086,762	750,132
Capital Projects	12	-	692,945	573,663
Housing	13	162,533	562,546	586,844
Treaty	14	508,945	463,749	401,803
First Nation Store	15	-	488,670	510,608
Total expenses (Schedule 2)		3,947,280	8,811,410	7,039,420
Annual surplus (deficit)		(188,590)	3,424,443	3,801,926
Accumulated surplus, beginning of year		14,204,776	14,204,776	10,402,850
Accumulated surplus, end of year		14,016,186	17,629,219	14,204,776

The accompanying notes are an integral part of these financial statements

Stswecem'c Xgat'tem First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2021

	<i>2021 Budget (Note 19)</i>	<i>2021</i>	<i>2020</i>
Annual surplus	(188,590)	3,424,443	3,801,926
Purchases of tangible capital assets	-	(2,635,145)	(3,681,801)
Amortization of tangible capital assets	-	933,569	803,108
	-	(1,701,576)	(2,878,693)
Acquisition of prepaid expenses	-	(7,121)	-
Use of prepaid expenses	-	-	7,879
Increase (decrease) in net financial assets	(188,590)	1,715,746	931,112
Net financial assets, beginning of year	4,418,994	4,418,994	3,487,882
Net financial assets, end of year	4,230,404	6,134,740	4,418,994

The accompanying notes are an integral part of these financial statements

Stswecem'c Xgat'tem First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	3,424,443	3,801,926
Non-cash items		
Amortization	933,569	803,108
Loss (earnings) from investment in government business entities	(21,823)	268,730
Ottawa trust interest revenue	(18,041)	(23,813)
	4,318,148	4,849,951
Changes in working capital accounts		
Trade and other receivables	(135,583)	193,238
Prepaid expenses	(7,121)	7,879
Restricted cash	264,292	(21,659)
Trade and other payables	(27,688)	(243,537)
Deferred revenue	(879,270)	(290,676)
Inventory for resale	49,526	(22,468)
	3,582,304	4,472,728
Financing activities		
Advances of debt	450,000	850,863
Repayment of debt	(191,435)	(185,724)
Repayment of capital lease obligation	(20,805)	(19,842)
	237,760	645,297
Capital activities		
Purchases of tangible capital assets	(2,635,145)	(3,681,801)
Investing activities		
Advances to Nation business entities	(81,888)	-
Contribution of guaranteed investment certificates	(24,730)	(24,164)
Related party loan forgiveness	-	(765,005)
	(106,618)	(789,169)
Increase in cash	1,078,301	647,055
Cash, beginning of year	2,140,402	1,493,347
Cash, end of year	3,218,703	2,140,402

The accompanying notes are an integral part of these financial statements

Stswecem'c Xgat'tem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

1. Operations

The Stswecem'c Xgat'tem First Nation (the "Nation") is located in the Province of British Columbia, and provides various services to its members. Stswecem'c Xgat'tem First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

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

Reporting entities

The financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation business entities. Trusts administered on behalf of third parties by Stswecem'c Xgat'tem First Nation are excluded from the Nation reporting entity.

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

- Stswecem'c Xgat'tem Housing Program
- Stswecem'c Xgat'tem Health Program
- Stswecem'c Xgat'tem Treaty Program
- Stswecem'c Xgat'tem Store

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 in the accompanying schedules.

Stswecem'c Xgat'tem First Nation business entities, owned or controlled by the Nation's Council but not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the 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:

Government business partnership accounted for by the modified equity basis

- SXD Limited Partnership

Government business entity accounted for by the modified equity basis

- SXDC Ltd.

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.

Cash

Cash 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 cash and identified separately in a note reference.

Inventory held for resale

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

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

Tangible capital assets

Capital expenditures are any significant expenditure incurred to acquire or improve land, buildings, engineering structures, machinery or equipment. The benefits last beyond one year and result in the acquisition of an asset or are an extension of the life of an asset. Tangible capital assets are initially recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

Assets under construction are not amortized until the asset is available for productive use.

All intangible assets and items inherited by the right of the Nation, such as reserve lands, forests, water resources and mineral resources, are not recognized in the Nation's consolidated financial statements.

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.

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.

Tangible capital assets are amortized over their expected useful life of the assets using the straight-line method. In the year of acquisition amortization is taken at one-half the rates. See below for amortization rates of specific assets categories.

Automotive	5 years
Buildings and infrastructure	20 to 50 years
Capital leased asset	5 years
Computers/ Furniture & equipment	3 to 10 years

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position. Trust monies consist of:

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

Net financial assets

The Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The net financial assets of the Nation are determined by its financial assets less its liabilities. Net financial assets are comprised of two components, non-financial assets and accumulated surplus.

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)*

Revenue recognition

i) Government Funding

The 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 Nation recognizes revenue as the liability is settled. Transfer of non-depreciable assets are recognized in revenue when received or receivable.

ii) First Nation Capital and Revenue Trust Funds

The Nation recognizes revenue of the Capital and Revenue trusts when earned.

iii) Investment income from Government business entities

The Nation recognizes revenue from Government business entities when the investment income is earned.

iv) Canada Mortgage and Housing Corporation ("CMHC") and First Nation Health Authority ("FNHA")

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

v) 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.

vi) Other revenue

Revenue such as administration fee, contract revenue and other revenue is recognized when performance is achieved, amounts are reasonably estimated and collection is reasonably assured.

Measurement uncertainty (use of estimates)

The preparation of consolidated 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 consolidated 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. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations of the periods in which they become known.

Segments

The Nation conducts its business through a number of reportable segments as described in Note 18. These operating segments are established by senior management to facilitate the achievement of the 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 consolidated financial statements.

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

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 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 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 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. As at March 31, 2021, no liability for contaminated site exists.

Future changes in accounting policies

The following summarizes the upcoming changes to the Canadian public sector accounting standards issued by the Public Sector Accounting Standards Board (PSAB). The Nation will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently.

i) Portfolio investments

Section PS 3041 Portfolio Investments has removed the distinction between temporary and portfolio investments. This section now includes pooled investments in its scope and was amended to conform to Financial Instruments PS 3450. Upon adoption of PS 3450 and PS 3041, PS 3030 Temporary Investments will no longer apply. This standard is applicable for fiscal years beginning on or after April 1, 2022.

ii) Asset retirement obligations

PSAB issued PS 3280 Asset Retirement Obligations applicable for fiscal years beginning on or after April 1, 2022. This standard establishes standards on how to account for and report a liability for asset retirement obligations.

iii) Revenue

PS 3400 Revenue issued November 2018 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the school district satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when a school district:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively.

3. Cash

Included in cash is \$749,140 (2020 - \$421,396) of restricted cash related to BC First Nations Gaming Revenue Sharing Limited Partnership Agreement.

Stswecem'c Xgat'tem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

4. Trade and other receivables

	2021	2020
Due from members:		
Rent	490,089	394,699
Less: Allowance for doubtful accounts	(455,375)	(382,004)
	34,714	12,695
Trade and other receivables		
Trade receivables	641,954	781,646
Three Corners Health Services Society	221,213	105,830
Indigenous Services Canada	-	90,434
Province of British Columbia	39,000	70,000
First Nations Education Steering Committee	85,830	67,767
Shuswap Nation Tribal Council	130,175	-
First Nation Store	-	9,612
Canada Mortgage and Housing Corporation	-	3,090
Northern Shuswap Treaty Society	19,437	-
Fisheries and Oceans Canada (DFO)	104,334	-
	1,241,943	1,128,379
	1,276,657	1,141,074

5. Guaranteed investment certificates

	2021	2020
Royal Bank of Canada GIC - 0.15% interest, maturing April 2022	442,214	431,525
Royal Bank of Canada GIC - 0.92% interest, maturing June 2021	465,991	464,124
Royal Bank of Canada GIC - 0.92% interest, maturing June 2021	147,489	146,898
Royal Bank of Canada GIC - 0.92% interest, maturing June 2021	280,708	279,583
Royal Bank of Canada GIC - 1.10% interest, maturing April 2021	757,458	747,000
	2,093,860	2,069,130

Stswecem'c Xgat'tem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

6. Funds held in trust

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

	2021	2020
Capital Trust		
Balance, beginning and end of year	447,495	447,495
Revenue Trust		
Balance, beginning of year	949,481	925,668
Interest	16,319	22,098
BC Special	1,722	1,715
Balance, end of year	967,522	949,481
	1,415,017	1,396,976

Ottawa Trust Funds

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Section 63 to 69 of the *Indian Act*.

7. Investment in Nation business entities

The Nation has investments in the following entities:

	<i>Investment, beginning of year</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	2021 <i>Total investment</i>
Wholly-owned Business:				
SXDC Ltd.	414,188	-	(57,114)	357,074
First Nation Business Partnership – Modified Equity:				
SXDC Limited Partnership - 99.99%	27,230	81,888	78,937	188,055
	441,418	81,888	21,823	545,129
				2020
	<i>Investment, beginning of year</i>	<i>Loans / advances</i>	<i>Share of loss</i>	<i>Total investment</i>
Wholly-owned Business:				
SXDC Ltd.	467,146	(18,733)	(34,225)	414,188
First Nation Business Partnership – Modified Equity:				
SXD Limited Partnership - 99.99%	234,758	26,977	(234,505)	27,230
	701,904	8,244	(268,730)	441,418

8. Trade and other payables

	2021	2020
Trade payables	219,288	242,767
Salary and benefits payable	131,450	180,969
Accrued liabilities	84,228	66,905
Other payables	31,417	34,924
Government remittances payable	58,502	27,008
	524,885	552,573

9. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each project related to Indigenous Services Canada funding:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Recognized in the current year</i>	<i>Balance, end of year</i>
Subdivision - CPMS #6493	1,308,803	-	(778,361)	530,442
Solid waste centre and transfer station - ICMS #126557	100,909	-	(100,909)	-
	1,409,712	-	(879,270)	530,442

10. Debt

The Nation has access to a line of credit authorized to \$225,000, bearing interest at prime plus 1.3%. As at March 31, 2021 the line of credit was not drawn on (2020 - nil).

	2021	2020
Royal Bank of Canada demand loan, repayable in monthly blended payments of \$5,712 including interest at 4.15% per annum, secured by building with a net book value of \$670,233 (2020 - \$709,659) maturing in April 2021	672,291	712,107
Royal Bank of Canada term loan, repayable in monthly blended payments of \$4,448 including interest at 3.49% per annum, secured by a building with a net book value of \$3,821,012 maturing June 2025	421,432	-
Royal Bank of Canada demand loan, repayable in monthly blended payments of \$1,795 including interest at 2.19% per annum, secured by building with a net book value of \$280,262 (2020 - \$514,212), maturing in October 2021	50,672	70,863
Toyota Credit Canada Inc. loan, repayable in monthly blended payments of \$913 including interest at 2.49% per annum, secured by a vehicle with a net book value of \$30,875 (2020 - \$41,167) maturing in January 2025	40,018	49,845
Toyota Credit Canada Inc. loan, repayable in monthly blended payments of \$941 including interest at 2.99% per annum, secured by a vehicle with a net book value of \$31,742 (2020 - \$42,323) maturing in October 2024	38,342	48,330
Ford Credit Canada loan, repayable in monthly blended payments of \$850 including interest at 0% per annum, secured by a vehicle with a net book value of \$24,505 (2020 - \$36,758), maturing in November 2024	37,438	47,649
Toyota Credit Canada Inc. loan, repayable in monthly blended payments of \$798 including interest at 4.29% per annum, secured by a vehicle with a net book value of \$17,301 (2020 - \$25,954), maturing in February 2024	26,457	34,708

Stswecem'c Xgat'tem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

11. Debt *(Continued from previous page)*

	2021	2020
Ford Credit Canada loan, repayable in bi-weekly blended payments of \$379 including interest at 2.99% per annum, secured by a vehicle with a net book value of \$17,115 (2020 - \$28,525), maturing in October 2023	23,985	32,974
Royal Bank of Canada bridge financing loan, repayable in monthly blended payments of \$689 including interest at 3.55% per annum, secured by building with a net book value of \$87,179 (2020 - \$122,942), maturing in October 2023	19,848	27,458
Royal Bank of Canada term loan, repayable in monthly blended payments of \$672 including interest at 4.99% per annum, secured by equipment with a net book value of \$6,507 (2020 - \$19,521) maturing November 2021	5,277	12,869
Royal Bank of Canada demand loan - fully repaid during the year	-	40,392
	1,335,760	1,077,195

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

2022	805,392
2023	111,077
2024	96,958
2025	66,584
2026	255,749
	1,335,760

Prime rate at March 31, 2021 was 2.45% (2020 - 2.45%).

Stswecem'c Xgat'tem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

11. Capital lease obligation

	2021	2020
John Deere finance lease, repayable in monthly blended payments of \$1,940 including interest at 4.75% per annum, secured by equipment with a net book value of \$34,000 (2020 - \$51,000) maturing February 2023	40,802	61,607

Minimum lease payments related to the obligations under capital lease are as follows:

2022	23,282
2023	23,282
	46,564
Less: imputed interest	(5,762)
Balance of obligation	40,802

Amortization expense includes \$17,000 (2020 - \$17,000) on leased tangible capital asset.

12. Contingencies

- a) The Nation may be contingently liable with respect to Ministerial guarantees for "On Reserve Housing Loans" to various financial institutions in the amount of \$90,640 (2020 - \$188,819). These guarantees are in addition to CMHC mortgages.
- b) The financial results of the CMHC Social Housing program are subject to review by CMHC. It is possible that adjustments could be made based on the results of their review.
- c) The Nation is subject to funding recoveries according to their agreements with federal government agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2021 might be recovered.

13. Significant event

COVID-19 Outbreak

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The Nation's operations were not impacted by COVID-19. At this time, it is unknown the full extent of the impact the COVID-19 outbreak may have on the Nation 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.

For the year ended March 31, 2021, the Nation received a total of \$507,002 of COVID-19 related funding. \$445,650 of this was received from Indigenous Services Canada and \$61,352 was received from First Nations Health Authority.

Stswecem'c Xgat'tem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

14. Accumulated surplus

Accumulated surplus consists of the following:

	2021	2020
Equity in Ottawa trust funds	1,415,017	1,396,976
Equity in operating fund	5,561,392	3,471,838
Equity in tangible capital assets	10,107,681	8,643,865
Investment in business entities	545,129	433,174
Replacement reserve	-	258,923
	17,629,219	14,204,776

15. Indigenous Services Canada ("ISC") funding reconciliation

	2021	2020
Direct Nation Funding		
Revenue per confirmation	4,506,663	5,463,109
Revenue deferred to next fiscal year	-	(694,554)
Deferred revenue recognized in the current year	879,270	985,231
Funding recoveries	-	(57,470)
	5,385,933	5,696,316

16. Economic dependence

Stswecem'c Xgat'tem First Nation 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 Nation to continue operations is dependent upon the Government of Canada's continued financial commitment as guaranteed by these agreements.

17. Defined contribution plan

Defined contribution pension plan

The Nation provides a defined contribution pension plan to qualifying employees. Under the plan, the members' defined contributions, the Nation contributions, and the related plan earnings comprise the members' money purchase amount. The plan is registered with the Canada Revenue Agency as 1022920.

The Nation contributed \$55,885 (2020 - \$37,643) to the plan during the year, to match its employees required contributions.

Stswecem'c Xgat'tem First Nation
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18. Segments

The Nation receives revenue from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by the following segments:

Administration: Includes general operations, support, and financial management of Stswecem'c Xgat'tem First Nation.

Business Development: Includes activities related to the growth of revenue producing projects and capacity building for business related activities within the Stswecem'c Xgat'tem First Nation.

Operations and Maintenance: Includes revenue and expenses related to infrastructure projects in the Stswecem'c Xgat'tem First Nation community.

Stewardship: Includes activities related to lands and resources within the Stswecem'c Xgat'tem First Nation.

Education - Elem/Sec & Post Sec: Includes revenue and expenses related to primary, secondary and post secondary education of the members of Stswecem'c Xgat'tem First Nation.

Education - Employment & Skills Training: Includes revenue and expenses related to the employment and training for primary, secondary and post secondary education of Stswecem'c Xgat'tem First Nation.

Band Operated School: Includes revenue and expenses relating to the operations of the school of members of Stswecem'c Xgat'tem First Nation.

Social Development: Includes revenue and expenses relating to the social assistance of members of Stswecem'c Xgat'tem First Nation.

Health and Wellness: Includes activities related to the provision of health and wellness services within Stswecem'c Xgat'tem First Nation.

Capital Projects: Includes revenue and expenses related to capital projects.

Housing: Includes revenue and expenses relating to the operation of Stswecem'c Xgat'tem First Nation Social Housing Program.

Treaty: Includes the allocation for the Northern Shuswap Treaty Society funds for negotiation work in the community.

First Nation Store: Includes revenue and expenses relating to the operation of the store located in the Dog Creek community.

19. Budget information

Budgets were not prepared for all segments and all departments in 2021. As such, the budget figures in the Consolidated Statement of Operations are not presented for the same scope of activities as the actual results.

The disclosed budget information has been approved by the Chief and Council of Stswecem'c Xgat'tem First Nation. The original budget was approved at the Chief and Council meeting held February 10, 2021.

20. Comparative figures

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