

Stswecem'c Xget'tem First Nation
Consolidated Financial Statements
March 31, 2022

Stswecem'c Xget'tem First Nation

Contents

For the year ended March 31, 2022

Page

Management's Responsibility

Independent Auditor's Report

Consolidated Financial Statements

Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Financial Assets.....	3
Consolidated Statement of Cash Flows.....	4

Notes to the Consolidated Financial Statements..... 5

Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	16
Schedule 2 - Consolidated Schedule of Expenses by Object.....	18
Schedule 3 - Schedule of Revenue and Expenses and Accumulated Surplus - Administration.....	19
Schedule 4 - Schedule of Revenue and Expenses and Accumulated Surplus - Economic Development.....	20
Schedule 5 - Schedule of Revenue and Expenses and Accumulated Deficit - Operations and Maintenance.....	21
Schedule 6 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit) - Stewardship.....	22
Schedule 7 - Schedule of Revenue and Expenses and Accumulated Surplus - Education - Elem/Sec & Post Sec.....	23
Schedule 8 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit) - Education - Employment & Skills Training.....	24
Schedule 9 - Schedule of Revenue and Expenses and Accumulated Surplus - Band Operated School.....	25
Schedule 10 - Schedule of Revenue and Expenses and Accumulated Surplus - Social Development.....	26
Schedule 11 - Schedule of Revenue and Expenses and Accumulated Surplus - Health and Wellness.....	27
Schedule 12 - Schedule of Revenue and Expenses and Accumulated Surplus - Capital Projects.....	28
Schedule 13 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit) - Housing.....	29
Schedule 14 - Schedule of Revenue and Expenses and Accumulated Surplus - Treaty.....	30
Schedule 15 - Schedule of Revenue and Expenses and Accumulated Surplus - First Nation Store.....	31



Management's Responsibility

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

The accompanying consolidated 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 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 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 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 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 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.

August 16, 2022


Chief Administrative Officer

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

Qualified Opinion

We have audited the consolidated financial statements of Stswecem'c Xget'tem First Nation and its subsidiaries (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, 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, 2022, and the results of its consolidated operations, changes in its 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 Xget'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 Statements section of our report. We are independent of the Nation in accordance with the ethical requirements that are those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial 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 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

August 16, 2022

MNP LLP

Chartered Professional Accountants

Stswecem'c Xget'tem First Nation
Consolidated Statement of Financial Position

As at March 31, 2022

	2022	2021
Financial assets		
Cash (Note 3)	4,274,259	3,218,703
Trade and other receivables (Note 4)	1,302,209	1,276,657
Portfolio investments (Note 5)	2,110,774	2,093,860
Inventory for resale	15,845	17,263
Funds held in trust (Note 6)	1,443,969	1,415,017
Investment in Nation business entities (Note 7)	545,129	545,129
Total financial assets	9,692,185	8,566,629
Liabilities		
Trade and other payables (Note 8)	605,445	524,885
Deferred revenue (Note 9)	376,232	530,442
Debt (Note 10)	1,157,368	1,335,760
Capital lease obligation (Note 11)	39,265	40,802
Total liabilities	2,178,310	2,431,889
Net financial assets	7,513,875	6,134,740
Contingencies (Note 12)		
Non-financial assets		
Tangible capital assets (Schedule 1)	12,164,557	11,484,243
Prepaid expenses	252	10,236
Total non-financial assets	12,164,809	11,494,479
Accumulated surplus (Note 13)	19,678,684	17,629,219

Approved on behalf of the Council:



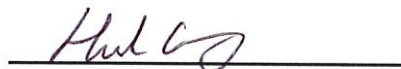
Chief



Councilor



Councilor



Councilor

Councilor

Stswecem'c Xget'tem First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2022

	Schedules	2022 Budget (Note 18)	2022	2021
Revenue				
Indigenous Services Canada (Note 14)		4,211,756	4,421,073	5,385,933
Province of British Columbia		786,372	1,115,805	1,601,119
Northern Shuswap Treaty Society		440,563	839,159	627,838
Revenue sharing agreements and land referrals		767,500	675,700	1,556,018
Three Corners Health Services Society		21,500	479,369	432,671
First Nations Education Steering Committee		256,307	309,880	198,066
First Nations Health Authority		94,400	296,417	245,897
Canada Mortgage and Housing Corporation		-	-	20,600
Cariboo Chilcotin Aboriginal Training Employment Centre		52,000	61,226	169,562
Grants and contract services		746,169	1,019,776	570,433
First Nation store sales		-	534,994	453,235
Fisheries and Oceans Canada (DFO)		425,000	390,188	142,948
Rental income		352,552	387,644	399,025
Interest income		25,000	58,220	51,353
Enbridge		50,000	50,000	64,000
First Peoples' Cultural Council		-	34,946	142,891
Gain on disposal of tangible capital assets		-	5,494	-
Forest license		-	-	152,441
Earnings (loss) from investment government business entities (Note 7)		-	-	21,823
		8,229,119	10,679,891	12,235,853
Program expenses				
Administration	3	1,247,646	1,132,828	1,370,800
Business Development	4	1,153,365	835,624	980,859
Operations and Maintenance	5	593,490	652,865	293,902
Stewardship	6	1,312,281	573,320	545,744
Education - Elem/Sec & Post Sec	7	622,190	513,318	831,361
Education - Employment & Skills Training	8	34,115	95,140	189,998
Nation Operated School	9	832,630	671,512	708,278
Social Development	10	541,493	634,300	595,796
Health and Wellness	11	1,162,528	1,268,969	1,086,762
Capital Projects	12	-	736,634	692,945
Housing	13	377,090	568,550	562,546
Treaty	14	363,227	403,884	463,749
First Nation Store	15	-	543,482	488,670
Total expenses (Schedule 2)		8,240,055	8,630,426	8,811,410
Annual surplus (deficit)		(10,936)	2,049,465	3,424,443
Accumulated surplus, beginning of year		17,629,219	17,629,219	14,204,776
Accumulated surplus, end of year		17,618,283	19,678,684	17,629,219

The accompanying notes are an integral part of these financial statements

Stswecem'c Xget'tem First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2022

	2022 Budget (Note 18)	2022	2021
Annual surplus	(10,936)	2,049,465	3,424,443
Purchases of tangible capital assets	-	(1,646,514)	(2,635,145)
Amortization of tangible capital assets	-	946,685	933,569
Gain on disposal of tangible capital assets	-	(5,494)	-
Adjustments on tangible capital assets	-	(7,491)	-
Proceeds of disposal of tangible capital assets	-	32,500	-
Acquisition of prepaid expenses	-	-	(7,121)
Use of prepaid expenses	-	9,984	-
Increase (decrease) in net financial assets	(10,936)	1,379,135	1,715,746
Net financial assets, beginning of year	6,134,740	6,134,740	4,418,994
Net financial assets, end of year	6,123,804	7,513,875	6,134,740

Stswecem'c Xget'tem First Nation

Consolidated 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	2,049,465	3,424,443
Non-cash items		
Amortization	946,685	933,569
Earnings from investment in Nation business entities	-	(21,823)
Ottawa trust interest revenue	(28,952)	(18,041)
Gain on disposal of tangible capital assets	(5,494)	-
Adjustments on tangible capital assets	(7,491)	-
	2,954,213	4,318,148
Changes in working capital accounts		
Trade and other receivables	(25,552)	(135,583)
Prepaid expenses	9,984	(7,121)
Restricted cash	-	264,292
Trade and other payables	80,560	(27,688)
Deferred revenue	(154,210)	(879,270)
Inventory for resale	1,418	49,526
	2,866,413	3,582,304
Financing activities		
Advances of debt	23,198	450,000
Repayment of debt	(201,590)	(191,435)
Advances of capital lease obligation	35,227	-
Repayment of capital lease obligation	(36,764)	(20,805)
	(179,929)	237,760
Capital activities		
Purchases of tangible capital assets	(1,646,514)	(2,635,145)
Proceeds of disposal of tangible capital assets	32,500	-
	(1,614,014)	(2,635,145)
Investing activities		
Advances to Nation business entities	-	(81,888)
Contribution of guaranteed investment certificates	(16,914)	(24,730)
	(16,914)	(106,618)
Increase in cash	1,055,556	1,078,301
Cash, beginning of year	3,218,703	2,140,402
Cash, end of year	4,274,259	3,218,703

Stswecem'c Xget'tem First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

1. Operations

The Stswecem'c Xget'tem First Nation (the "Nation") is located in the Province of British Columbia, and provides various services to its members. Stswecem'c Xget'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.

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.

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 consolidated

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 Xget'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 Xget'tem Housing Program
- Stswecem'c Xget'tem Health Program
- Stswecem'c Xget'tem Treaty Program
- Stswecem'c Xget'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 Xget'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.

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

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.

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.

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

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.

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.

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

Segments

The Nation conducts its business through a number of reportable segments as described in Note 17. 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 consolidated financial statements.

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, 2022.

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, 2022, 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 Nation 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 Nation:

- (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.

Stswecem'c Xget'tem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

3. Cash

Included in cash is \$743,205 (2021 - \$749,140) of restricted cash related to BC First Nations Gaming Revenue Sharing Limited Partnership Agreement.

4. Trade and other receivables

	2022	2021
Due from members:		
Rent	592,784	490,089
Less: Allowance for doubtful accounts	(528,379)	(455,375)
	64,405	34,714
Trade and other receivables		
Trade receivables	997,150	580,077
Three Corners Health Services Society	10,149	221,213
Province of British Columbia	16,512	39,000
First Nations Education Steering Committee	-	85,830
Shuswap Nation Tribal Council	19,436	130,175
First Nation Store	54,653	61,877
Northern Shuswap Treaty Society	108,424	19,437
Fisheries and Oceans Canada (DFO)	31,480	104,334
	1,237,804	1,241,943
	1,302,209	1,276,657

5. Portfolio Investments

	2022	2021
Royal Bank of Canada GIC - 0.15% interest, maturing April 2022	442,214	442,214
RBC Wealth Management Dominion Securities	1,668,560	-
GIC matured during the year	-	757,458
GIC matured during the year	-	465,991
GIC matured during the year	-	280,708
GIC matured during the year	-	147,489
	2,110,774	2,093,860

RBC Wealth Management Dominion Securities investment consists solely of cash at March 31, 2022, earning interest at 0.05%.

Stswecem'c Xget'tem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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.

	2022	2021
Capital Trust		
Balance, beginning and end of year	447,495	447,495
Revenue Trust		
Balance, beginning of year	967,522	949,481
Interest	27,231	16,319
BC Special	1,721	1,722
Balance, end of year	996,474	967,522
	1,443,969	1,415,017

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>	2022 <i>Total investment</i>
Wholly-owned Business:				
SXDC Ltd.	357,074	-	-	357,074
First Nation Business Partnership – Modified Equity:				
SXDC Limited Partnership - 99.99%	106,167	81,888	-	188,055
	463,241	81,888	-	545,129
				2021
	<i>Investment, beginning of year</i>	<i>Loans / advances</i>	<i>Share of loss</i>	<i>Total investment</i>
Wholly-owned Business:				
SXDC Ltd.	414,188	-	(57,114)	357,074
First Nation Business Partnership – Modified Equity:				
SXD Limited Partnership - 99.99%	27,230	81,888	78,937	188,055
	441,418	81,888	21,823	545,129

Current financial information for the above investments was not available as of the audit report date, therefore a qualified opinion has been issued in relation to these Nation business entities.

Stswecem'c Xget'tem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

8. Trade and other payables

	2022	2021
Trade payables	159,985	219,288
Salary and benefits payable	157,423	131,450
Accrued liabilities	95,498	84,228
Other payables	33,742	31,417
Government remittances payable	158,797	58,502
	605,445	524,885

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	530,442	-	(396,394)	134,048
Ventilation ACRS - ICMS #9-00129563	-	93,501	-	93,501
Renovations & Additions - ICMS #9-00126968	-	99,952	-	99,952
Solid Waste Operations & Maintenance - #Q3WI-001	-	48,731	-	48,731
	530,442	242,184	(396,394)	376,232

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, 2022 the line of credit was not drawn on (2021 - nil).

	2022	2021
Royal Bank of Canada demand loan, repayable in monthly blended payments of \$5,738 including interest at 4.80% per annum, secured by building with a net book value of \$630,807 (2021 - \$670,233) maturing in April 2023	630,573	672,291
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 (2021 - \$3,821,012) maturing June 2025	382,182	421,432
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 \$20,583 (2021 - \$30,875) maturing in January 2025	29,944	40,018
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 \$21,161 (2021 - \$31,742) maturing in October 2024	28,051	38,342
Ford Credit Canada loan, repayable in monthly blended payments of \$851 including interest at 0% per annum, secured by a vehicle with a net book value of \$12,252 (2021 - \$24,505), maturing in November 2024	27,227	37,438

Stswecem'c Xget'tem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

10. Debt (Continued from previous page)

	2022	2021
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 \$8,648 (2021 - \$17,301), maturing in February 2024	17,845	26,457
Toyota Financial Services loan, repayable in monthly payments of 629 including interest at 3.13% per annum, secured by a vehicle with a net book value of \$14,567, maturing in March 2024	14,797	-
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 \$5,705 (2021 - \$17,115), maturing in October 2023	14,724	23,985
Royal Bank of Canada bridge financing loan, repayable in monthly blended payments of \$689 including interest at prime rate plus 0.3% per annum, secured by building with a net book value of \$51,416 (2021 - \$87,179), maturing in October 2022	12,025	19,848
Repaid during the year	-	50,672
Repaid during the year	-	5,277
	1,157,368	1,335,760

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

2023	160,796
2024	674,564
2025	66,258
2026	45,168
2027	46,770
	993,556

Prime rate at March 31, 2022 was 2.70% (2021 - 2.45%).

11. Capital lease obligation

	2022	2021
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 \$17,000 (2021 - \$34,000) maturing February 2023	18,987	40,802
Royal Bank of Canada capital lease bearing interest at 3.42% per annum, payable in equal monthly blended installments of \$1,005, maturing April 2024, secured by specified equipment with a net book value of \$60,954.	20,278	-
	39,265	40,802

Stswecem'c Xget'tem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

11. Capital lease obligation *(Continued from previous page)*

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

2023	36,666
2024	8,834
	<hr/>
	45,500
Less: imputed interest	(6,235)
	<hr/>
Balance of obligation	39,265

Amortization expense includes \$23,772 (2021 - \$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 totally \$109,298.
- b) 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, 2022 might be recovered.

13. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
Equity in Ottawa trust funds	1,443,969	1,415,017
Equity in operating fund	6,721,662	5,561,392
Equity in tangible capital assets	10,967,924	10,107,681
Investment in business entities	545,129	545,129
	<hr/>	
	19,678,684	17,629,219

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

	2022	2021
Direct Nation Funding		
Revenue per confirmation	4,266,863	4,506,663
Revenue deferred to next fiscal year	(242,184)	-
Deferred revenue recognized in the current year	396,394	879,270
	<hr/>	
	4,421,073	5,385,933

15. Economic dependence

Stswecem'c Xget'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.

16. 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 \$61,374 (2021 - \$55,885) to the plan during the year, to match its employees required contributions.

17. 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 Xget'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 Xget'tem First Nation.

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

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

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

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

Health and Wellness: Includes activities related to the provision of health and wellness services within Stswecem'c Xget'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 Xget'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.

Stswecem'c Xget'tem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

18. Budget information

Budgets were not prepared for all segments and all departments in 2022. 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 Xget'tem First Nation. The original budget was approved at the Chief and Council meeting held February 10, 2021.

19. Comparative figures

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