

SHUSWAP NATION TRIBAL COUNCIL SOCIETY

FINANCIAL STATEMENTS

March 31, 2023

SHUSWAP NATION TRIBAL COUNCIL SOCIETY

FINANCIAL STATEMENTS

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the SHUSWAP NATION TRIBAL COUNCIL SOCIETY have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. The financial statements include certain amounts based on management's estimates and judgements. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of the SHUSWAP NATION TRIBAL COUNCIL SOCIETY's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Council of Chiefs is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the Council of Chiefs.

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Rosanne Casimir

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DocuSigned by:

Maryann Yarama

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INDEPENDENT AUDITOR'S REPORT

To the Members,
SHUSWAP NATION TRIBAL COUNCIL SOCIETY

Opinion

We have audited the financial statements of SHUSWAP NATION TRIBAL COUNCIL SOCIETY (the Society), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, operations and cash flow 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 Society as at March 31, 2023, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Society 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

We draw attention to the fact the supplementary information included in Exhibits A to G and Schedules 1 through 28 do not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

(continues)

Independent Auditor's Report to the Members of SHUSWAP NATION TRIBAL COUNCIL SOCIETY (continued)

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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.

Kamloops, Canada
October 4, 2023

Grant Thornton LLP

Chartered Professional Accountants

SHUSWAP NATION TRIBAL COUNCIL SOCIETY
STATEMENT OF FINANCIAL POSITION
March 31, 2023

ASSETS	2023	2022
CURRENT ASSETS:		
Cash	\$ 17,741,686	\$ 14,528,166
Accounts receivable (Note 5)	1,874,750	1,290,616
Prepaid expenses	121,845	81,609
	19,738,281	15,900,391
PROPERTY AND EQUIPMENT (Note 6)	2,316,616	1,772,592
	\$ 22,054,897	\$ 17,672,983
 LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable (Note 7)	\$ 2,528,303	\$ 1,746,081
Deferred revenue (Note 8)	9,631,810	7,323,735
	12,160,113	9,069,816
 NET ASSETS		
Invested in property and equipment	2,316,616	1,772,592
Internally restricted (Note 9)	506,760	506,760
Unrestricted	7,071,408	6,323,815
	9,894,784	8,603,167
	\$ 22,054,897	\$ 17,672,983

COMMITMENTS (Note 10)

APPROVED ON BEHALF OF THE COUNCIL OF CHIEFS:

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Rosanne Casimir

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DocuSigned by:

Maryann Yarama

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See accompanying notes to financial statements.

SHUSWAP NATION TRIBAL COUNCIL SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
Year ended March 31, 2023

	Invested in Property and Equipment	Internally Restricted	Unrestricted	Total 2023	Total 2022
BALANCE, beginning of year	\$ 1,772,592	\$ 506,760	\$ 6,323,815	\$ 8,603,167	\$ 7,678,963
Excess of revenues over expenses	-	-	1,291,617	1,291,617	924,204
Amortization expense	(186,335)	-	186,335	-	-
Purchases of property and equipment	730,359	-	(730,359)	-	-
	<u>544,024</u>	<u>-</u>	<u>747,593</u>	<u>1,291,617</u>	<u>924,204</u>
BALANCE, end of year	<u>\$ 2,316,616</u>	<u>\$ 506,760</u>	<u>\$ 7,071,408</u>	<u>\$ 9,894,784</u>	<u>\$ 8,603,167</u>

See accompanying notes to financial statements.

SHUSWAP NATION TRIBAL COUNCIL SOCIETY
STATEMENT OF OPERATIONS
Year ended March 31, 2023

	Budget (unaudited)	2023	2022
REVENUES:			
Service Canada	\$ 4,428,327	\$ 3,397,490	\$ 4,122,462
Department of Fisheries and Oceans / ISC	500,000	500,000	500,000
Department of Fisheries and Oceans	2,537,887	2,547,882	1,578,742
Province of B.C.	800,563	968,417	45,067
Indigenous Services Canada	4,953,984	5,012,893	4,914,025
First Nations Health Authority	3,585,360	3,022,432	1,336,309
Interior Health Authority	-	-	320
Ministry of Justice	150,000	150,000	200,000
Gain on disposal of property and equipment	-	-	103,850
Investment income	18,734	333,853	41,700
Miscellaneous revenue	1,291,878	1,388,466	1,423,038
Cost recoveries	40,936	44,865	87,830
Deferred revenue - current year	(2,720,546)	(9,631,810)	(7,323,735)
Deferred revenue - prior year	6,228,389	7,323,735	5,736,437
	<u>21,815,512</u>	<u>15,058,223</u>	<u>12,766,045</u>
EXPENSES:			
Administration	232,134	68,211	96,598
Advertising	118,002	45,273	50,805
Bank charges	7,035	5,557	4,287
Honoraria	319,000	608,395	236,277
Insurance	44,200	38,767	33,849
Meeting expenses	1,374,063	1,386,864	535,371
Miscellaneous expenses	750,894	129,898	15,015
Office expenses	95,440	147,859	87,498
Professional fees	9,361,839	5,161,704	5,867,169
Program costs	3,799,726	2,426,339	1,654,155
Property taxes	29,950	11,603	11,683
Rent	228,200	143,373	144,509
Repairs and maintenance	82,000	259,510	58,244
Salaries and benefits	3,287,392	2,499,705	2,416,519
Supplies and materials	259,725	168,869	112,026
Telephone	103,127	34,166	33,730
Training	79,596	16,437	37,617
Travel	519,230	269,243	108,688
Utilities	-	24,209	23,732
Vehicle expenses	145,072	134,289	118,262
	<u>20,836,625</u>	<u>13,580,271</u>	<u>11,646,034</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE AMORTIZATION	978,887	1,477,952	1,120,011
Amortization	-	(186,335)	(195,807)
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 978,887</u>	<u>\$ 1,291,617</u>	<u>\$ 924,204</u>

See accompanying notes to financial statements.

SHUSWAP NATION TRIBAL COUNCIL SOCIETY
STATEMENT OF CASH FLOWS
Year ended March 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenues over expenses	\$ 1,291,617	\$ 924,204
Adjustment for capital transactions included in operations		
Amortization	186,335	195,807
Loss on disposal of property and equipment	-	(103,850)
(Increase) decrease in:		
Grants and accounts receivable	(584,134)	676,491
Prepaid expenses	(40,236)	7,552
Increase (decrease) in:		
Deferred revenue	2,308,075	1,587,298
Accounts payable and accruals	782,222	(721,004)
Cash flows from operations	<u>3,943,879</u>	<u>2,566,498</u>
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Purchase of property and equipment	(730,359)	(232,771)
Proceeds on disposal of capital investments	-	103,850
Cash flows used in capital	<u>(730,359)</u>	<u>(128,921)</u>
INCREASE IN CASH	3,213,520	2,437,577
CASH, beginning of year	<u>14,528,166</u>	<u>12,090,589</u>
CASH, end of year	\$ <u>17,741,686</u>	\$ <u>14,528,166</u>

See accompanying notes to financial statements.

SHUSWAP NATION TRIBAL COUNCIL
NOTES TO FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE 1. NATURE OF OPERATIONS:

The Shuswap Nation Tribal Council Society (the "Society") was incorporated under the *BC Societies Act* in the Province of British Columbia. A tribal council is an organization established by a number of First Nations with common interests who voluntarily join together to provide advisory and / or program services to member First Nations. The Society is exempt from income tax under section 149(1)(L) of the *Income Tax Act*.

NOTE 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are summarized as follows:

Fund Accounting

The Society follows the deferral method of accounting for contributions. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The Society maintains the following funds:

- The Operating Fund which reports the general activities of the Society.
- The Capital Fund which reports the capital assets of the Society, together with any related financing.
- Secwepemc Fisheries Commission Fund which reports the activities for the fisheries resource management program.
- Indigenous Skills and Employment Training Fund which reports the activities of training, counselling, and providing work experience for the First Nations people.

Property and Equipment

Property and equipment is valued at cost. Amortization is based on the estimated useful life of the assets and is recorded using the following annual rates with no amortization being recorded in the year of acquisition and full amortization being recorded in the year of disposition:

Building	48 year straight-line
Equipment	5 year straight-line
Leasehold Improvements	straight-line amortization over length of lease

The Society regularly reviews its property and equipment to eliminate obsolete items.

The Society reviews the useful lives and the carrying values of its property and equipment if events or changes in circumstances indicate that the assets might be impaired, by reference to the assets' contribution to the organization's ability to provide services. When assets no longer have any long-term service potential to the organization, the assets are considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceeds their fair value, which is estimated as the expected service potential of the assets.

Revenue Recognition

Grant and contract revenue is recognized as it becomes receivable under the terms of the applicable funding agreements when program terms and conditions are met and delivered, which coincides with when there is a persuasive evidence that an arrangement exists, and there is reasonable assurance regarding the measurement and collectability of the amount. Funding received under the funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Statement of Financial Position.

Interest revenue is recorded on the accrual basis and is recognized when earned.

Miscellaneous revenue which is not related to a funding agreement is recognized when funding terms and conditions are met and delivered, which coincides with when there is persuasive evidence that an arrangement exists, and there is reasonable assurance regarding the measurement and collectability of the amount.

Cost recoveries are recorded when the underlying expense is made which coincides with when there is persuasive evidence that an arrangement exists, and there is reasonable assurance regarding the measurement and collectability of the amount.

SHUSWAP NATION TRIBAL COUNCIL
NOTES TO FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Items subject to significant management estimates include; estimated useful life of equipment, and the related amortization expense and impairment of long lived assets.

Financial Instruments

The Society considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. A financial asset or liability is recognized when the Society becomes party to contractual provisions of the instrument. The Society accounts for the following as financial instruments:

- cash
- accounts receivable
- accounts payable

Measurement

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transactions is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities are subsequently measured according to the following methods:

<u>Financial instrument</u>	<u>Subsequent measurement</u>
cash	Amortized cost
accounts receivable	Amortized cost
accounts payable	Amortized cost

The Society removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in excess of revenues over expenses.

NOTE 3. FINANCIAL INSTRUMENTS:

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks.. The following analysis provides a measure of the Society's risk exposures and concentrations at March 31, 2023.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk by its providers. However, because the majority of the Society's providers are government agencies, credit risk concentration is low.

NOTE 4. ECONOMIC DEPENDENCE:

The Society receives a major portion of its revenue pursuant to funding arrangements with various agencies of the Government of Canada.

SHUSWAP NATION TRIBAL COUNCIL
NOTES TO FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE 5. ACCOUNTS RECEIVABLE:

	2023	2022
Trade receivables	\$ 1,850,604	\$ 1,285,562
GST rebates receivable	24,146	5,054
	\$ 1,874,750	\$ 1,290,616

NOTE 6. PROPERTY AND EQUIPMENT:

	Cost	Accumulated Amortization	2023 Net	Cost	Accumulated Amortization	2022 Net
Buildings	\$ 1,472,575	\$ 304,781	\$ 1,167,794	\$ 1,472,575	\$ 273,386	\$ 1,199,189
Equipment	3,294,723	2,231,670	1,063,053	2,564,364	2,083,111	481,253
Paving	33,556	6,292	27,264	33,556	5,593	27,963
Leasehold improvements	133,469	74,964	58,505	133,469	69,282	64,187
	\$ 4,934,323	\$ 2,617,707	\$ 2,316,616	\$ 4,203,964	\$ 2,431,372	\$ 1,772,592

NOTE 7. ACCOUNTS PAYABLE:

	2023	2022
Trade payables	\$ 2,528,303	\$ 1,719,418
Source deductions payable	-	26,663
	\$ 2,528,303	\$ 1,746,081

NOTE 8. DEFERRED REVENUE:

	2023	2022
Indigenous Services Canada	\$ 2,163,425	\$ 2,084,658
First Nations Health Authority	2,092,197	526,690
Service Canada	4,196,930	4,063,217
Province of BC grant	872,921	312,413
Interior Health Authority	40,570	72,796
Department of Fisheries and Oceans	189,392	59,803
BC Hydro	34,820	34,820
Ministry of Justice	30,735	39,648
First Nations Confederacy of Cultural Education Centres	10,820	15,000
Other income/Grants	-	114,690
	\$ 9,631,810	\$ 7,323,735

NOTE 9. INTERNALLY RESTRICTED:

	2023	2022
The Council of Chiefs has internally restricted the following programs and amounts including:		
Contingency - late payment from Federal authorities	\$ 250,000	\$ 250,000
Aboriginal Rights and Title	256,760	256,760
	\$ 506,760	\$ 506,760

SHUSWAP NATION TRIBAL COUNCIL
NOTES TO FINANCIAL STATEMENTS
Year ended March 31, 2023

NOTE 10. COMMITMENTS:

The Society has entered into lease agreements for office space, office equipment, vehicles and a lease agreement for land on which the office building is located. These lease agreements have expiry dates ranging from November 2024 to November 2027. Total annual lease payments, excluding GST, over the next five years are as follows:

2024	\$	99,507
2025		78,542
2026		15,378
2027		14,179
2028		1,502
	\$	<u>209,108</u>

NOTE 11. EMPLOYEE BENEFITS:

The Society and its employees contribute to a defined contribution pension plan. There is no obligation for past service of periods in which the employee was not employed. Total contributions to the plan during the year were \$87,889 (2022 - \$89,558).

NOTE 12. EMPLOYEE REMUNERATION:

During the year, 6 employees were paid in excess of \$75,000, for a total of \$526,383.

NOTE 13. BUDGET FIGURES:

The budget information disclosed is for information purposes only. The budget has been approved by the Council of Chiefs but has not been audited.

SHUSWAP NATION TRIBAL COUNCIL SOCIETY

FINANCIAL STATEMENTS

March 31, 2023

EXHIBIT

SUPPLEMENTARY FINANCIAL INFORMATION:

G INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT
G1 SCHEDULE OF REMUNERATION AND EXPENSES - CHIEF
AND COUNCILLORS

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

EXHIBIT G

To the Members,
SHUSWAP NATION TRIBAL COUNCIL SOCIETY

We have reviewed the accompanying schedule of remuneration and expenses paid to elected officials (“the schedule”) of the SHUSWAP NATION TRIBAL COUNCIL SOCIETY for the year ended March 31, 2023. The schedule has been prepared by management of the SHUSWAP NATION TRIBAL COUNCIL SOCIETY based on the First Nations Financial Transparency Act.

Management's Responsibility for the Schedule

Management of the SHUSWAP NATION TRIBAL COUNCIL SOCIETY is responsible for the preparation of the schedule in accordance with the First Nations Financial Transparency Act, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the schedule based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of the schedule in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on this schedule.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the schedule is not prepared, in all material respects, in accordance with the First Nations Financial Transparency Act.

Grant Thornton LLP

Chartered Professional Accountants

**SHUSWAP NATION TRIBAL COUNCIL SOCIETY
SCHEDULE OF REMUNERATION AND EXPENSES
CHIEF AND COUNCILLORS
Year ended March 31, 2023**

Name of Individual	Position Title	Number of Months	Remuneration	Expenses
ROSANNE CASIMIR	TRIBAL CHAIR	12	\$ 48,000	\$ 4,098