

Shuswap Nation Tribal Council Society
Financial Statements
For the year ended March 31, 2024

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Management's Responsibility for Financial Reporting

The accompanying financial statements of the Shuswap Nation Tribal Council Society (the "Society") are the responsibility of management and have been approved by the Council of Chiefs of the Society.

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.


The Society maintains systems of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Society's assets are appropriately accounted for and adequately safeguarded.

The Society is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Council of Chiefs review the Society's financial statements and recommend their approval. The Council of Chiefs meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Council of Chiefs take this information into consideration when approving the financial statements for issuance to the Members. The Council of Chiefs also appoint the engagement of the external auditors.

The financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. BDO Canada LLP has full access to the Society.

On Behalf of the Council of Chiefs:

Signed by:

5BFED48FEF8C48E

Tribal Chief

Signed by:

8A518296019C408

Tribal Director

Independent Auditor's Report

To the Council of Chiefs of the Shuswap Nation Tribal Council Society
Shuswap Nation Tribal Council Society

Opinion

We have audited the financial statements of the Shuswap Nation Tribal Council Society (the "Society"), which comprise the statement of financial position as at March 31, 2024, and the statements of changes in net assets, operations and cash flows for the year then ended, and the 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, 2024 and the results of its operations and cash flows 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on October 4, 2023.

Other Matter

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Budget on the Statement of Operations, on page 9 of the Society's financial statements.

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 related 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's operations 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.

Chartered Professional Accountants

Kamloops, British Columbia
July 9, 2024

Shuswap Nation Tribal Council Society

Exhibit A - Statement of Financial Position

As at March 31	2024	2023
Assets		
Current Assets		
Cash	\$ 18,411,075	\$ 17,741,687
Accounts receivable (Note 5)	1,895,423	1,874,750
Prepaid expenses	100,768	122,047
Temporary investments (Note 6)	37,022,875	-
	<u>57,430,141</u>	<u>19,738,484</u>
Property and Equipment (Note 7)	2,162,446	2,316,727
	<u>\$ 59,592,587</u>	<u>\$ 22,055,211</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable (Note 8)	5,014,466	2,528,500
Deferred revenue (Note 9)	5,908,400	9,631,808
	<u>10,922,866</u>	<u>12,160,308</u>
Net Assets		
Invested in property and equipment	2,162,446	2,316,727
Internally restricted (Note 10)	38,476,684	506,760
Unrestricted	8,030,591	7,071,416
	<u>48,669,721</u>	<u>9,894,903</u>
	<u>\$ 59,592,587</u>	<u>\$ 22,055,211</u>

Commitments (Note 11)

Approved on behalf of the Council of Chiefs:

Signed by: 
 5BEDB4BFEB9C4BE

Tribal Chief

Signed by: 
 8A518296019C408

Tribal Director

Shuswap Nation Tribal Council Society
Exhibit B - Statement of Change in Net Assets

March 31, 2024				2024	2023
Net Assets	Invested in Property and Equipment	Internally Restricted	Unrestricted	Total	Total
Balance, beginning of year	\$ 2,316,727	\$ 506,760	\$ 7,071,416	\$ 9,894,903	\$ 8,603,389
Excess of revenue over expenditures for the year	-	-	38,795,425	38,795,425	1,291,514
Amortization expense	(303,151)	-	303,151	-	-
Purchases of property and equipment	169,477	-	(169,477)	-	-
Disposal of property and equipment	(20,607)	-	-	(20,607)	-
Transfer to restricted, net	-	37,969,924	(37,969,924)	-	-
Balance, end of year	\$ 2,162,446	\$ 38,476,684	\$ 8,030,591	\$48,669,721	\$ 9,894,903

Shuswap Nation Tribal Council Society

Exhibit C - Statement of Operations

	Budget (Note 14) (Unaudited)	2024	2023
Revenue (Note 16)			
Indigenous Services Canada	\$ 3,151,653	\$ 3,205,922	\$ 4,959,372
Administration	1,091,531	-	-
Cost recoveries	1,063,397	129,958	84,047
Department of Fisheries and Oceans	2,678,708	2,045,855	2,933,293
Interest income	1,111,240	1,911,759	333,854
Ministry of Justice	180,735	172,622	158,913
Miscellaneous revenue	263,786	697,531	1,302,511
Province of BC	1,453,315	37,516,616	397,089
Rental income	-	11,235	74,400
Service Canada	3,749,921	3,060,842	3,263,778
	<u>14,744,286</u>	<u>48,752,340</u>	<u>13,507,257</u>
Expenses (Note 16)			
Administration	1,731,390	32,260	1,021,712
Advertising	134,000	29,980	30,373
Bank charges and interest	5,500	8,621	5,313
Honoraria	284,500	308,041	540,244
Insurance	65,600	61,129	47,316
Materials and supplies	343,432	194,110	226,017
Meeting expenses	682,907	488,816	1,211,041
Miscellaneous	32,458	15,722	42,167
Office expenses	160,780	118,750	144,554
Professional fees	4,055,236	3,001,133	3,651,387
Program costs	2,299,523	2,264,540	2,377,914
Property taxes	13,000	12,123	11,603
Rental expenses	312,950	142,451	201,137
Repairs and maintenance	393,603	154,471	189,676
Salaries and benefits	3,115,314	2,722,314	2,026,768
Telephone	49,531	24,142	30,162
Training	124,447	61,067	41,311
Travel	605,117	317,282	208,261
Utilities	20,000	22,822	24,209
	<u>14,429,288</u>	<u>9,979,774</u>	<u>12,031,165</u>
Excess of Revenues Over Expenses Before Amortization and Discontinued Operations	314,998	38,772,566	1,476,092
Amortization	-	(303,151)	(186,444)
Income (loss) from discontinued operations (Note 16)	(572,030)	326,010	1,866
Excess of Revenues Over Expenses	\$ (257,032)	\$38,795,425	\$ 1,291,514

Shuswap Nation Tribal Council Society
Exhibit D - Statement of Cash Flows

For the year ended March 31, 2024	2024	2023
Cash flows from operating activities		
Excess of revenue over expenses	\$38,795,425	\$ 1,291,514
Adjustments for capital items included in operations		
Amortization	303,151	186,444
Increase in accounts receivable	(20,673)	(584,134)
(Increase) decrease in prepaid expenses	21,279	(40,236)
Increase in accounts payable	2,485,966	782,222
Increase (decrease) in deferred revenue	(3,723,408)	2,308,075
Cash flows from operating activities	<u>37,861,740</u>	<u>3,943,885</u>
Cash flows from capital activities		
Purchase of property and equipment	(169,477)	(730,359)
Cash flows from investing activities		
Deposit into temporary investments	<u>(37,022,875)</u>	<u>-</u>
Net increase in cash	669,388	3,213,526
Cash, beginning of year	<u>17,741,687</u>	<u>14,528,161</u>
Cash, end of year	<u>\$18,411,075</u>	<u>\$ 17,741,687</u>
Represented By:		
Cash	<u>\$18,411,075</u>	<u>\$ 17,741,687</u>

Shuswap Nation Tribal Council Society

Notes to Financial Statements

March 31, 2024

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 program services to member First Nations. The Society is exempt from income tax under section 149(1)(L) of the Income Tax Act.

2. Basis of Presentation and Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

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:

Buildings	48 year straight line
Equipment	5 year straight line
Leasehold Improvements	Straight line over the length of the lease
Paving	48 year straight line

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

The Society reviews useful lives and the carrying value 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 organizations 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.

March 31, 2024

2. Basis of Presentation and Significant Accounting Policies (continued)

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 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.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenue recorded on an 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 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 measurement and collectability of the amount.

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 property and equipment, and the related amortization expense and impairment of long lived assets.

Financial Instruments

Financial instruments are recorded at fair value at initial recognition.

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
- Temporary Investments
- Accounts receivable
- Accounts payable

March 31, 2024

2. Basis of Presentation and Significant Accounting Policies (continued)

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 transaction 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
Temporary investments	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.

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, 2024.

Credit Risk:

The Society is exposed to a credit risk by its customers. However, because the majority of revenues are from government agencies, credit risk concentration is reduced to the minimum.

The Society is also exposed to credit risk arising from all of its bank accounts being held at one financial institution and deposits are only insured up to \$600,000.

There have been no changes in credit risk over the prior year.

Shuswap Nation Tribal Council Society
Notes to Financial Statements

March 31, 2024

4. Economic Dependence

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

5. Accounts Receivable

	2024	2023
Trade receivables	\$ 1,875,727	\$ 1,850,604
GST rebate receivable	19,696	24,146
	<u>\$ 1,895,423</u>	<u>\$ 1,874,750</u>

6. Temporary Investments

The carrying amounts of temporary investments are comprised of the following:

	2024	2023
RBC Royal Bank Guaranteed Investment Certificates, one year, 5.20% maturing in March 2025	<u>\$37,022,875</u>	<u>\$ -</u>

Shuswap Nation Tribal Council Society

Notes to Financial Statements

March 31, 2024

7. Property and Equipment

	2024				
	Buildings	Equipment	Paving	Leasehold improvements	Total
Cost, beginning of year	\$ 1,472,575	\$ 3,294,722	\$ 33,556	\$ 133,469	\$ 4,934,322
Additions	-	152,430	-	17,047	169,477
Disposals	-	(27,887)	-	-	(27,887)
Cost, end of year	1,472,575	3,419,265	33,556	150,516	5,075,912
Accumulated amortization, beginning of year	304,672	2,231,668	6,292	74,963	2,617,595
Amortization	31,258	265,512	699	5,682	303,151
Disposals	-	(7,280)	-	-	(7,280)
Accumulated amortization, end of year	335,930	2,489,900	6,991	80,645	2,913,466
Net carrying amount, end of year	\$ 1,136,645	\$ 929,365	\$ 26,565	\$ 69,871	\$ 2,162,446

	2023				
	Buildings	Equipment	Paving	Leasehold improvements	Total
Cost, beginning of year	\$ 1,472,575	\$ 2,564,363	\$ 33,556	\$ 133,469	\$ 4,203,963
Additions	-	730,359	-	-	730,359
Disposals	-	-	-	-	-
Cost, end of year	1,472,575	3,294,722	33,556	133,469	4,934,322
Accumulated amortization, beginning of year	273,385	2,082,891	5,593	69,282	2,431,151
Amortization	31,287	148,777	699	5,681	186,444
Disposals	-	-	-	-	-
Accumulated amortization, end of year	304,672	2,231,668	6,292	74,963	2,617,595
Net carrying amount, end of year	\$ 1,167,903	\$ 1,063,054	\$ 27,264	\$ 58,506	\$ 2,316,727

8. Accounts Payable

	2024	2023
Trade payables	\$ 1,595,455	\$ 2,528,500
Repayable to funders	3,419,011	-
	<u>\$ 5,014,466</u>	<u>\$ 2,528,500</u>

Shuswap Nation Tribal Council Society
Notes to Financial Statements

March 31, 2024

9. Deferred Revenue

	2024	2023
Indigenous Services Canada	\$ 310,737	\$ 2,012,820
First Nations Health Authority	-	2,092,196
Service Canada	4,553,773	4,196,930
Province of BC	687,074	872,921
Interior Health	-	40,570
Department of Fisheries and Oceans	261,176	189,391
BC Hydro	34,820	34,820
Ministry of Justice	-	30,735
First Nations Confederacy of Cultural Education Centres	10,820	10,820
Indigenous Stewardship Fund	50,000	-
Other	-	150,605
	<u>\$ 5,908,400</u>	<u>\$ 9,631,808</u>

10. Internally Restricted

The Council of Chiefs has internally restricted the following programs and amounts including:

	2024	2023
Contingency - late payment from federal authorities	\$ 250,000	\$ 250,000
Aboriginal Rights and Title	256,760	256,760
Columbia River Treaty Funds	37,969,924	-
	<u>\$ 38,476,684</u>	<u>\$ 506,760</u>

11. Commitments

The Society has entered into lease agreements for office space, office equipments and a lease for land on which the building is located. These lease agreements have expiry dates ranging from February 2025 to November 2028.

Future minimum lease payments as at March 31, 2024, are as follows:

2025	\$ 113,398
2026	45,621
2027	34,267
2028	22,771
Thereafter	<u>13,392</u>
	<u>\$ 229,449</u>

March 31, 2024

12. Employee Benefits

The Society and its employees contribute to 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 \$115,428 (2023 - \$87,889).

13. Wages, Honoraria and Benefits

The Society Act of British Columbia requires certain information to be reported with regards to remuneration to employees, contractors and directors. Included in salaries and benefits is eight employees with remuneration over \$75,000. The total salaries and benefits paid to these individuals for the year ended March 31, 2024 was \$829,449 (2023 - \$526,383).

14. Budget

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

15. Comparative Information

Some prior year balances have been restated for comparative purposes.

Shuswap Nation Tribal Council Society
Notes to Financial Statements

March 31, 2024

16. Discontinued Operations

At year end, the Society announced its intention to transfer operations of its health program to the Secwepemc Health Caucus. Since that date, the program's past and current operating results and cash flows are presented as discontinued operations. Unspent funding repayable to funders has been disclosed as part of note 8. The following table shows the income from discontinued operations:

	2024	2023
Revenue		
Indigenous Services Canada	\$ 2,035,676	\$ 125,361
Cost recoveries	517	2,017
First Nations Health Authority	4,772,914	1,412,790
Interior Health Authority	40,570	76,362
Miscellaneous revenue	155,201	49,135
Province of BC	109,573	-
	<u>7,114,451</u>	<u>1,665,665</u>
Expenses		
Advertising	17,455	20,899
Bank charges and interest	279	245
Honoraria	65,281	68,150
Materials and supplies	12,690	10,941
Meeting expenses	259,174	175,999
Miscellaneous	-	83,549
Office expenses	64,294	54,633
Professional fees	2,143,037	691,161
Payable on discontinued operations	3,419,010	-
Salaries and benefits	687,725	472,936
Telephone	5,821	4,153
Training	2,205	3,750
Travel	111,470	77,383
	<u>6,788,441</u>	<u>1,663,799</u>
Income from discontinued operations	<u>326,010</u>	<u>1,866</u>
Interdepartmental transfers and balances eliminated on summary statement		
Administration	(640,121)	(91,536)
Purchase of property and equipment	(12,408)	(1,124)
Transfers	<u>326,519</u>	<u>90,794</u>
	<u>\$ -</u>	<u>\$ -</u>