

CAYOOSE CREEK INDIAN BAND

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

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Page

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

Consolidated Statement of Financial Position	1
Consolidated Statement of Change in Net Financial Assets	2
Consolidated Statement of Operations and Accumulated Surplus	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5

CAYOOSE CREEK INDIAN BAND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2022

The accompanying consolidated financial statements of Cayoose Creek Indian Band are the responsibility of management and have been approved by the Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Reid Hurst Nagy Inc., conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Cayoose Creek Indian Band and meet when required.

On behalf of Cayoose Creek Indian Band:

Chief



Councillor



March 28, 2023

Date

March 28, 2023

Date

Independent Auditors' Report

To the Members of
Cayoose Creek Indian Band

Qualified Opinion

We have audited the consolidated financial statements of Cayoose Creek Indian Band, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows 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 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 First Nation as at March 31, 2022, and the results of its consolidated operations, its changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with PSAB.

Basis for Qualified Opinion

The financial information for related government business enterprises and partnerships is not available and has not been accounted for in the consolidated financial statements for the current year and prior years. In this respect, the financial statements are not in accordance with PSAS. We were not able to determine the adjustments that might have been necessary to investment in government business enterprises, liability in government enterprises, investment in government business partnerships, liability in government business partnerships, income (loss) from the government business enterprises, income (loss) from the government business partnerships, due to and from government business enterprises, due to and from government business partnerships, and the enterprises fund balance.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAB, 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 First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 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 First Nation's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the 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 Group 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.



Reid Hurst Nagy Inc.
 CHARTERED PROFESSIONAL ACCOUNTANTS

Kelowna, B.C.
 March 28, 2023

CAYOOSE CREEK INDIAN BAND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31	2022	2021
FINANCIAL ASSETS		
Cash	\$ 3,849,351	\$ 2,114,697
Restricted cash (Note 2)	138,128	129,312
Accounts receivable (Note 3)	194,406	331,208
Loans receivable (Note 4)	914,620	829,885
Rents receivables	121,726	10,721
Temporary investment (Note 5)	100,000	100,000
Long-term investments (Note 6)	188,409	188,409
	<hr/> 5,506,640	<hr/> 3,704,232
LIABILITIES		
Accounts payable (Note 7)	351,775	224,770
Replacement reserve fund (Note 8)	18,987	14,134
Deferred revenue (Note 9)	1,270,334	163,768
Due to related party (Note 10)	-	10,000
Long-term debt (Note 11)	1,470,737	1,336,590
	<hr/> 3,111,833	<hr/> 1,749,262
NET FINANCIAL ASSETS	2,394,807	1,954,970
NON-FINANCIAL ASSETS		
Capital assets (Note 12)	1,704,848	1,827,291
ACCUMULATED SURPLUS (Note 13)	\$ 4,099,655	\$ 3,782,261

APPROVED ON BEHALF OF THE CAYOOSE CREEK INDIAN BAND

, Chief
, Councillor

CAYOOSE CREEK INDIAN BAND

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended March 31	2022 Budget	2022 Actual	2021
ANNUAL SURPLUS	\$ (171,548)	\$ 317,394	\$ 132,399
Acquisition of tangible capital assets	-	(85,069)	(28,401)
Amortization of tangible capital assets	-	207,512	172,309
	-	122,443	143,908
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(171,548)	439,837	276,307
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	-	1,954,970	1,678,663
NET FINANCIAL ASSETS AT END OF YEAR	\$ -	\$ 2,394,807	\$ 1,954,970

CAYOOSE CREEK INDIAN BAND

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
REVENUE			
Indigenous Services Canada	\$ 2,116,127	\$ 2,575,148	\$ 1,711,165
First Nations Health Authority	569,382	629,122	515,918
First Nations Education Steering Committee	34,274	34,274	15,982
First Nations Emergency Services	108,810	-	108,810
Canada Mortgage and Housing Corporation	27,974	28,276	28,276
St'at'imc Trust	256,635	182,423	140,000
Province of BC	100,000	193,953	30,000
BC Hydro	152,839	529,731	485,941
Aboriginal Skills and Employment Training Strategy	-	41,818	-
New Relationship Trust	50,000	40,000	11,000
Property tax assessed	-	21,735	25,204
Own source revenues	434,554	433,073	494,596
Donations	2,700	2,700	5,200
Interest	9,623	19,503	53,814
Rental	91,206	91,206	95,888
Other	568,576	455,048	167,947
	4,522,700	5,278,010	3,889,741
EXPENSES			
Band Support	374,819	360,468	387,760
Education	632,346	609,656	358,192
Public Works	278,747	169,943	173,510
Social Assistance	782,853	197,131	227,277
Capacity Building	406,893	330,675	785,397
First Nation Health Authority	726,127	492,089	449,953
Business Planning	791,859	1,027,332	647,582
Band Housing	403,935	185,911	229,986
CMHC Housing	53,594	49,581	48,886
Community Pillar Services	243,075	245,278	133,842
Capital Fund	-	185,986	151,189
	4,694,248	3,854,050	3,593,574
ANNUAL SURPLUS BEFORE PROCEEDS FROM LONG-TERM DEBT			
DEBT	(171,548)	1,423,960	296,167
PROCEEDS FROM LONG-TERM DEBT			
Transferred from deferred revenue	-	163,768	-
Transferred to deferred revenue	-	(1,270,334)	(163,768)
	-	(1,106,566)	(163,768)
ANNUAL SURPLUS			
	(171,548)	317,394	132,399
ACCUMULATED SURPLUS AT BEGINNING OF YEAR			
	-	3,782,261	3,649,862
ACCUMULATED SURPLUS AT END OF YEAR			
	\$ (171,548)	\$ 4,099,655	\$ 3,782,261

CAYOOSE CREEK INDIAN BAND

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2022	2022	2021
OPERATING ACTIVITIES		
ANNUAL SURPLUS	\$ 317,394	\$ 132,399
Items not affecting cash		
Amortization of tangible capital assets	207,512	172,309
	524,906	304,708
Change in non-cash operating working capital		
Accounts receivable	136,802	(144,709)
Accounts payable	127,005	196,223
Deferred revenue	1,106,566	163,768
Rents receivables	(111,005)	1,389
Replacement reserve fund	4,853	5,892
	1,789,127	527,271
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(85,069)	(28,401)
FINANCING ACTIVITIES		
Advances from related parties	(10,000)	10,000
Repayment of long-term debt	(81,191)	(143,474)
Proceeds from long-term debt	215,338	338,028
	124,147	204,554
INVESTING ACTIVITIES		
Advances to loans receivable	(84,735)	(171,493)
Restricted cash	(8,816)	(2,326)
Acquisition of shares in BC First Nations Gaming Revenue Sharing GP Inc.	-	(10)
Acquisition of units in BC First Nation Gaming Revenue Sharing LP	-	(100)
	(93,551)	(173,929)
INCREASE IN CASH AND CASH EQUIVALENTS	1,734,654	529,495
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,114,697	1,585,202
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,849,351	\$ 2,114,697

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting Entity

The Cayoose Creek Indian Band reporting entity includes the Cayoose Creek Indian Band government and all related entities that are controlled by the First Nation.

(b) Fund Accounting

The Cayoose Creek Indian Band maintains the following funds and reserves as part of its operations:

- The Operating Fund which reports the general activities of the First Nation administration.
- The Capital Fund which reports the capital assets of the First Nation not included in other funds, together with their related activities.
- The Trust Fund which reports on the trust funds of the First Nation and held by third parties.
- The Social Housing Fund which reports on the social housing assets of the First Nation together with their related activities.
- The Enterprise Fund which reports the First Nation's investment in self-supporting commercial entities.

(c) Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Cayoose Creek Indian Band's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Cayoose Creek Indian Band.

Organizations consolidated in Cayoose Creek Indian Band's financial statements include:

1. Cayoose Creek Indian Band Operating Fund
2. Cayoose Creek Indian Band Social Housing
3. Cayoose Creek Indian Band Capital Fund
4. Cayoose Creek Indian Band Trust Fund
5. Cayoose Creek Indian Band Enterprise Fund

(d) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

(f) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible assets, prepaid expenses and inventory of supplies.

(g) Budget

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by Council.

(h) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

(i) Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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. Actual results could differ from those estimates.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and short-term investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(k) Temporary Investments

Temporary investments consist of term deposits or GICs with maturity of dates of greater than three months. Investments are reported at cost plus accrued interest.

(l) Long-term Debt

Proceeds from long-term debt are recorded as program revenue. Payments of principal and interest are treated as program expenditures. Long-term debt is recorded as a liability on the balance sheet. Reductions of long-term debt are offset with an increase to Equity in Capital Assets.

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Cayoose Creek Indian Band's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings	20 years Straight line
Equipment	15 years Straight line
Infrastructure	20 years Straight line
Construction in progress	zero years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Cayoose Creek Indian Band's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(n) Replacement Reserve

The Replacement Reserve is funded by an annual charge against earnings as opposed to an appropriation of surplus.

(o) Surplus Recoveries and Deficit Funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

(p) Contaminated sites

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 Band 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 Band 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 Band 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 of March 31, 2022 the band does not recognize any liability for contaminated sites

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

2. RESTRICTED CASH

Replacement Reserve Fund:

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Housing Program must set aside funds annually for the non-annual expenditures of the Program for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account with any interest earned to be credited as revenue to the Replacement Reserve Fund.

Operating Reserve Fund:

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Program is to set aside any surplus revenue to an operating reserve for the purpose of meeting future requirements of income listed occupants over and above the maximum federal assistance. The Fund may be replenished to its original limit from subsequent operating surpluses.

Ottawa Trust Funds:

The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	2022	2021
Replacement Reserve Fund - restricted cash	\$ 8,560	\$ 11,131
Operating Reserve Fund - restricted cash	25,785	16,801
Ottawa Trust Fund - restricted cash	103,783	101,380
	<hr/> \$ 138,128	<hr/> \$ 129,312

3. ACCOUNTS RECEIVABLE

	2022	2021
Accounts receivable - general	\$ 208,481	\$ 214,201
Indigenous Services Canada	95,605	115,171
Union of BC Municipalities	67,925	-
Member loans	15,327	13,567
Stat'imec Trust	-	100,000
Province of BC	-	108,810
	<hr/> 387,338	<hr/> 551,749
Allowance for doubtful accounts	(192,932)	(220,541)
	<hr/> \$ 194,406	<hr/> \$ 331,208

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

4. LOANS RECEIVABLE

	2022	2021
Loan receivable from Jessica Hopkins, monthly payment at various amounts with interest at 4%	\$ 710,884	\$ 662,000
Loan receivable from Jessica Grant, monthly payment at various amounts with interest at 4%	203,736	167,885
	\$ 914,620	\$ 829,885

5. TEMPORARY INVESTMENT

CIBC term deposit with interest rate at 0.4% matures on June 28, 2022. It's required as a security for the First Nation's line of credit account.

6. LONG-TERM INVESTMENTS

	2022	2021
Investment in Lilloet Salish Enterprises Ltd - held at cost with 50% ownership	\$ 188,299	\$ 188,299
Investment in BC First Nations Gaming Revenue Sharing Limited Partnership	100	100
Investment in BC First Nations Gaming Revenue Sharing General Partner Inc.	10	10
	110	110
	\$ 188,409	\$ 188,409

7. ACCOUNTS PAYABLE

	2022	2021
Trade payables	\$ 152,688	\$ 132,255
School district	168,560	65,687
Payroll payable	30,527	26,828
	\$ 351,775	\$ 224,770

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

8. REPLACEMENT RESERVE FUND

The Replacement Reserve is established in accordance with the Operating Agreements with CMHC for on-reserve housing. Funds are required to be set aside annually and held for future replacements of capital items related to the homes.

	2022	2021
Balance, beginning of the year	\$ 14,134	\$ 8,242
Current year appropriations	5,800	5,800
Interest	47	134
Bank charges	(42)	(42)
Repairs and maintenance	(952)	-
	<hr/> \$ 18,987	<hr/> \$ 14,134

9. DEFERRED REVENUE

	March 31, 2021	Funding received, 2022	Revenue recognized, 2022	March 31, 2022
Federal government				
Indigenous Services Canada	\$ 79,870	\$ 1,098,835	\$ (128,079)	\$ 1,050,626
Provincial Government				
BC First Nation Gaming Revenue Sharing	83,898	170,818	(205,143)	49,573
Ministry of Children and Family Development	-	30,000	-	30,000
	<hr/> 83,898	<hr/> 200,818	<hr/> (205,143)	<hr/> 79,573
Other				
Own Source Revenue	-	112,056	(56,880)	55,176
BC Hydro	-	125,000	(40,041)	84,959
	<hr/> -	<hr/> 237,056	<hr/> (96,921)	<hr/> 140,135
	<hr/> \$ 163,768	<hr/> \$ 1,536,709	<hr/> \$ (430,143)	<hr/> \$ 1,270,334

10. DUE TO RELATED PARTY

	2022	2021
Due to Cayoose Creek Development Corporation	\$ -	\$ 10,000

Transactions with related party, if any, are in the normal course of business and are for fair consideration that is mutually agreed upon by the related party.

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2022

11. LONG-TERM DEBT

	2022	2021
Bank of Montreal construction loan payable on demand. Interest calculated at prime plus 1.00% per annum. Secured by a general charge against operations.	\$ 710,884	\$ 632,432
All Nations Trust Company loan repayable in blended monthly installments of \$2,769.62 including interest at 2.06% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due for renewal on November 1, 2022 and renewed subsequent to the year end; loan matures on November 1, 2042.	559,041	580,568
Caterpillar loan was repaid in full during the year.	-	35,243
Bank of Montreal construction loan payable on demand. Interest calculated at prime plus 1.00% per annum. Secured by a general charge against operations.	<u>200,812</u>	<u>88,347</u>
	<hr/> <u>\$ 1,470,737</u>	<hr/> <u>\$ 1,336,590</u>

Principal portion of long-term debt due within the next five years:

2023	\$ 37,050
2024	28,477
2025	29,209
2026	29,963
2027 and thereafter	<u>1,346,038</u>
	<hr/> <u>\$ 1,470,737</u>

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

12. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated amortization				2022 net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2022 net book value	
Buildings	\$ 2,807,615	\$ 711,817	\$ -	\$ 3,519,432	\$ 1,874,325	\$ 133,593	\$ 2,007,918	\$ 1,511,514	
Equipment	435,808	-	-	435,808	244,052	29,199	273,251	162,557	
Infrastructure	1,498,101	8,252	-	1,506,353	1,430,856	44,720	1,475,576	30,777	
Construction in progress	635,000	-	(635,000)	-	-	-	-	-	
	\$ 5,376,524	\$ 720,069	\$ (635,000)	\$ 5,461,593	\$ 3,549,233	\$ 207,512	\$ 3,756,745	\$ 1,704,848	

	Cost				Accumulated amortization				2021 Net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2021 Net book value	
Buildings	\$ 2,807,615	\$ -	\$ -	\$ 2,807,615	\$ 1,774,450	\$ 99,875	\$ 1,874,325	\$ 933,290	
Equipment	407,407	28,401	-	435,808	216,133	27,919	244,052	191,756	
Infrastructure	1,498,101	-	-	1,498,101	1,386,341	44,515	1,430,856	67,245	
Construction in progress	635,000	-	-	635,000	-	-	-	635,000	
	\$ 5,348,123	\$ 28,401	\$ -	\$ 5,376,524	\$ 3,376,924	\$ 172,309	\$ 3,549,233	\$ 1,827,291	

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2022

13. ACCUMULATED SURPLUS

	2022	2021
Unrestricted		
Operating Fund	\$ 2,506,655	\$ 2,064,925
Capital Fund	1,145,807	1,211,480
	<hr/> 3,652,462	<hr/> 3,276,405
Restricted		
CMHC Housing	50,025	48,238
Community Pillar Services	293,385	356,239
Ottawa Trust Funds	103,783	101,379
	<hr/> 447,193	<hr/> 505,856
	<hr/> <hr/> \$ 4,099,655	<hr/> <hr/> \$ 3,782,261

14. CONTINGENT LIABILITIES

a) Indigenous Services Canada

Under the terms of the contribution agreements with Indigenous Services Canada and other governmental departments, certain surpluses may be repayable to the government and certain deficits may be reimbursable to the First Nation.

b) Loan Guarantee

The First Nation has provided a guarantee to the Bank of Montreal for Antares Construction LLP, a wholly owned Limited Partnership of Cayoose Creek Indian Band for a operating loan/overdraft facility in the amount of \$1,500,000 and a corporate credit card in the amount of \$75,000. In the case of default, the Bank of Montreal may recover the outstanding amounts from the First Nation.

The First Nation has provided a guarantee to the Bank of Montreal for Antares Project Services LLP, a wholly owned Limited Partnership of Cayoose Creek Indian Band for an operating loan/overdraft facility in the amount of \$500,000 and a corporate credit card in the amount of \$25,000. In the case of default, the Bank of Montreal may recover the outstanding amounts from the First Nation.

The First Nation has provided a guarantee to the Bank of Montreal for Lightfood Gas Station Limited Partnership in which Cayoose Creek Indian Band has a business interest for four credit facilities total in the amount of \$3,415,000. In the case of default, the Bank of Montreal may recover the outstanding amounts from the First Nation.

15. ECONOMIC DEPENDENCE

Cayoose Creek Indian Band receives a significant portion of its revenue pursuant to an agreement referred to as "The Comprehensive Funding Arrangement". This agreement has been entered into by the First Nation and Indigenous Services Canada. It is expected that the agreement will be renewed on an annual basis.

The First Nation also receives major funding pursuant to an arrangement with the First Nations Health Authority and under which certain surpluses and deficits may be offset, but with the net balance repayable or refundable as the case may be.

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

16. LEASES

The nature of Cayoose Creek Indian Band's activities can result in some multi-year leases whereby it will be obligated to make future payments. Lease payments required under contract over the next 2 years are as follows: 2023 \$11,628, 2024 \$11,628.

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

17. SEGMENTED INFORMATION

As previously discussed in note 2 (d) the First Nation conducts its business through reportable segments as follows:

The Band Support department is responsible for administering projects the First Nation is involved in annually and on an on-going basis relating to the overall objectives of the First Nation and the development of stable, legitimate and accountable community governments. These programs include Education and Social Development.

Education supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs, it also provides services for students at the elementary/secondary and post secondary level, including; instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

The Public Works department provides maintenance services to the First Nation's assets, infrastructure and common property.

Social Assistance provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

The Capacity Building departments provides various programs and employment opportunities to the community members.

The First Nation Health Authority department oversees the delivery of health programs and initiatives for the betterment of the lives of the members of the First Nation.

The Business Planning programs are own source revenue and economic development projects.

The Band Housing program is responsible for the administration and management of the band owned housing units.

The Community Pillar Services are programs funded by the St'at'imc (PC) 2011 Trust.

Social Housing is responsible for the administration and management of Social Housing units.

Other operations include Capital Fund, and Trust Fund transactions.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

17. SEGMENTED INFORMATION, continued

	Band Support		Education		Public Works				
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ 279,576	\$ 339,640	\$ 395,930	\$ 568,006	\$ 569,011	\$ 368,380	\$ 276,014	\$ 367,275	\$ 208,647
Rental	366	366	-	-	-	-	-	-	-
Interest	8,093	11,955	5,908	-	-	-	-	-	-
Other revenue	32,916	86,944	34,335	62,543	44,316	19,930	2,733	2,733	4,857
Total revenue	320,951	438,905	436,173	630,549	613,327	388,310	278,747	370,008	213,504
Expenses									
Wages and benefits	226,318	190,781	136,897	-	-	-	67,770	54,263	66,112
Contracted services	87,292	55,050	55,878	-	-	6,072	15,000	7,087	11,266
Materials and supplies	21,500	27,347	19,899	60,972	41,611	15,379	40,000	17,295	9,988
Tuition	-	-	-	406,551	436,059	220,398	-	-	-
Professional fees	48,234	50,284	77,302	-	-	-	-	-	-
Other expenses	(8,525)	(71,249)	17,914	164,823	131,986	116,343	155,977	(10,830)	86,144
Total expenses	374,819	252,213	307,890	632,346	609,656	358,192	278,747	67,815	173,510
Other income	(53,868)	186,692	128,283	(1,797)	3,671	30,118	-	302,193	39,994
Annual surplus (deficit)	\$ (53,868)\$	133,307 \$	48,413 \$	(1,797)\$	3,671 \$	30,118 \$	- \$	200,065 \$	39,994

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

17. SEGMENTED INFORMATION, continued

	Social Assistance			Capacity Building		First Nation Health Authority			
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ 782,853	\$ 747,498	\$ 328,052	\$ 209,678	\$ 338,002	\$ 266,471	-	\$ 629,122	\$ 515,918
First Nations Health Authority	-	-	-	-	-	-	569,382	-	-
BC Hydro	-	-	-	-	-	373,350	-	-	-
First Nations Emergency Services	-	-	-	108,810	-	108,810	-	-	-
Other revenue	-	30,000	30,000	35,166	185,144	41,776	84,541	121,874	93,607
Total revenue	782,853	777,498	358,052	353,654	523,146	790,407	653,923	750,996	609,525
Expenses									
Wages and benefits	137,523	103,800	120,709	152,120	125,958	100,840	223,879	171,656	123,898
Contracted services	487,553	28,670	35,325	19,684	23,501	23,112	143,196	70,370	47,792
Materials and supplies	6,000	-	56	8,289	100,562	136,073	190,295	148,957	141,393
Flow through funds	-	-	-	-	-	373,350	-	-	-
Tuition	-	-	-	-	-	4,200	-	-	-
Professional fees	-	-	-	183,713	43,133	75,615	4,830	18,250	2,290
Other expenses	151,777	(429,831)	71,187	43,087	(99,508)	72,207	163,927	82,856	134,580
Total expenses	782,853	(297,361)	227,277	406,893	193,646	785,397	726,127	492,089	449,953
Other income	-	1,074,859	130,775	(53,239)	329,500	5,010	(72,204)	258,907	159,572
Annual surplus (deficit)	\$ -	\$ 580,367	\$ 130,775	\$ (53,239)	\$ 192,471	\$ 5,010	\$ (72,204)	\$ 258,907	\$ 159,572

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

17. SEGMENTED INFORMATION, continued

	Business Planning			Band Housing			CMHC Housing		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ -	\$ 92,389	\$ -	\$ 121,333	\$ 143,685	\$ -	\$ -	\$ -	\$ -
Own source revenues	434,554	433,073	494,596	-	-	-	-	-	-
BC Hydro	152,839	529,731	112,591	-	-	-	-	-	-
Rental	-	-	9,550	65,220	65,220	60,718	25,620	25,620	25,620
Interest	1,530	4,672	7,591	-	-	38,264	-	472	429
Other revenue	188,936	250,592	23,962	348,715	67,925	6,616	27,974	28,276	28,526
Total revenue	777,859	1,310,457	648,290	413,935	254,478	249,283	53,594	54,368	54,575
Expenses									
Wages and benefits	334,647	281,309	335,043	36,535	28,413	15,556	-	-	-
Payments to Jessica	-	-	-	-	2,800	191,580	-	-	-
Contracted services	123,127	76,063	180,572	34,945	106,848	2,338	-	-	-
Materials and supplies	58,304	42,129	15,824	295,690	6,997	919	-	-	-
Flow through funds	9,032	431,924	-	-	11,360	-	-	-	-
Amortization	-	-	-	-	-	-	-	21,526	21,117
Professional fees	153,530	101,167	42,520	-	-	-	1,340	3,010	4,340
Other expenses	113,219	(137,784)	73,623	36,765	(91,840)	19,593	52,254	25,045	23,429
Total expenses	791,859	794,808	647,582	403,935	64,578	229,986	53,594	49,581	48,886
Other income	(14,000)	515,649	708	10,000	189,900	19,297	-	4,787	5,689
Annual surplus (deficit)	\$ (14,000)\$	317,450 \$	(83,190)\$	10,000 \$	68,567 \$	19,297 \$	- \$	4,787 \$	5,689

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

17. SEGMENTED INFORMATION, continued

	Community Pillar Services			Ottawa Trust Funds			Capital Fund		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues									
Community Pillar Funds	\$ 256,635	\$ 182,423	\$ 140,000	-	\$ -	\$ 2,404	-	\$ -	\$ -
Interest	-	-	-	-	-	1,622	-	-	-
Total revenue	256,635	182,423	140,000	-	2,404	1,622	-	-	-
Expenses									
Contracted services	83,000	45,992	30,812	-	-	-	-	-	-
Materials and supplies	17,400	10,502	9,951	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	185,986	151,190
Professional fees	560	97,668	47	-	-	-	-	-	-
Other expenses	142,115	91,116	93,032	-	-	-	-	-	(1)
Total expenses	243,075	245,278	133,842	-	2,404	1,622	-	185,986	151,189
Other income	13,560	(62,855)	6,158	-	-	-	-	(185,986)	(151,189)
Annual surplus (deficit)	\$ 13,560	\$ (62,855)	\$ 6,158	-	\$ 2,404	\$ 1,622	-	\$ (185,986)	\$ (151,189)

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

17. SEGMENTED INFORMATION, continued

		Consolidated totals		
		2022 Budget	2022 Actual	2021 Actual
Revenues				
Indigenous Services Canada		\$ 2,116,127	\$ 2,575,148	\$ 1,711,165
First Nations Health Authority		569,382	629,122	515,918
Own source revenues		434,554	433,073	494,596
BC Hydro		152,839	529,731	485,941
Community Pillar Funds		256,635	182,423	140,000
First Nations Emergency Services		108,810	-	108,810
Rental		91,206	91,206	95,888
Interest		9,623	19,503	53,814
Other revenue		783,524	817,804	283,609
Total revenue		4,522,700	5,278,010	3,889,741
Expenses				
Wages and benefits		1,178,792	956,180	899,055
Payments to Jessica		-	2,800	191,580
Contracted services		993,797	413,581	393,167
Materials and supplies		698,450	395,400	349,482
Flow through funds		9,032	443,284	373,350
Tuition		406,551	436,059	224,598
Amortization		-	207,512	172,307
Professional fees		392,207	313,512	202,114
Other expenses		1,015,419	(510,039)	708,051
Total expenses		4,694,248	2,658,289	3,513,704
Other income		(171,548)	2,619,721	376,037
Annual surplus (deficit)		\$ (171,548)\$	1,513,155 \$	212,269

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS **March 31, 2022**

18. COMPARATIVE AMOUNTS

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current period.