

CAYOOSE CREEK INDIAN BAND

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

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CAYOOSE CREEK INDIAN BAND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2023

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:



Councillor



Councillor

January 27, 2025

Date

January 27, 2025

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, 2023, 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, 2023, 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 Public Sector Accounting Standards ("PSAS").

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 PSAS, 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.
 January 27, 2025

CAYOOSE CREEK INDIAN BAND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<u>As at March 31</u>	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash	\$ 4,704,889	\$ 3,849,351
Restricted cash (Note 2)	170,811	138,128
Accounts receivable (Note 3)	190,764	194,406
Loans receivable from related parties (Note 4)	910,161	914,620
Rents receivables	9,811	121,726
Temporary investment (Note 5)	100,000	100,000
Long-term investments (Note 6)	188,409	188,409
	<hr/> 6,274,845	<hr/> 5,506,640
LIABILITIES		
Accounts payable (Note 7 and 18)	889,685	523,334
Replacement reserve fund (Note 8)	24,191	18,987
Deferred revenue (Note 9)	1,955,717	1,270,334
Long-term debt (Note 10)	1,245,651	1,470,737
	<hr/> 4,115,244	<hr/> 3,283,392
NET FINANCIAL ASSETS	2,159,601	2,223,248
NON-FINANCIAL ASSETS		
Capital assets (Note 11)	1,652,162	1,704,848
Prepaid expenses	12,916	-
	<hr/> 1,665,078	<hr/> 1,704,848
ACCUMULATED SURPLUS (Note 12 and Note 18))	\$ 3,824,679	\$ 3,928,096

APPROVED ON BEHALF OF THE CAYOOSE CREEK INDIAN BAND

 _____, Councillor
 _____, Councillor

CAYOOSE CREEK INDIAN BAND

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended March 31	2023 Budget	2023 Actual	2022
<u>ANNUAL SURPLUS (DEFICIT) (NOTE 18)</u>	\$ (839,511)	\$ (103,417)	\$ 371,493
Acquisition of tangible capital assets	-	(138,542)	(85,069)
Amortization of tangible capital assets	-	191,228	207,512
	-	52,686	122,443
Acquisition of prepaid asset	(12,916)	(12,916)	-
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(852,427)	(63,647)	493,936
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	-	2,223,248	1,729,312
NET FINANCIAL ASSETS AT END OF YEAR	\$ -	\$ 2,159,601	\$ 2,223,248

CAYOOSE CREEK INDIAN BAND

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31	2023 Budget	2023 Actual	2022 Actual
REVENUE			
Indigenous Services Canada	\$ 813,209	\$ 1,870,104	\$ 2,575,148
Government of Canada	-	703,988	150,199
BC Hydro	178,068	590,229	529,731
First Nations Health Authority	475,672	487,459	629,122
Own source revenues	54,339	300,043	282,874
Province of BC	-	208,040	193,953
Other	35,000	169,545	374,516
Interest	-	130,462	19,503
Rental	-	93,900	91,206
Lillooet Tribal Council	-	69,542	122,350
First Nations Education Steering Committee	-	54,530	34,274
Property tax assessed	-	34,947	21,735
Canada Mortgage and Housing Corporation	-	30,850	28,276
First Nations Emergency Services	120,715	16,997	-
Donations	-	3,000	2,700
Community Pillar Funds	-	-	182,423
New Relationship Trust	-	-	40,000
	1,677,003	4,763,636	5,278,010
EXPENSES			
Band Support	418,497	716,728	360,468
Education (Note 18)	-	341,227	555,557
Public Works	-	351,704	169,943
Social Assistance	682,573	290,171	197,131
Capacity Building	319,782	471,732	330,675
First Nation Health Authority	477,814	497,904	492,089
Business Planning	248,032	1,054,693	1,027,332
Band Housing	-	86,485	185,911
CMHC Housing	-	52,097	49,581
Community Pillar Services	369,815	148,348	245,278
Capital Fund	-	170,581	185,986
	2,516,513	4,181,670	3,799,951
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER	(839,511)	581,966	1,478,059
OTHER			
Transferred from deferred revenue	-	1,270,334	163,768
Transferred to deferred revenue	-	(1,955,717)	(1,270,334)
	-	(685,383)	(1,106,566)
ANNUAL SURPLUS (DEFICIT) (NOTE 18)	(839,511)	(103,417)	371,493
ACCUMULATED SURPLUS AT BEGINNING OF YEAR (NOTE18)	-	3,928,096	3,556,603
ACCUMULATED SURPLUS AT END OF YEAR (NOTE18)	\$ (839,511)	\$ 3,824,679	\$ 3,928,096

CAYOOSE CREEK INDIAN BAND

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2023	2023	2022
OPERATING ACTIVITIES		
ANNUAL SURPLUS (DEFICIT)	\$ (103,417)	\$ 371,493
Items not affecting cash		
Amortization of tangible capital assets	191,229	207,512
	87,812	579,005
Change in non-cash operating working capital	1,159,579	1,210,122
	1,247,391	1,789,127
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(138,543)	(85,069)
FINANCING ACTIVITIES		
Advances from related parties	-	(10,000)
Repayment of long-term debt	(225,086)	(81,191)
Proceeds from long-term debt	-	215,338
	(225,086)	124,147
INVESTING ACTIVITIES		
Advances of loans receivable to related parties	(200,000)	(84,735)
Repayment of loans receivable from related parties	204,459	-
Change of restricted cash	(32,683)	(8,816)
	(28,224)	(93,551)
INCREASE IN CASH AND CASH EQUIVALENTS	855,538	1,734,654
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,849,351	2,114,697
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,704,889	\$ 3,849,351

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

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 CPA Canada.

(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, 2023

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, 2023

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	0 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, 2023.

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, 2023 and March 31, 2022 the band does not recognize any liability for contaminated sites.

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

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.

	2023	2022
Replacement Reserve Fund - restricted cash	\$ 19,563	\$ 8,560
Operating Reserve Fund - restricted cash	43,807	25,785
Ottawa Trust Fund - restricted cash	107,441	103,783
	<hr/> \$ 170,811	<hr/> \$ 138,128

3. ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable - general	\$ 193,432	\$ 208,481
Indigenous Services Canada	-	95,605
Member loans	21,008	15,327
Province of BC	150,000	-
Union of BC Municipalities	31,068	67,925
	<hr/> 395,508	<hr/> 387,338
Allowance for doubtful accounts	(204,744)	(192,932)
	<hr/> \$ 190,764	<hr/> \$ 194,406

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

4. LOANS RECEIVABLE FROM RELATED PARTIES

	2023	2022
Loan receivable from Band Member Mortgage 2, monthly payment at various amounts with interest at 4%	\$ 710,161	\$ 710,884
Loan receivable from Band Member Mortgage 1, repaid in full during the year.	-	203,736
Loan receivable from Cayoose Creek Development Corp, with interest free for one year.	200,000	-
	\$ 910,161	\$ 914,620

5. TEMPORARY INVESTMENT

CIBC term deposit with interest rate at 0.40% matures on June 28, 2023. This term deposit is required as security for the First Nation's line of credit account.

6. LONG-TERM INVESTMENTS

	2023	2022
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 - held at cost	100	100
Investment in BC First Nations Gaming Revenue Sharing General Partner Inc. - held at cost	10	10
	110	110
	\$ 188,409	\$ 188,409

7. ACCOUNTS PAYABLE

	2023	2022
Trade payables	\$ 131,557	\$ 152,687
Flowthrough - Split Rock Environmental	231,643	-
Payroll payable	47,860	30,527
School district #74	478,625	340,120
	\$ 889,685	\$ 523,334

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

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.

	2023	2022
Balance, beginning of the year	\$ 18,987	\$ 14,134
Current year appropriations	5,800	5,800
Interest	573	47
Bank charges	(54)	(42)
Repairs and maintenance	(1,115)	(952)
	<hr/> \$ 24,191	<hr/> \$ 18,987

9. DEFERRED REVENUE

	March 31, 2022	Funding received, 2023	Revenue recognized, 2023	March 31, 2023
Federal government				
Indigenous Services Canada	\$ 1,050,626	\$ 606,043	\$ (562,440)	\$ 1,094,229
Provincial Government				
BC First Nation Gaming Revenue Sharing	49,573	300,043	(186,326)	163,290
Ministry of Children and Family Development	30,000	30,000	-	60,000
	<hr/> 79,573	<hr/> 330,043	<hr/> (186,326)	<hr/> 223,290
Other				
Own Source Revenue	55,176	500,000	(55,176)	500,000
BC Hydro	84,959	195,623	(142,384)	138,198
	<hr/> 140,135	<hr/> 695,623	<hr/> (197,560)	<hr/> 638,198
	<hr/> \$ 1,270,334	<hr/> \$ 1,631,709	<hr/> \$ (946,326)	<hr/> \$ 1,955,717

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023

10. LONG-TERM DEBT

	2023	2022
Bank of Montreal construction loan payable on demand. Interest calculated at prime plus 1.00% per annum. Secured by a general charge against operations.*	\$ 707,257	\$ 710,884
All Nations Trust Company loan repayable in blended monthly installments of \$3,284.45 including interest at 3.98% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due for renewal on November 1, 2027; loan matures on November 1, 2042.	538,394	559,041
Bank of Montreal construction loan payable on demand. Interest calculated at prime plus 1.00% per annum. Repaid in full during the year.	-	200,812
	\$ 1,245,651	\$ 1,470,737

* See Note 19 for additional information.

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

2024	\$ 725,632
2025	19,120
2026	19,895
2027	20,701
2028 and thereafter	460,303
	\$ 1,245,651

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

11. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated amortization				2023 net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2023 net book value	
Buildings	\$ 3,519,432	\$ -	\$ -	\$ 3,519,432	\$ 2,007,918	\$ 134,996	\$ 2,142,914	\$ 1,376,518	
Equipment	435,808	79,968	-	515,776	273,251	31,012	304,263	211,513	
Infrastructure	1,506,353	58,575	-	1,564,928	1,475,576	25,221	1,500,797	64,131	
	\$ 5,461,593	\$ 138,543	\$ -	\$ 5,600,136	\$ 3,756,745	\$ 191,229	\$ 3,947,974	\$ 1,652,162	

	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	

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023

12. ACCUMULATED SURPLUS

	2023	2022
Unrestricted		
Operating Fund	\$ 2,443,677	\$ 2,335,096
Capital Fund	1,113,769	1,145,807
	<hr/> 3,557,446	<hr/> 3,480,903
Restricted		
CMHC Housing	54,095	50,025
Community Pillar Services	105,698	293,385
Ottawa Trust Funds	107,440	103,783
	<hr/> 267,233	<hr/> 447,193
	<hr/> \$ 3,824,679	<hr/> \$ 3,928,096

13. 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 an 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 Lightfoot 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.

14. 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, 2023

15. 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: 2024 \$ 11,628, 2025 \$ 11,628.

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

16. 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, 2023

16. SEGMENTED INFORMATION, continued

	Band Support		Education		Public Works		2023 Budget	2023 Actual	2022 Actual
	2023 Budget	2023 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget			
Revenues									
Indigenous Services Canada	\$ 148,944	\$ 264,553	\$ 339,640	\$ 554,061	\$ 569,011	\$ 362,574			
First Nations Health Authority	-	736	-	-	-	-			
Rental	-	710	366	-	-	-			
Interest	-	120,676	11,955	-	-	-			
Other revenue	-	89,065	86,944	62,819	44,316	23,883			2,733
Total revenue	148,944	475,740	438,905	616,880	613,327	386,457			370,008
Expenses									
Wages and benefits	240,690	317,914	190,781	-	-	111,216			54,263
Contracted services	14,080	61,899	55,050	-	633	-	9,317		7,087
Materials and supplies	22,956	26,181	27,347	-	5,489	41,611	-	111,418	17,295
Tuition	-	-	-	-	264,625	381,960	-	-	-
Professional fees	40,500	104,017	50,284	-	-	-	-	-	-
Other expenses	100,272	206,717	37,006	-	70,480	131,986	-	119,753	91,298
Total expenses	418,498	716,728	360,468	-	341,227	555,557	-	351,704	169,943
Other income	(269,554)	(240,988)	78,437	-	275,653	57,770	-	34,753	200,065
	-	27,486	(53,385)	-	(39,702)	-	-	20,502	(102,128)
Annual surplus (deficit)	\$ (269,554)	\$ (213,502)	\$ 25,052	-	\$ 235,951	\$ 57,770	-	\$ 55,255	\$ 97,937

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

16. SEGMENTED INFORMATION, continued

	Social Assistance			Capacity Building		First Nation Health Authority			
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual
Revenues									
Indigenous Services Canada	\$ 663,453	\$ 491,765	\$ 747,498	\$ 812	\$ 77,097	\$ 338,002	-	\$ 486,723	\$ 629,122
First Nations Health Authority	-	-	-	-	-	-	475,672	-	-
BC Hydro	-	-	-	50,000	67,555	-	-	-	-
First Nations Emergency Services	-	-	-	120,715	16,997	-	-	-	-
Other revenue	-	60,454	30,000	-	58,819	185,144	-	70,054	121,874
Total revenue	663,453	552,219	777,498	171,527	220,468	523,146	475,672	556,777	750,996
Expenses									
Wages and benefits	312,582	175,058	103,800	89,532	137,963	125,958	241,988	212,692	171,656
Contracted services	80,550	11,245	28,670	26,188	18,650	23,501	28,791	61,591	70,370
Materials and supplies	76,000	19,822	-	121,562	119,429	100,562	101,849	118,448	148,957
Professional fees	-	4,769	-	40,000	138,796	43,133	5,050	5,150	18,250
Other expenses	213,441	79,277	64,661	42,500	56,894	37,521	100,136	100,023	82,856
Total expenses	682,573	290,171	197,131	319,782	471,732	330,675	477,814	497,904	492,089
Other income	(19,120)	262,048	580,367	(148,255)	(251,264)	192,471	(2,142)	58,873	258,907
Annual surplus (deficit)	\$ (19,120)	\$ 57,620	\$ 85,875	\$ (148,255)	\$ (162,594)	\$ 55,442	\$ (2,142)	\$ 58,873	\$ 258,907

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

16. SEGMENTED INFORMATION, continued

	Business Planning		2022 Actual	2023 Budget	Band Housing		2022 Actual	2023 Budget	CMHC Housing	
	2023 Budget	2023 Actual			2023 Actual	2022 Budget			2023 Actual	2022 Actual
Revenues										
Indigenous Services Canada	\$ -	\$ -	\$ 92,389	\$ -	\$ 120,054	\$ 121,333	\$ -	\$ -	\$ -	\$ -
Own source revenues	-	300,043	282,874	-	-	-	-	-	-	-
BC Hydro	128,068	522,674	529,731	-	-	-	-	-	-	-
Rental	-	765	-	-	66,805	65,220	-	-	25,620	25,620
Interest	-	3,431	4,672	-	-	-	-	-	2,698	472
Other revenue	35,000	905,355	400,791	-	(26,857)	67,925	-	-	30,850	28,276
Total revenue	163,068	1,732,268	1,310,457	-	160,002	254,478	-	59,168	54,368	
Expenses										
Wages and benefits	50,886	121,539	281,309	-	44,156	28,413	-	-	-	-
Contracted services	36,447	137,184	76,063	-	22,704	106,848	-	-	-	-
Materials and supplies	132,896	(16,640)	42,129	-	919	6,997	-	-	-	-
Flow through funds	-	599,633	431,924	-	-	11,360	-	-	-	-
Amortization	-	-	-	-	-	-	-	-	20,648	21,526
Professional fees	-	126,682	101,167	-	-	-	-	-	3,800	3,010
Other expenses	27,803	86,295	94,740	-	18,706	32,293	-	-	27,649	25,045
Total expenses	248,032	1,054,693	1,027,332	-	86,485	185,911	-	52,097	49,581	
Other income	(84,964)	677,575	283,125	-	73,517	68,567	-	7,071	4,787	
Annual surplus (deficit)	\$ (84,964)	\$ 200,754	\$ 84,926	-	\$ (27,573)	\$ (52,766)	-	\$ 7,071	\$ 4,787	

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

16. SEGMENTED INFORMATION, continued

	Community Pillar Services			Ottawa Trust Funds			Capital Fund		
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual
Revenues									
Own source revenues	\$ 54,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Pillar Funds	-	-	182,423	-	-	-	-	-	-
Interest	-	-	-	-	3,657	2,404	-	-	-
Total revenue	54,339	-	182,423	-	3,657	2,404	-	-	-
Expenses									
Contracted services	35,000	63,163	45,992	-	-	-	-	-	-
Materials and supplies	18,350	15,382	10,502	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	170,581	185,986
Professional fees	130,956	6,329	97,668	-	-	-	-	-	-
Other expenses	185,509	63,474	91,116	-	-	-	-	-	-
Total expenses	369,815	148,348	245,278	-	-	-	-	170,581	185,986
Other income	(315,476)	(148,348)	(62,855)	-	3,657	2,404	-	(170,581)	(185,986)
Annual surplus (deficit)	\$ (315,476)\$	(148,348)\$	(62,855)\$	-	\$ 3,657 \$	2,404 \$	-	\$ (170,581)\$	(185,986)

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

16. SEGMENTED INFORMATION, continued

		2023 Budget	2023 Actual	Consolidated totals 2022 Actual
Revenues				
Indigenous Services Canada		\$ 813,209	\$ 1,870,104	\$ 2,575,148
First Nations Health Authority		475,672	487,459	629,122
Own source revenues		54,339	300,043	282,874
BC Hydro		178,068	590,229	529,731
Community Pillar Funds		-	-	182,423
First Nations Emergency Services		120,715	16,997	-
Rental		-	93,900	91,206
Interest		-	130,462	19,503
Other revenue		35,000	1,274,442	968,003
Total revenue		1,677,003	4,763,636	5,278,010
Expenses				
Wages and benefits		935,678	1,120,538	956,180
Contracted services		221,056	386,386	413,581
Materials and supplies		473,613	400,448	395,400
Flow through funds		-	599,633	443,284
Tuition		-	264,625	381,960
Amortization		-	191,229	207,512
Professional fees		216,506	389,543	313,512
Other expenses		669,661	829,268	688,522
Total expenses		2,516,514	4,181,670	3,799,951
Other income		(839,511)	581,966	1,478,059
		-	(685,383)	(1,106,566)
Annual surplus (deficit)		\$ (839,511)	\$ (103,417)	\$ 371,493

CAYOOSE CREEK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

17. COMPARATIVE AMOUNTS

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

18. PRIOR PERIOD RESTATEMENT

In previous years, amounts owing to School District #74 were omitted in the financial statements.

As a result of the changes, the financial statements have been restated as follows:

For the year ended March 31	As previously stated in 2022 Actual	Adjustments		Restated 2023 Actual
		Increase (Decrease)	Actual	
Consolidated Statement of Financial Position				
Liabilities				
Accounts payable	\$ 351,775	\$ 171,559	\$ 523,334	
Accumulated surplus	4,099,655	(171,559)	3,928,096	
Consolidated Statement of Operations				
Expenses				
Education	609,656	(54,099)	555,557	
Annual surplus	317,394	54,099	371,493	
Consolidated Statement of Accumulated surplus				
Accumulated surplus at beginning of year	3,782,261	(225,658)	3,556,603	
Accumulated surplus at end of year	4,099,655	(171,559)	3,928,096	
Consolidated Statement of Change in Net Financial Assets				
Net financial assets at beginning of year	1,954,970	(225,658)	1,729,312	
Net financial assets at end of year	\$ 2,394,807	\$ (171,559)	\$ 2,223,248	

19. SUBSEQUENT EVENTS

On October 27, 2023, the Bank of Montreal construction loan was transferred to a band member personally.

Subsequent to the year end, Chief and Council engaged MNP LLP to perform a forensic audit for potential violations of the Band's financial, human resources, and other policies following concerns raised by Band members over disbursement and discretionary spending of health funding and other sources of Band funding. An estimate of the financial effect is uncertain as of March 31, 2023.