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# Consolidated financial statements of Okanagan Indian Band

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March 31, 2021

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# **Management's Responsibility for Financial Reporting**

The accompanying consolidated financial statements (the "financial statements") of Okanagan Indian Band (the "Band") as at March 31, 2021 and for the year then ended are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. 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.

Management maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Okanagan Indian Band Council ("Council") is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

Council reviews the financial statements and approves them. Council meets periodically with management, as well as the external auditor, 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 financial statements and the independent auditor's report. Council considers its findings when approving the financial statements.

The financial statements have been approved by Council. In addition, these financial statements have been audited by Deloitte LLP in accordance with Canadian generally accepted auditing standards. Deloitte LLP has full access to Council.

A photograph of a handwritten signature in black ink, appearing to read "John Dohly".

Chief Councillor

A photograph of a handwritten signature in black ink, appearing to read "John Dohly".

Executive Director

## Independent Auditor's Report

To the Members of  
Okanagan Indian Band

### Opinion

We have audited the accompanying consolidated financial statements of Okanagan Indian Band (the "Band"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the accompanying financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2021, and the results of its operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

### Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Band 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.

PSAS requires that tangible capital assets be recorded at cost and amortized over their estimated useful lives, less any provision for impairment. Certain tangible capital assets acquired prior to 2010 were expensed in the accounting records at the time of acquisition or construction, and the cost of these assets and their date of acquisition or construction has not been determined. We were unable to obtain sufficient, appropriate audit evidence to support the carrying value of tangible capital assets as at March 31, 2021 and March 31, 2020. Consequently, we were unable to determine whether any adjustments were necessary to tangible capital assets as at March 31, 2021 and March 31, 2020, excess of revenues over expenses for the years ended March 31, 2021 and March 31, 2020 or accumulated surplus as at March 31, 2021, March 31, 2020 and April 1, 2019.

### 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 PSAS, 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 Band'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 Band or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Band'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 GAAS 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 GAAS, 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 Band'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 Band'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 Band 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.

*Deloitte LLP*

Chartered Professional Accountants  
September 22, 2021  
Vancouver, British Columbia

**Okanagan Indian Band**

**Consolidated statement of operations and accumulated surplus**

Year ended March 31, 2021

Notes	Budget	2021	2020
	\$	\$	\$
<b>Revenue</b>			
Federal government transfers	10	<b>23,338,178</b>	<b>18,912,794</b>
General revenue	21	<b>4,848,322</b>	<b>2,251,917</b>
Contract revenue		<b>2,055,685</b>	<b>2,062,916</b>
Provincial government transfers		<b>1,134,225</b>	<b>1,891,725</b>
Forestry Consultation and			
Revenue Sharing Agreement		<b>1,855,067</b>	<b>827,536</b>
Rent		<b>1,620,053</b>	<b>1,516,282</b>
Income from Band owned entities	7	<b>450,000</b>	<b>1,178,705</b>
Interest and investment income		<b>50,000</b>	<b>4,992</b>
		<b>35,351,530</b>	<b>29,674,398</b>
			<b>20,161,318</b>
<b>Expenses</b>			
Education	19	<b>5,589,865</b>	<b>5,208,664</b>
Band government		<b>6,575,241</b>	<b>4,250,268</b>
Social services		<b>3,436,855</b>	<b>3,221,841</b>
Lands management		<b>3,485,757</b>	<b>3,044,993</b>
Economic development		<b>2,454,763</b>	<b>2,462,876</b>
Public works		<b>3,135,941</b>	<b>1,889,485</b>
Territorial stewardship		<b>2,575,350</b>	<b>1,817,919</b>
Health		<b>1,717,994</b>	<b>1,733,183</b>
Amortization		—	<b>875,687</b>
Council	20	<b>845,484</b>	<b>839,277</b>
Housing		<b>740,000</b>	<b>714,294</b>
Land claims		<b>150,000</b>	<b>153,002</b>
Employment programs		—	<b>22,000</b>
		<b>30,707,250</b>	<b>26,211,489</b>
Excess (deficiency) of revenue over expenses		<b>4,644,280</b>	<b>3,462,909</b>
Accumulated surplus, beginning of year		<b>20,320,212</b>	<b>20,320,212</b>
<b>Accumulated surplus, end of year</b>		<b>24,964,492</b>	<b>23,783,121</b>
			<b>20,320,212</b>

The accompanying notes are an integral part of the consolidated financial statements.

**Okanagan Indian Band**  
**Consolidated statement of changes in net debt**  
Year ended March 31, 2021

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	<b>2021</b> \$	2020 \$
<b>Excess (deficiency) of revenue over expenses</b>	<b>3,462,909</b>	(1,017,127)
Acquisition of tangible capital assets	(4,176,975)	(604,918)
Proceeds on disposal of tangible capital assets	376,280	500
Gain on disposal of tangible capital assets	(211,767)	—
Amortization of tangible capital assets	875,687	789,367
Change in prepaid expenses	(87,518)	(22,230)
Change in net debt	238,616	(854,408)
Net debt, beginning of year	<b>(1,218,040)</b>	(363,632)
<b>Net debt, end of year</b>	<b>(979,424)</b>	(1,218,040)

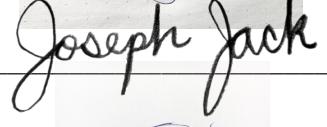
The accompanying notes are an integral part of the consolidated financial statements.

**Okanagan Indian Band**  
**Consolidated statement of financial position**  
As at March 31, 2021

	Notes	2021	2020
		\$	\$
<b>Financial assets</b>			
Cash and cash equivalents	2	<b>8,967,626</b>	2,495,292
Accounts receivable	3	<b>3,020,815</b>	940,382
Loan receivable	4	<b>206,642</b>	213,256
Due from Government	5	<b>953,570</b>	317,575
Investment in Band-owned entities	7	<b>3,211,227</b>	2,101,238
Funds held in Ottawa Trust	8	<b>4,528,233</b>	4,533,608
		<b><u>20,888,113</u></b>	<u>10,601,351</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	9	<b>3,460,174</b>	1,883,042
Deferred revenue	10	<b>10,531,914</b>	3,345,788
Due to Government	11	<b>21,322</b>	31,629
Employee benefit obligations	12	<b>254,510</b>	247,078
Security deposits	13	<b>3,580</b>	3,405
Long-term debt	15	<b>7,596,037</b>	6,308,449
		<b><u>21,867,537</u></b>	<u>11,819,391</u>
Net debt		<b><u>(979,424)</u></b>	<u>(1,218,040)</u>
Commitments and contingencies	22		
<b>Non-financial assets</b>			
Tangible capital assets (Schedule)		<b>24,373,205</b>	21,103,039
Property under development	6	<b>66,609</b>	200,000
Prepaid expenses		<b>322,731</b>	235,213
		<b><u>24,762,545</u></b>	<u>21,538,252</u>
<b>Accumulated surplus</b>	16	<b><u>23,783,121</u></b>	<u>20,320,212</u>

The accompanying notes are an integral part of the consolidated financial statements.

Approved on behalf of Chief and Council

  
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Chief  
  
\_\_\_\_\_  
Chair of Finance and Audit Committee  
  
\_\_\_\_\_  
Director of Finance

**Okanagan Indian Band**  
**Consolidated statement of cash flows**  
Year ended March 31, 2021

	<b>2021</b> \$	2020 \$
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	<b>3,462,909</b>	(1,017,127)
Items not affecting cash:		
Amortization	<b>875,687</b>	789,367
Gain on disposal of tangible capital assets	<b>(211,767)</b>	—
Income from Band-owned entities	<b>(1,178,705)</b>	(21,350)
	<b>2,948,123</b>	(249,111)
Changes in non-cash working capital		
Accounts receivable	<b>(2,080,433)</b>	191,175
Due from Government	<b>(635,995)</b>	(142,426)
Prepaid expenses	<b>(87,518)</b>	(22,230)
Due to Government	<b>(10,307)</b>	(442,857)
Accounts payable and accrued liabilities	<b>1,577,134</b>	(163,349)
Deferred revenue	<b>7,186,126</b>	(116,273)
Employee benefit obligations	<b>7,432</b>	29,005
Security deposits	<b>175</b>	150
	<b>8,904,737</b>	(915,916)
<b>Capital activities</b>		
Additions to tangible capital assets	<b>(4,176,975)</b>	(604,918)
Proceeds on disposals of tangible capital assets	<b>376,280</b>	500
	<b>(3,800,695)</b>	(604,418)
<b>Financing activities</b>		
Proceeds from long-term debt	<b>1,683,446</b>	87,735
Repayment of long-term debt	<b>(395,858)</b>	(379,396)
	<b>1,287,588</b>	(291,661)
<b>Investing activities</b>		
Loan receivable	<b>6,614</b>	6,952
Advances to Band-owned entities	<b>(381,285)</b>	—
Withdrawals from Band-owned entities	<b>—</b>	17,491
Distributions from Band-owned entities	<b>450,000</b>	—
Funds held in Ottawa Trust	<b>5,375</b>	370,737
	<b>80,704</b>	395,180
Change in cash and cash equivalents	<b>6,472,334</b>	(1,416,815)
Cash and cash equivalents, beginning of year	<b>2,495,292</b>	3,912,107
Cash and cash equivalents, end of year	<b>8,967,626</b>	2,495,292
<b>Supplementary cash flow information</b>		
Interest paid	<b>105,040</b>	89,101

The accompanying notes are an integral part of the consolidated financial statements.

## **1. Significant accounting policies**

Okanagan Indian Band (the Band) is part of the Okanagan Nation, which is comprised of seven Indian Bands, including the Lower Similkameen Indian Band, Upper Similkameen Indian Band, Osoyoos Indian Band, Penticton Indian Band, Westbank First Nation, Upper Nicola Indian Band and the Okanagan Indian Band. Okanagan Indian Band is located at the head of Okanagan Lake in Vernon, British Columbia, and provides various services to its members.

These financial statements, which represent the operations of the Okanagan Indian Band ("OKIB") as represented by its Band Council, have been prepared in accordance with Canadian public sector accounting standards. The significant accounting policies are as follows:

### *Asset classification*

Assets are classified as either financial or non-financial. Financial assets are assets that can be used to discharge existing liabilities or 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 and may be consumed in normal operations. Non-financial assets include tangible capital assets, property under development, and prepaid expenses. Intangible assets, and items inherited by right of the Crown, are not recognized in the financial statements.

### *Cash and cash equivalents*

Cash and cash equivalents consist of cash at banks and short-term money market instruments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

### *Property under development*

Property under development consists of residential lots that can be developed for the purposes of generating revenue from sales for the Band. Property under development is carried at the lower of cost and net realizable value, with net realizable value being determined as the estimated selling price less estimated costs to sell.

### *Investment in Band-owned entities*

Business entities which meet the definition of a government business enterprise are included in the financial statements using the modified equity method and, as such, the accounting policies of these entities are not adjusted to conform with those of the Band. These include:

- (i) Okanagan Indian Band Land Holding Company Ltd.
- (ii) Okanagan Band Development Corporation
- (iii) The Okanagan Indian Band Group of Companies, which consists of the following operational entities:
  - OKIB Forestry Limited Partnership
  - OKIB Operations Limited Partnership
  - OKIB Assets Limited Partnership
  - OKIB Management Services Limited Partnership

The Band has a subsidiary, 631640 B.C. Ltd., which does not meet the definition of a government business enterprise, and as a result the accounts of this company have been consolidated in the Band's financial statements.

The Band also owns certain other entities which are either inactive or have limited operations.

## **1. Significant accounting policies (continued)**

### *Funds held in trust*

Interest earned on funds held in trust are accounted for on an accrual basis. All other revenue paid to funds in trust are recorded when received.

### *Tangible capital assets*

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the assets. The cost of the capital assets is amortized using the declining balance method at the following annual rates:

Buildings and improvements	4-5%
General equipment	20%
Infrastructure	2%

When conditions indicate that a tangible capital asset no longer contributes to the ability to provide goods or services, or that the value of future economic benefits is less than its book value, the carrying value of the asset is reduced to reflect the decline in value.

### *Revenue recognition*

Government transfers from the federal and provincial governments that do not include stipulations are recognized as revenue when the transfers have been authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. Government transfers with stipulations are recognized as revenue in the period the transfers are authorized, and eligibility criteria and stipulations are met.

Restricted contributions received under terms of agreements are recognized as revenue in the year in which the related expenses are incurred. Unexpended restricted contributions are deferred. Unrestricted contributions are recognized as revenue when received.

Revenue from leases is recognized on a straight-line basis as it is earned based on the lease agreements and when collectability is reasonable assured. General revenue, contract revenue and other income are recognized when the risks and rewards have passed to the buyer, the price is fixed and determinable, and collectability is reasonably assured. Interest and investment income is recognized on an accrual basis when earned.

### *Use of estimates*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the determination of the allowance for doubtful accounts, the useful lives and recoverability of tangible capital assets, and the recording of deferred revenue where appropriate. Actual results could differ from those estimates.

### *Employee benefits*

Under the terms and conditions of employment, Band employees may qualify and earn benefits for annual leave, elective leave, severance and other benefits. The estimated liability for these benefits is recorded as the benefits are earned by employees. Severance liabilities are recorded when employees are identified for lay-off.

## **1. Significant accounting policies (continued)**

### *Liability for contaminated sites*

The Band recognizes and measures a liability for remediation of contaminated sites where:

- an environmental standard exists;
- contaminated levels exceed the environmental standards;
- the Band is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is based on the present value of the estimated costs directly attributable to the remediation and post-remediation activities.

As at March 31, 2021 and 2020, no contaminated sites have been identified that meet the criteria outlined above.

## **2. Cash and cash equivalents**

Under the terms of agreements with Canada Mortgage and Housing Corporation ("CMHC"), the Band must set aside funds annually for the repair, maintenance or replacement of certain tangible capital assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC, with any interest earned to be credited as revenue to the appropriate housing fund.

	<b>2021</b>	2020
	\$	\$
Externally restricted		
CMHC reserves	<b>1,003,067</b>	986,628
Unrestricted		
Band operating (Note 14)	<b>7,681,131</b>	912,915
Social housing operating	<b>283,428</b>	595,749
	<b>7,964,559</b>	1,508,664
	<b>8,967,626</b>	2,495,292
Cash and cash equivalents consist of		
Cash	<b>7,904,557</b>	1,448,662
Cash equivalents	<b>1,063,069</b>	1,046,630
	<b>8,967,626</b>	2,495,292

**Okanagan Indian Band**  
**Notes to the consolidated financial statements**  
March 31, 2021

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**3. Accounts receivable**

	<b>2021</b>	2020
	\$	\$
Accounts receivable	<b>2,452,235</b>	941,560
Less: allowance for doubtful accounts	<b>(110,785)</b>	(110,914)
<b>Net accounts receivable</b>	<b>2,341,450</b>	830,646
Social housing rents receivable	<b>143,110</b>	127,451
Less: allowance for doubtful accounts	<b>(43,271)</b>	(39,562)
CMHC loan advances receivable	<b>466,869</b>	—
CMHC funding receivable	<b>55,728</b>	—
Other accounts receivable	<b>18,689</b>	—
Net social housing receivable	<b>641,125</b>	87,889
Band member accounts receivable	<b>54,382</b>	48,484
Less: allowance for doubtful accounts	<b>(16,142)</b>	(26,637)
Net band member accounts receivable	<b>38,240</b>	21,847
	<b>3,020,815</b>	940,382

**4. Loan receivable**

	<b>2021</b>	2020
	\$	\$
Term loan receivable from a Band member bearing interest at 4.25% per annum, repayable in monthly blended instalments of \$1,322, original maturity date of March 1, 2020, secured by a personal guarantee and by the related property.	<b>206,642</b>	213,256

During the year, \$8,943 (\$9,231 in 2020) of interest was received related to this loan.

**5. Due from Government**

	<b>2021</b>	2020
	\$	\$
Federal Government		
Indigenous Services Canada ("ISC")	<b>879,836</b>	239,755
Sales taxes	<b>18,897</b>	21,627
	<b>898,733</b>	261,382
Other organizations		
Okanagan Training & Development Council (OTDC)	<b>54,837</b>	56,193
	<b>54,837</b>	56,193
	<b>953,570</b>	317,575

## 6. Property under development

Property under development as at March 31, 2020 consisted of nine residential building lots.

During fiscal 2021 six lots were transferred to tangible capital assets in connection with the construction of a new housing development.

	<b>2021</b>	2020
	\$	\$
Balance, beginning of year	<b>200,000</b>	200,000
Additions	—	—
Used for housing construction	<b>(133,338)</b>	—
Balance, end of year	<b>66,662</b>	200,000

## 7. Investment in Band owned entities

The Band has ownership interests in the following Band owned entities, which are all 100% enterprise investments.

OKIB Group of Companies	Okanagan Indian Band Land Holding Company Ltd.	Okanagan Band Development Corporation	<b>2021 Total</b>
	\$	\$	\$
Shares	3	331,864	120
			<b>331,987</b>
Advances			
Opening balance	(179,451)	1,560,356	671
Advances (withdrawals)	376,280	4,105	900
Closing balance	<b>196,829</b>	<b>1,564,461</b>	<b>1,571</b>
			<b>1,762,861</b>
Retained earnings			
Opening balance	941,007	(560,239)	6,907
Net income (loss)	1,188,420	(8,815)	(900)
Distributions	(450,000)	—	—
Closing balance	<b>1,679,427</b>	<b>(569,054)</b>	<b>6,007</b>
Net investment	<b>1,876,259</b>	<b>1,327,271</b>	<b>7,698</b>
			<b>3,211,227</b>

**Okanagan Indian Band**  
**Notes to the consolidated financial statements**  
March 31, 2021

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**7. Investment in Band owned entities (continued)**

	OKIB Group of Companies	Okanagan Indian Band Land Holding Company Ltd.	Okanagan Band Development Corporation	2020 Total
	\$	\$	\$	\$
Shares	2	331,864	120	331,986
Advances				
Opening balance	(161,960)	1,561,928	(229)	1,399,739
Advances (withdrawals)	(17,491)	(1,570)	900	(18,161)
Closing balance	(179,451)	1,560,358	671	1,381,578
Retained earnings				
Opening balance	925,534	(566,116)	6,907	366,325
Net income	15,473	5,877	—	21,350
Distributions	—	—	—	—
Closing balance	941,007	(560,239)	6,907	387,675
Net investment	761,558	1,331,983	7,698	2,101,238

Financial information for Band owned entities for is as follows:

	Assets \$	Liabilities \$	Net assets (deficit) \$	Revenue \$	Expenses \$	2021 Net income (loss) \$
OKIB Group of Companies	4,017,629	2,561,202	1,456,427	2,496,016	1,307,596	1,188,420
Okanagan Indian Band Land Holding Company Ltd.	1,271,404	1,574,530	(303,126)	15,400	24,215	(8,815)
Okanagan Band Development Corporation	7,362	1,571	6,691	—	900	(900)

**Okanagan Indian Band**  
**Notes to the consolidated financial statements**  
March 31, 2021

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**7. Investment in Band owned entities (continued)**

	Assets \$	Liabilities \$	Net assets (deficit) \$	Revenue \$	Expenses \$	2020 Net income (loss) \$
OKIB Group of Companies	937,270	249,263	688,007	643,632	628,159	15,473
Okanagan Indian Band Land Holding Company Ltd.	1,275,314	1,567,294	(291,980)	23,100	17,223	5,877
Okanagan Band Development Corporation	7,362	671	6,691	—	—	—

**8. Funds held in Ottawa Trust**

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds are primarily governed by Sections 63 through 69 of the Indian Act.

	Capital account \$	Revenue account \$	Total 2021 \$	Total 2020 \$
Balance, beginning of year	<b>258,964</b>	<b>4,274,644</b>	<b>4,533,608</b>	4,904,344
Receipts during the year				
Federal government interest	—	<b>55,041</b>	<b>55,041</b>	76,381
Province of British Columbia	—	<b>4,584</b>	<b>4,584</b>	4,550
Permits and leases	—	<b>538,000</b>	<b>538,000</b>	256,333
Distributions	—	<b>(603,000)</b>	<b>(603,000)</b>	(708,000)
Balance, end of year	<b>258,964</b>	<b>4,269,269</b>	<b>4,528,233</b>	4,533,608

Up to and including the fiscal year ended March 31, 2012, the Band received cumulative royalty payments of \$793,430 relating to the sale of aggregates. These funds were deposited into the Band's unrestricted cash, but under the terms of an agreement were required to be contributed to the funds held in Ottawa Trust. The Band anticipates making the transfer of these funds to the Ottawa Trust at such time that a designation vote is held and when cash resources allow.

**9. Accounts payable and accrued liabilities**

	2021 \$	2020 \$
Trade accounts payable and accrued liabilities	<b>1,836,324</b>	868,807
Social assistance payable	<b>43,060</b>	42,547
Accrued education costs	<b>1,328,097</b>	750,986
Salaries and wages payable	<b>252,693</b>	220,702
	<b>3,460,174</b>	1,883,042

## **10. Deferred revenue**

To the extent that budgeted funding is received in excess of amounts spent the excess is recorded as an increase to deferred revenue. The following table presents the changes to the components of deferred revenue during the year.

	Balance at March 31, 2020 \$	Funding received \$	Revenue recognized \$	Balance at March 31, 2021 \$
ISC	1,241,900	4,788,558	(641,914)	<b>5,388,544</b>
Health Authority	801,201	193,601	(216,636)	<b>778,166</b>
Other	1,302,687	3,525,086	(462,569)	<b>4,365,204</b>
	<b>3,345,788</b>	<b>8,507,245</b>	<b>(1,321,119)</b>	<b>10,531,914</b>

## **11. Due to Government**

	2021 \$	2020 \$
ISC	<b>21,322</b>	31,629
	<b>21,322</b>	31,629

## **12. Employee benefit obligations**

	2021 \$	2020 \$
Vacation pay and overtime	<b>245,749</b>	243,379
Pension contributions (Note 19)	<b>8,761</b>	3,699
	<b>254,510</b>	247,078

The vacation pay and overtime consist of amounts that employees have earned and are entitled to within the next budgetary year.

## **13. Security deposits**

Security deposits are received from tenants of Band owned properties and CMHC social housing units.

## **14. Bank indebtedness**

The Band has available an operating line of credit with a maximum authorized limit of \$900,000 which bears interest at the bank prime rate plus 0.75% per annum and is secured by a general security agreement over the Band's assets.

**Okanagan Indian Band**  
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**15. Long-term debt**

	<b>2021</b> \$	2020 \$
Phase 11 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$2,264 including interest at 1.97% per annum, mortgage interest term matures October 1, 2022, mortgage matures October 1, 2022 and is secured by ministerial guarantee	<b>42,318</b>	68,379
Phase 12 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$3,137 including interest at 1.69% per annum, mortgage interest term matures August 1, 2024, mortgage matures August 1, 2024 and is secured by ministerial guarantee	<b>124,890</b>	160,112
Phase 13 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$1,953 including interest at 1.03% per annum, mortgage interest term matures October 1, 2021, mortgage matures July 1, 2026 and is secured by ministerial guarantee	<b>121,557</b>	143,620
Phase 14 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$1,699 including interest at 1.97% per annum, mortgage interest term matures December 1, 2022, mortgage matures July 1, 2027 and is secured by ministerial guarantee	<b>121,333</b>	139,157
Phase 15 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$2,417 including interest at 1.86% per annum, mortgage interest term matures April 1, 2024, mortgage matures February 1, 2029 and is secured by ministerial guarantee	<b>213,392</b>	238,199
Phase 16 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$2,228 including interest at 0.68% per annum, mortgage interest term matures August 1, 2024, mortgage matures July 1, 2025 and is secured by ministerial guarantee	<b>114,121</b>	139,870
Phase 18 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$5,771 including interest at 0.76% per annum, mortgage interest term matures December 1, 2025, mortgage matures November 1, 2035 and is secured by ministerial guarantee	<b>960,875</b>	1,020,637
Balance carried forward	<b>1,698,486</b>	1,909,975

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**15. Long-term debt (continued)**

	<b>2021</b> \$	2020 \$
Balance brought forward	<b>1,698,486</b>	1,909,975
Phase 19 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$1,944 including interest at 2.22% per annum, mortgage interest term matures January 1, 2024, mortgage matures November 1, 2033 and is secured by ministerial guarantee	<b>257,562</b>	275,006
Phase 20 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$3,294 including interest at 1.14% per annum, mortgage interest term matures June 1, 2021, mortgage matures June 1, 2041 and is secured by ministerial guarantee	<b>714,625</b>	745,851
Phase 21 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$4,014 including interest at 2.41% per annum, mortgage interest term matures April 1, 2023, mortgage matures April 1, 2043 and is secured by ministerial guarantee	<b>806,962</b>	835,450
Phase 22 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$6,142 including interest at 1.22% per annum, mortgage interest term matures May 1, 2021, mortgage matures May 1, 2046 and is secured by ministerial guarantee	<b>1,587,919</b>	—
Winfield 15 Units - Bank of Montreal demand loan payable in monthly installments of \$3,134 including interest at prime rate plus 1% per annum, secured by a mortgage on the related property	<b>130,705</b>	163,208
Six Mile Mould Remediation - Bank of Montreal demand loan payable in monthly installments of \$1,035 plus interest at prime rate plus 1% per annum, secured by a mortgage on the related property	<b>53,820</b>	66,240
Six Mile Renovation Costs - Bank of Montreal demand loan payable in monthly installments of \$2,592 plus interest at prime rate plus 1% per annum, secured by a mortgage on the related property	<b>406,873</b>	437,971
Land Purchase - Bank of Montreal demand loan payable in monthly instalments of \$4,959 including interest at the bank prime rate plus 1% per annum, secured by the related property	<b>805,750</b>	836,939
Balance carried forward	<b>6,462,702</b>	5,270,641

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**15. Long-term debt (continued)**

	<b>2021</b> \$	2020 \$
Balance brought forward	<b>6,462,702</b>	5,270,641
Indigenous Services Canada		
Native Claims Loan Agreement payable, without interest, and unsecured on the date on which the Commonage claim is settled (i)	<b>332,659</b>	332,659
Indigenous Services Canada		
Native Claims Loan Agreement payable, without interest and unsecured, due on the date on which the Colonial claim is settled	<b>800,676</b>	705,149
	<b>7,596,037</b>	6,308,449

(i) This loan from Indigenous Services Canada had a maturity date of March 31, 2018. To date the maturity date has not been modified, nor has a new maturity date been agreed to.

Minimum required principal repayments on the long-term debt over the next five years and thereafter are as follows:

	\$
2022	497,212
2023	491,530
2024	481,212
2025	463,807
2026	391,153
Thereafter	<b>5,271,123</b>
	<b>7,596,037</b>

**16. Accumulated surplus**

Accumulated surplus consists of individual fund balances. The use of certain surpluses have specific requirements.

	<b>2021</b> \$	2020 \$
Band accumulated deficit	<b>(1,724,651)</b>	(2,065,696)
Equity in investments in Band-owned entities	<b>3,211,227</b>	2,101,238
CMHC housing reserves (Note 17)	<b>951,949</b>	917,277
Equity in Ottawa Trust Funds	<b>4,528,233</b>	4,533,608
Restricted capital surplus	<b>39,195</b>	39,195
Equity in tangible capital assets	<b>16,777,168</b>	14,794,590
	<b>23,783,121</b>	20,320,212

**17. Housing replacement reserves**

	<b>2021</b>	2020
	\$	\$
CMHC replacement reserves		
Beginning balance	<b>861,753</b>	835,363
Current provision	<b>75,259</b>	75,259
Interest earned	<b>11,446</b>	18,090
Disbursements	<b>(52,033)</b>	(66,959)
	<b>896,425</b>	861,753
Okanagan Indian Band replacement reserves		
Beginning balance	<b>55,524</b>	55,524
Disbursements	<b>—</b>	—
	<b>55,524</b>	55,524
	<b>951,949</b>	917,277

**18. Defined contribution plan**

The Band maintains a defined contribution pension plan. Employee contributions are deducted as a percentage of earnings and the Band matches employee contributions. During the year, the Band contributed \$236,944 (\$225,898 in 2020) to the defined contribution pension plan and does not have any other obligations with regard to the pension plan.

**19. Expenses by object**

	<b>2021</b>	2020
	\$	\$
Wages and salaries	<b>8,018,124</b>	7,662,097
Member support	<b>2,503,082</b>	1,791,698
Administration	<b>2,480,376</b>	2,009,619
Duck Lake project contributions	<b>2,275,000</b>	—
Student expenses	<b>2,162,113</b>	2,479,396
UXO removal costs	<b>2,000,000</b>	—
Professional fees	<b>1,500,424</b>	1,506,651
Repair and maintenance	<b>1,493,581</b>	1,915,168
Materials and supplies	<b>1,168,212</b>	931,495
Amortization	<b>875,687</b>	789,367
Council	<b>839,277</b>	970,525
Utilities	<b>326,128</b>	297,467
Travel	<b>257,352</b>	550,387
Community services	<b>207,093</b>	185,474
Interest	<b>105,040</b>	89,101
	<b>26,211,489</b>	21,178,445

**Okanagan Indian Band**  
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**20. Council expenses**

	<b>2021</b> \$	2020 \$
Honoraria	<b>322,785</b>	326,293
Meeting costs and benefits	<b>134,231</b>	146,040
Travel	<b>3,190</b>	61,224
	<b>460,206</b>	533,557
Recovery of travel costs	<b>(1,551)</b>	(15,746)
Net Council expenses	<b>458,655</b>	517,811
Discretionary Council expenses:		
Legal fees	<b>331,253</b>	359,973
Contractor costs	<b>42,682</b>	52,458
Consulting contract fees	<b>4,899</b>	28,028
Materials and supplies	<b>489</b>	8,821
Other expenses	<b>1,299</b>	3,434
	<b>380,622</b>	452,714
Total Council expenses	<b>839,277</b>	970,525

**21. General revenue**

	<b>2021</b> \$	2020 \$
First Nations Gaming Revenue Share	<b>794,213</b>	740,648
First Nations and other funding	<b>1,193,174</b>	1,973,759
CMHC subsidies	<b>237,985</b>	196,392
Daycare fees and subsidies	<b>26,545</b>	74,552
	<b>2,251,917</b>	2,985,351

**22. Commitments and contingencies**

The Band has provided guarantees for housing loans for certain members, and is contingently liable for repayment of these loans to the extent that scheduled repayments are not being made by the members. As at March 31, 2021, the Band had provided guarantees for 12 loans (12 loans as at 2020) for which a cumulative balance of \$2,350,557 (\$2,419,092 at 2020) is outstanding.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Band in future periods.

**23. Comparative figures**

Certain comparative figures have been reclassified to comply with the method of presentation adopted in the current year.