
Consolidated financial statements of Okanagan Indian Band

March 31, 2022

Management's Responsibility for Financial Reporting	1
Independent Auditor's Report	2-3
Consolidated statement of operations and accumulated surplus	4
Consolidated statement of changes in net debt	5
Consolidated statement of financial position	6
Consolidated statement of cash flows	7
Notes to the consolidated financial statements	8-20
Consolidated schedule of tangible capital assets	21

Management's Responsibility for Financial Reporting

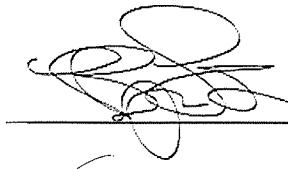
The accompanying consolidated financial statements (the "financial statements") of Okanagan Indian Band (the "Band") as at March 31, 2022 and for the year then ended are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector 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.

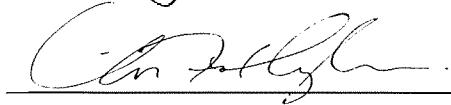
The Okanagan Indian Band Council ("Council") is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

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.



Chief Councillor



Executive Director

Independent Auditor's Report

To the Members of
Okanagan Indian Band

Qualified 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, 2022, 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 section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2022, 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

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 their 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, 2022 and March 31, 2021. Consequently, we were unable to determine whether any adjustments were necessary to tangible capital assets as at March 31, 2022 and March 31, 2021, excess of revenues over expenses for the years ended March 31, 2022 and March 31, 2021 or accumulated surplus as at March 31, 2021, March 31, 2020 and April 1, 2019. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this scope limitation.

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 qualified opinion.

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

July 28, 2022

Vancouver, British Columbia

Okanagan Indian Band
Consolidated statement of operations and accumulated surplus
Year ended March 31, 2022

Notes	Budget	2022	2021
	\$	\$	\$
Revenue			
Federal government transfers	10	41,312,290	24,684,954
General revenue	21	4,181,948	2,837,421
Contract revenue		1,321,790	2,141,148
Provincial government transfers		8,569,908	1,938,949
Forestry Consultation and Revenue Sharing Agreement		987,782	827,536
Rent		1,769,517	1,676,081
Income from Band owned entities	7	750,000	327,877
Interest and investment income		26,145	11,000
		58,919,380	34,444,966
			28,688,249
Expenses			
Band government	19	10,110,173	6,660,906
Education		6,571,583	5,947,010
Public works		17,838,531	2,609,706
Lands management		4,934,595	3,342,639
Health		2,050,785	3,131,830
Social services		5,255,277	2,736,160
Territorial stewardship		2,392,997	2,376,588
Amortization		—	1,004,561
Council	20	645,922	939,915
Housing		810,000	727,045
Economic development		179,763	179,763
Land claims		75,000	72,406
		50,864,626	29,728,529
			25,225,340
Excess of revenue over expenses		8,054,754	4,716,437
Accumulated surplus, beginning of year		23,783,121	20,320,212
Accumulated surplus, end of year		31,837,875	28,499,558
			23,783,121

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, 2022

	2022	2021
	\$	\$
Excess of revenue over expenses	4,716,437	3,462,909
Acquisition of tangible capital assets	(7,805,526)	(4,176,975)
Proceeds on disposal of tangible capital assets	14,048	376,280
Gain on disposal of tangible capital assets	(13,277)	(211,767)
Amortization of tangible capital assets	1,004,561	875,687
Change in prepaid expenses	(966,903)	(87,518)
Change in net debt	(3,050,660)	238,616
Net debt, beginning of year	(979,424)	(1,218,040)
Net debt, end of year	(4,030,084)	(979,424)

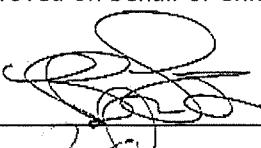
The accompanying notes are an integral part of the consolidated financial statements.

Okanagan Indian Band
Consolidated statement of financial position
As at March 31, 2022

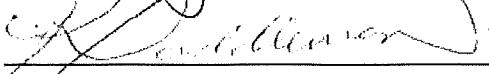
	Notes	2022	2021
		\$	\$
Financial assets			
Cash and cash equivalents	2	24,004,253	8,967,626
Accounts receivable	3	2,361,160	3,020,815
Loan receivable	4	199,414	206,642
Due from Government	5	1,327,684	953,570
Investment in Band-owned entities	7	3,573,202	3,211,227
Funds held in Ottawa Trust	8	4,833,164	4,528,233
		<u>36,298,877</u>	<u>20,888,113</u>
Liabilities			
Accounts payable and accrued liabilities	9	4,326,249	3,460,174
Deferred revenue	10	24,929,542	10,531,914
Due to Government	11	21,322	21,322
Employee benefit obligations	12	336,258	254,510
Security deposits	13	3,855	3,580
Long-term debt	15	10,711,735	7,596,037
		<u>40,328,961</u>	<u>21,867,537</u>
Net debt		(4,030,084)	(979,424)
Commitments and contingencies	22		
Non-financial assets			
Tangible capital assets (Schedule)		31,173,346	24,373,205
Property under development	6	66,662	66,662
Prepaid expenses		1,289,634	322,678
		<u>32,529,642</u>	<u>24,762,545</u>
Accumulated surplus	16	28,499,558	23,783,121

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

Approved on behalf of Chief and Council



Chief



Chair of Finance and Audit Committee



Director of Finance

Okanagan Indian Band
Consolidated statement of cash flows
Year ended March 31, 2022

	2022 \$	2021 \$
Operating activities		
Excess (deficiency) of revenue over expenses	4,716,437	3,462,909
Items not affecting cash:		
Amortization	1,004,561	875,687
Gain on disposal of tangible capital assets	(13,277)	(211,767)
Income from Band-owned entities	(327,877)	(1,178,705)
	5,379,844	2,948,123
Changes in non-cash working capital		
Accounts receivable	659,655	(2,080,433)
Due from Government	(374,114)	(635,995)
Prepaid expenses	(966,956)	(87,518)
Due to Government	—	(10,307)
Accounts payable and accrued liabilities	866,128	1,577,134
Deferred revenue	14,397,628	7,186,126
Employee benefit obligations	81,748	7,432
Security deposits	275	175
	20,044,208	8,904,737
Capital activities		
Additions to tangible capital assets	(7,805,526)	(4,176,975)
Proceeds on disposals of tangible capital assets	14,048	376,280
	(7,791,478)	(3,800,695)
Financing activities		
Proceeds from long-term debt	3,575,952	1,683,446
Repayment of long-term debt	(460,035)	(395,858)
	3,115,917	1,287,588
Investing activities		
Loan receivable	7,228	6,614
Advances to Band-owned entities	(34,317)	(381,285)
Distributions from Band-owned entities	—	450,000
Funds held in Ottawa Trust	(304,931)	5,375
	(332,020)	80,704
Change in cash and cash equivalents	15,036,627	6,472,334
Cash and cash equivalents, beginning of year	8,967,626	2,495,292
Cash and cash equivalents, end of year	24,004,253	8,967,626
Supplementary cash flow information		
Interest paid	87,089	105,040

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

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2022

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.

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2022

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 revenue amounts 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.

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2022

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, 2022 and 2021, 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.

	2022	2021
	\$	\$
Externally restricted CMHC reserves	844,946	1,003,067
Unrestricted		
Band operating (Note 14)	22,552,442	7,681,131
Social housing operating	606,865	283,428
	23,159,307	7,964,559
	24,004,253	8,967,626
Cash and cash equivalents consist of		
Cash	22,492,290	7,904,557
Cash equivalents	1,511,963	1,063,069
	24,004,253	8,967,626

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2022

3. Accounts receivable

	2022 \$	2021 \$
Accounts receivable	2,178,751	2,452,235
Less: allowance for doubtful accounts	(134,896)	(110,785)
Net accounts receivable	2,043,855	2,341,450
Social housing rents receivable	285,049	143,110
Less: allowance for doubtful accounts	(51,729)	(43,271)
CMHC loan advances receivable	—	466,869
CMHC funding receivable	35,000	55,728
Other accounts receivable	—	18,689
Net social housing receivable	268,320	641,125
Band member accounts receivable	64,018	54,382
Less: allowance for doubtful accounts	(15,033)	(16,142)
Net band member accounts receivable	48,985	38,240
	2,361,160	3,020,815

4. Loan receivable

	2022 \$	2021 \$
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	199,414	206,642

During the year, \$8,643 (\$8,943 in 2021) of interest was received related to this loan.

5. Due from Government

	2022 \$	2021 \$
Federal Government		
Indigenous Services Canada ("ISC")	570,092	879,836
Sales taxes	22,818	18,897
	592,910	898,733
Provincial Government	347,542	—
Other organizations		
BC Housing	321,843	—
Okanagan Training & Development Council (OTDC)	65,389	54,837
	387,232	54,837
	1,327,684	953,570

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2022

6. Property under development

Property under development as at April 1, 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. No further activity occurred in fiscal 2022.

	2022 \$	2021 \$
Balance, beginning of year	66,662	200,000
Additions	—	—
Used for housing construction	—	(133,338)
Balance, end of year	66,662	66,662

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	2022 Total \$
Shares	3	331,864	120
Advances			331,987
Opening balance	196,829	1,564,461	1,571
Advances (withdrawals)	29,135	4,282	900
Closing balance	225,964	1,568,743	2,471
Retained earnings			1,797,178
Opening balance	1,679,427	(569,054)	6,007
Net income (loss)	336,722	(8,165)	(900)
Distributions	—	—	—
Closing balance	2,016,149	(577,219)	5,107
Net investment	2,242,116	1,323,388	7,698
			3,573,202

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2022

7. Investment in Band owned entities (continued)

	OKIB Group of Companies	Okanagan Indian Band Land Holding Company Ltd.	Okanagan Band Development Corporation	2021 Total
	\$	\$	\$	\$
Shares	3	331,864	120	331,987
Advances				
Opening balance	(179,451)	1,560,356	671	1,381,576
Advances (withdrawals)	376,280	4,105	900	381,285
Closing balance	196,829	1,564,461	1,571	1,762,861
Retained earnings				
Opening balance	941,007	(560,239)	6,907	387,675
Net income (loss)	1,188,420	(8,815)	(900)	1,178,705
Distributions	(450,000)	—	—	(450,000)
Closing balance	1,679,427	(569,054)	6,007	1,116,380
Net investment	1,876,259	1,327,271	7,698	3,211,227

Financial information for Band owned entities for is as follows:

	Assets \$	Liabilities \$	Net assets (deficit) \$	Revenue \$	Expenses \$	2022 Net income (loss) \$
OKIB Group of Companies	4,372,312	2,579,164	1,793,148	1,627,252	1,290,530	336,722
Okanagan Indian Band Land Holding Company Ltd.	1,267,540	1,578,280	(310,740)	13,200	21,365	(8,165)
Okanagan Band Development Corporation	7,362	3,371	3,991	—	900	(900)
	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, 2022

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 \$	2022 Total \$	2021 Total \$
Balance, beginning of year	258,964	4,269,269	4,528,233	4,533,608
Receipts during the year				
Federal government interest	—	78,016	78,016	55,041
Province of British Columbia	—	4,574	4,574	4,584
Permits and leases	—	953,167	953,167	538,000
Other	29,175	—	29,175	—
Distributions	—	(760,000)	(760,000)	(603,000)
Balance, end of year	288,138	4,545,026	4,833,164	4,528,233

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

	2022 \$	2021 \$
Trade accounts payable and accrued liabilities	2,517,353	1,836,324
Accrued education costs	1,158,210	1,328,097
Salaries and wages payable	328,843	252,693
Construction holdback payable	321,843	—
Social assistance payable	—	43,060
	4,326,249	3,460,174

10. Deferred revenue

In cases where restricted contributions are received that are in excess of the related amounts spent, the excess is recorded as deferred revenue. The following table presents the significant components of the Band's deferred revenue:

	2022 \$	2021 \$
ISC	18,888,209	5,388,544
Health Authority	923,736	778,166
Other	5,117,597	4,365,204
	24,929,542	10,531,914

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2022

11. Due to Government

	2022	2021
	\$	\$
ISC	21,322	21,322

12. Employee benefit obligations

	2022	2021
	\$	\$
Vacation pay and overtime	325,570	245,749
Pension contributions (Note 19)	10,688	8,761
	336,258	254,510

The vacation pay and overtime consist of amounts that employees have earned and are entitled to within the next fiscal 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
Notes to the consolidated financial statements
March 31, 2022

15. Long-term debt

	2022 \$	2021 \$
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	15,473	42,318
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	89,076	124,890
Phase 13 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$1,957 including interest at 1.12% per annum, mortgage interest term matures July 1, 2026, mortgage matures July 1, 2026 and is secured by ministerial guarantee	99,287	121,557
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	103,162	121,333
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	188,132	213,392
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	88,082	114,121
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 Balance carried forward	898,701 1,481,913	960,875 1,698,486

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2022

15. Long-term debt (continued)

	2022 \$	2021 \$
Balance brought forward	1,481,913	1,698,486
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	239,742	257,562
Phase 20 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$3,291 including interest at 1.13% per annum, mortgage interest term matures June 1, 2026, mortgage matures June 1, 2041 and is secured by ministerial guarantee	683,039	714,625
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	777,830	806,962
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, 2026, mortgage matures May 1, 2046 and is secured by ministerial guarantee	1,542,391	1,587,919
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	97,095	130,705
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	41,400	53,820
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	375,774	406,873
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	773,683	805,750
Balance carried forward	6,012,867	6,462,702

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2022

15. Long-term debt (continued)

	2022 \$	2021 \$
Balance brought forward	6,012,867	6,462,702
BC Housing Loans		
Loans secured by Ministerial Loan Guarantees, bearing interest at a variable rate not to exceed RBC prime plus 1%, with repayment terms to be determined upon project completion	3,490,943	—
Indigenous Services Canada		
Native Claims Loan Agreement payable, without interest, and unsecured on the date on which the Commonage claim is settled (i)	332,659	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	875,266	800,676
	10,711,735	7,596,037

(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:

	\$
2023	474,251
2024	463,508
2025	446,679
2026	374,990
2027	347,795
Thereafter	8,604,512
	10,711,735

16. Accumulated surplus

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

	2022 \$	2021 \$
Band accumulated deficit	(1,307,514)	(1,724,651)
Equity in investments in Band-owned entities	3,573,202	3,211,227
CMHC housing reserves (Note 17)	899,900	951,949
Equity in Ottawa Trust Funds	4,833,164	4,528,233
Restricted capital surplus	39,195	39,195
Equity in tangible capital assets	20,461,611	16,777,168
	28,499,558	23,783,121

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2022

17. Housing replacement reserves

	2022	2021
	\$	\$
CMHC replacement reserves		
Beginning balance	896,425	861,753
Current provision	117,904	75,259
Interest earned	4,226	11,446
Disbursements	(173,609)	(52,033)
	844,946	896,425
Okanagan Indian Band replacement reserves		
Beginning balance	55,524	55,524
Disbursements	(570)	—
	54,954	55,524
	899,900	951,949

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 \$229,328 (\$236,944 in 2021) to the defined contribution pension plan and does not have any other obligations with regard to the pension plan.

19. Expenses by object

	2022	2021
	\$	\$
Wages and salaries	8,836,911	8,018,124
Repair and maintenance	4,330,047	1,493,581
Professional fees	2,919,083	1,500,424
Student expenses	2,669,317	2,162,113
UXO removal costs	2,520,000	2,000,000
Member support	2,187,782	2,503,082
Materials and supplies	2,048,919	1,168,212
Administration	1,357,868	1,494,227
Amortization	1,004,561	875,687
Council	939,915	839,277
Utilities	348,462	326,128
Travel	275,947	257,352
Community services	155,842	207,093
Interest	133,875	105,040
Duck Lake project contributions	—	2,275,000
	29,728,529	25,225,340

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2022

20. Council expenses

	2022	2021
	\$	\$
Honoraria	360,102	322,785
Meeting costs and benefits	123,351	134,231
Travel	2,716	3,190
	486,169	460,206
Recovery of travel costs	(121)	(1,551)
Net Council expenses	486,048	458,655
Discretionary Council expenses:		
Legal fees	389,158	331,253
Contractor costs	5,255	42,682
Consulting contract fees	54,990	4,899
Materials and supplies	3,278	489
Other expenses	1,186	1,299
	453,867	380,622
Total Council expenses	939,915	839,277

21. General revenue

	2022	2021
	\$	\$
First Nations and other funding	2,086,837	207,025
First Nations Gaming Revenue Share	452,643	794,213
CMHC subsidies	249,301	237,985
Daycare fees and subsidies	48,640	26,545
	2,837,421	1,265,768

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, 2022, the Band had provided guarantees for 13 loans (12 loans as at 2021) for which a cumulative balance of \$2,498,126 (\$2,350,557 at 2021) 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 were reclassified to conform with the method of presentation adopted in the current year.

Okanagan Indian Band
Consolidated schedule of tangible capital assets
Year ended March 31, 2022

	Social Housing			Band				Construction		2022
	Land	Buildings	Equipment	Land	Buildings	Equipment	Infrastructure	in progress	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost										
As at April 1, 2021	469,722	12,733,195	116,857	4,535,445	5,956,395	3,885,739	6,198,961	1,388,554	35,284,868	
Additions	—	—	—	—	11,860	978,007	41,822	6,773,837	7,805,526	
Transfers	—	—	—	—	—	—	—	—	—	
Disposals	—	—	—	—	—	(136,757)	—	—	(136,757)	
	469,722	12,733,195	116,857	4,535,445	5,968,255	4,726,989	6,240,783	8,162,391	42,953,637	
Accumulated amortization										
As at April 1, 2021	—	4,041,725	105,073	—	2,937,913	2,943,539	883,413	—	10,911,663	
Additions	—	434,217	1,903	—	133,470	334,296	100,675	—	1,004,561	
Disposals	—	—	—	—	—	(135,933)	—	—	(135,933)	
	—	4,475,942	106,976	—	3,071,383	3,141,902	984,088	—	11,780,291	
Net book value, March 31, 2022										
	469,722	8,257,253	9,881	4,535,445	2,896,872	1,585,087	5,256,695	8,162,391	31,173,346	
Cost										
As at April 1, 2020	336,384	10,801,828	116,857	4,535,445	5,895,555	5,241,513	5,914,251	—	32,841,833	
Additions	—	1,931,367	—	—	60,840	511,504	284,710	1,388,554	4,176,975	
Transfers	133,338	—	—	—	—	—	—	—	133,338	
Disposals	—	—	—	—	—	(1,867,278)	—	—	(1,867,278)	
	469,722	12,733,195	116,857	4,535,445	5,956,395	3,885,739	6,198,961	1,388,554	35,284,868	
Accumulated amortization										
As at April 1, 2020	—	3,647,224	105,073	—	2,773,884	4,434,776	777,837	—	11,738,794	
Additions	—	394,501	—	—	164,029	211,581	105,576	—	875,687	
Disposals	—	—	—	—	—	(1,702,818)	—	—	(1,702,818)	
	—	4,041,725	105,073	—	2,937,913	2,943,539	883,413	—	10,911,663	
Net book value, March 31, 2021										
	469,722	8,691,470	11,784	4,535,445	3,018,482	942,200	5,315,548	1,388,554	24,373,205	