
Consolidated financial statements of Okanagan Indian Band

March 31, 2024

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Management's Responsibility for Financial Reporting

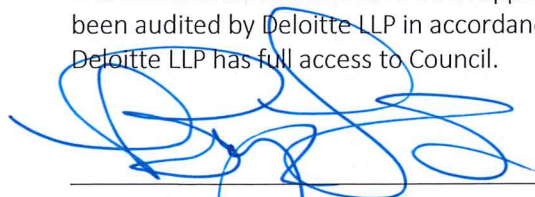
The accompanying consolidated financial statements (the "financial statements") of Okanagan Indian Band (the "Band") as at March 31, 2024 and for the year then ended are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector 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

CEO

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, 2024, and the consolidated statements of operations and accumulated surplus, changes in net financial assets 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, 2024, and the results of its operations, its changes in net financial assets 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, 2024 and March 31, 2023. Consequently, we were unable to determine whether any adjustments were necessary to tangible capital assets as at March 31, 2024 and March 31, 2023, excess of revenues over expenses for the years ended March 31, 2024 and March 31, 2023, or accumulated surplus as at March 31, 2024, March 31, 2023, and April 1, 2022. Our audit opinion on the financial statements for the year ended March 31, 2023 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

August 8, 2024

Vancouver, British Columbia

Okanagan Indian Band

Consolidated statement of operations and accumulated surplus

Year ended March 31, 2024

	Notes	Budget \$	2024 \$	2023 \$
Revenue				
Federal government transfers	10	33,690,462	26,171,386	34,387,906
Colonial claim advance payment	15	—	—	30,000,000
General revenue	22	11,489,288	5,913,325	3,745,267
Contract revenue		1,090,000	2,127,915	2,604,061
Provincial government transfers		4,970,099	3,174,058	1,529,861
Forestry Consultation and revenue sharing agreement		1,816,134	1,816,134	1,784,343
Rent		2,550,570	2,253,798	2,020,790
Income from band owned entities	7	—	2,171,974	2,125,676
Interest and investment income		300,000	1,389,663	496,602
		55,906,553	45,018,253	78,694,506
Expenses				
Band government	20	6,883,929	9,454,640	8,868,792
Education		9,077,025	6,276,466	6,161,196
Lands management		4,234,581	3,726,408	4,699,442
Health		9,850,327	6,469,199	4,337,920
Public works		5,230,347	1,726,588	4,229,859
Social services		3,356,192	4,769,759	3,976,687
Territorial stewardship		4,396,848	2,949,556	2,892,177
Amortization		—	1,627,679	1,087,756
Council	21	816,226	810,840	901,725
Housing		746,221	746,221	772,291
Land claims		442,800	390,326	590,569
Economic development		283,067	255,552	127,196
		45,317,563	39,203,234	38,645,610
Excess of revenue over expenses		10,588,990	5,815,019	40,048,896
Accumulated surplus, beginning of year		68,548,454	68,548,454	28,499,558
Accumulated surplus, end of year		79,137,444	74,363,473	68,548,454

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

Okanagan Indian Band**Consolidated statement of changes in net financial assets**

Year ended March 31, 2024

	2024	2023
	\$	\$
Excess of revenue over expenses	5,815,019	40,048,896
Acquisition of tangible capital assets	(5,242,657)	(38,523,761)
Proceeds on disposal of tangible capital assets	—	226,871
Amortization of tangible capital assets	1,627,679	1,087,756
Change in prepaid expenses	64,908	813,640
Change for the year	2,264,949	3,653,402
Net debt, beginning of year	(376,682)	(4,030,084)
Net financial assets (debt), end of year	1,888,267	(376,682)

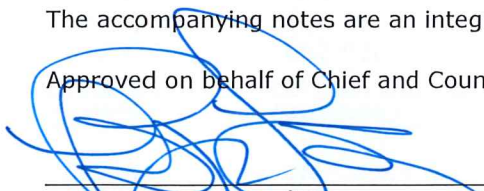
The accompanying notes are an integral part of the consolidated financial statements.

Okanagan Indian Band
Consolidated statement of financial position
As at March 31, 2024

	Notes	2024 \$	2023 \$
Financial assets			
Cash and cash equivalents	2	30,194,623	21,960,263
Accounts receivable	3	3,925,031	5,087,456
Colonial claim advance payment receivable	15	—	30,000,000
Loan receivable	4	184,007	191,874
Due from Government	5	18,234,463	5,133,469
Investment in Band-owned entities	7	6,777,366	4,951,368
Funds held in Ottawa Trust	8	6,460,718	5,738,076
		65,776,208	73,062,506
Liabilities			
Accounts payable and accrued liabilities	9	3,279,897	3,582,107
Deferred revenue	10	46,383,690	30,359,544
Due to Government	11	15,249	15,249
Employee benefit obligations	12	374,879	352,937
Security deposits	13	13,108	9,183
Long-term debt	16	13,821,118	39,120,168
		63,887,941	73,439,188
Net financial assets (debt)		1,888,267	(376,682)
Commitments and contingencies	23		
Non-financial assets			
Tangible capital assets (Schedule)		71,997,458	68,382,481
Property under development	6	66,662	66,662
Prepaid expenses		411,086	475,994
		72,475,206	68,925,137
Accumulated surplus	16	74,363,473	68,548,454

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, 2024

	2024	2023
	\$	\$
Operating activities		
Excess of revenue over expenses	5,815,019	40,048,896
Items not affecting cash		
Amortization	1,627,679	1,087,756
Income from Band-owned entities	(2,171,974)	(2,125,676)
Accrued Colonial claim advance payment	—	(30,000,000)
	5,270,724	9,010,976
Changes in non-cash working capital		
Accounts receivable	31,162,425	(2,726,296)
Due from Government	(13,100,994)	(3,805,785)
Prepaid expenses	64,908	813,640
Due to Government	—	(6,073)
Accounts payable and accrued liabilities	(302,211)	(744,142)
Deferred revenue	16,024,146	5,430,002
Employee benefit obligations	21,942	16,679
Security deposits	3,926	5,328
	39,144,865	7,994,329
Capital activities		
Additions to tangible capital assets	(5,242,657)	(38,523,761)
Proceeds on disposals of tangible capital assets	—	226,871
	(5,242,657)	(38,296,890)
Financing activities		
Proceeds from long-term debt	1,039,618	28,833,632
Repayment of long-term debt	(26,338,668)	(425,198)
	(25,299,050)	28,408,434
Investing activities		
Loan receivable	7,867	7,540
Advances to Band-owned entities	(4,023)	(2,490)
Distributions from Band-owned entities	350,000	750,000
Funds held in Ottawa Trust	(722,642)	(904,912)
	(368,798)	(149,862)
Change in cash and cash equivalents	8,234,360	(2,043,990)
Cash and cash equivalents, beginning of year	21,960,263	24,004,253
Cash and cash equivalents, end of year	30,194,623	21,960,263
Supplementary cash flow information		
Interest paid	297,664	1,259,772

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

1. Significant accounting policies

Okanagan Indian Band (the "Band" or "OKIB") 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) 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
- (ii) Okanagan Indian Band Land Holding Company Ltd.
- (iii) Okanagan Band Development Corporation

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 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.

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, 2024 and 2023, no contaminated sites have been identified that meet the criteria outlined above.

Asset retirement obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of property and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

Financial instruments

All financial assets and financial liabilities are measured at cost or amortized cost. Interest attributable to financial instruments are reported in the statement of operations. All financial assets are tested annually for impairment. In cases where financial assets are impaired, impairment losses are recorded in the statement of operations.

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.

	2024	2023
	\$	\$
Externally restricted		
CMHC reserves	699,594	652,578
Unrestricted		
Band operating (Note 14)	28,671,029	20,235,773
Social housing operating	824,000	1,071,912
	29,495,029	21,307,685
	30,194,623	21,960,263
Cash and cash equivalents consist of		
Cash	20,921,385	15,084,005
Cash equivalents	9,273,238	6,876,258
	30,194,623	21,960,263

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2024

3. Accounts receivable

	2024	2023
	\$	\$
Accounts receivable	3,696,195	4,820,912
Less: allowance for doubtful accounts	(92,377)	(173,209)
Net accounts receivable	<u>3,603,818</u>	<u>4,647,703</u>
 Social housing rents receivable	 291,204	 271,756
Less: allowance for doubtful accounts	(59,530)	(56,328)
CMHC funding receivable	—	140,000
Net social housing receivable	<u>231,674</u>	<u>355,428</u>
 Band member accounts receivable	 103,023	 99,427
Less: allowance for doubtful accounts	(13,484)	(15,102)
Net band member accounts receivable	<u>89,539</u>	<u>84,325</u>
	<u>3,925,031</u>	<u>5,087,456</u>

4. Loan receivable

	2024	2023
	\$	\$
Term loan receivable from a Band member bearing interest at 4.25% per annum, repayable in monthly blended instalments of \$1,322, maturity date of March 1, 2040, secured by a personal guarantee and by the related property	<u>184,007</u>	<u>191,874</u>

During the year, \$7,867 (\$8,329 in 2023) of interest was received related to this loan.

5. Due from Government

	2024	2023
	\$	\$
Federal government		
Indigenous Services Canada ("ISC")	17,190,022	4,414,586
Sales taxes	5,578	13,291
	<u>17,195,600</u>	<u>4,427,877</u>
 Provincial government	 <u>908,067</u>	 <u>—</u>
 Other organizations		
BC Housing	—	592,337
Okanagan Training & Development Council (OTDC)	130,796	113,255
	<u>130,796</u>	<u>705,592</u>
	<u>18,234,463</u>	<u>5,133,469</u>

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2024

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 since fiscal 2022.

	2024	2023
	\$	\$
Balance, beginning of year	66,662	66,662
Additions	—	—
Used for housing construction	—	—
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	2024 Total
	\$	\$	\$	\$
Shares	2	331,864	—	331,866
Advances				
Opening balance	219,812	1,576,606	3,371	1,799,789
Advances (withdrawals)	—	7,394	(3,371)	4,023
Closing balance	219,812	1,584,000	—	1,803,812
Retained earnings				
Opening balance	3,402,824	(579,739)	(3,371)	2,819,714
Net income (loss)	2,186,237	(17,634)	3,371	2,171,974
Distributions to OKIB	(350,000)	—	—	(350,000)
Closing balance	5,239,061	(597,373)	—	4,641,688
Net investment	5,458,875	1,318,491	—	6,777,366

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2024

7. Investment in Band owned entities (continued)

	OKIB Group of Companies \$	Okanagan Indian Band Land Holding Company Ltd. \$	Okanagan Band Development Corporation \$	2023 Total \$
Shares	2	331,864	—	331,866
Advances				
Opening balance	225,964	1,568,743	2,471	1,797,178
Advances (withdrawals)	(6,152)	7,863	900	2,611
Closing balance	219,812	1,576,606	3,371	1,799,789
Retained earnings				
Opening balance	2,016,150	(577,219)	5,107	1,444,038
Net income (loss)	2,136,674	(2,520)	(8,478)	2,125,676
Distributions to OKIB	(750,000)	—	—	(750,000)
Closing balance	3,402,824	(579,739)	(3,371)	2,819,714
Net investment	3,622,638	1,328,731	—	4,951,368

Financial information for Band owned entities for is as follows:

	Assets \$	Liabilities \$	Net assets (deficit) \$	Revenue \$	Expenses \$	2024 Net income (loss) \$
OKIB Group of Companies	8,984,275	4,229,362	4,754,911	5,809,435	3,623,198	2,186,237
Okanagan Indian Band Land Holding Company Ltd.	1,267,376	1,586,375	(318,999)	2,520	20,154	(17,634)

	Assets \$	Liabilities \$	Net assets (deficit) \$	Revenue \$	Expenses \$	2023 Net income (loss) \$
OKIB Group of Companies	6,113,379	2,913,557	3,199,822	5,512,315	3,375,641	2,136,674
Okanagan Indian Band Land Holding Company Ltd.	1,265,621	1,578,880	(313,259)	13,200	15,720	(2,520)
Okanagan Band Development						

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2024

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	2024 Total	2023 Total
	\$	\$	\$	\$
Balance, beginning of year	759,799	4,978,277	5,738,076	4,833,164
Receipts during the year				
Federal government interest	—	214,854	214,854	150,654
Permits and leases	—	1,398,000	1,398,000	1,262,597
Other	9,788	—	9,788	471,661
Distributions to OKIB	—	(900,000)	(900,000)	(980,000)
Balance, end of year	769,587	5,691,131	6,460,718	5,738,076

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 transfer of these funds to the Ottawa Trust could occur at such time that a designation vote is held and when cash resources allow.

9. Accounts payable and accrued liabilities

	2024	2023
	\$	\$
Trade accounts payable and accrued liabilities	2,180,736	2,746,009
Accrued education costs	853,661	71,507
Salaries and wages payable	245,500	172,254
Construction holdback payable	—	592,337
	3,279,897	3,582,107

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:

	2024	2023
	\$	\$
ISC	33,658,018	20,633,335
Provincial government and other	12,281,083	9,070,279
Health authority	444,589	655,930
	46,383,690	30,359,544

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2024

11. Due to Government

	2024	2023
	\$	\$
ISC	15,249	15,249

12. Employee benefit obligations

	2024	2023
	\$	\$
Vacation pay and overtime	369,636	341,949
Pension contributions (Note 19)	5,243	10,988
	374,879	352,937

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. No amount was utilized on this line of credit as at March 31, 2024 or 2023.

15. Colonial claim advance payment

The Band and the Government of Canada ("Canada") entered into an agreement, effective March 6, 2023, whereby the Band will receive an advance payment of \$30,000,000 in connection with the Colonial Reserve Claim that the Band has previously submitted to Canada.

This advance payment was received by the Band on April 13, 2023 and was used, in part, to repay a bank loan of \$25,870,000 which was advanced in August 2022 to fund the Band's purchase of the O'Keefe lands at that time.

Under the terms of the agreement described above the Band and Canada have agreed that the proceeds due to the Band as a result of a future settlement of the Colonial Reserve Claim will be reduced by the amount of this advance payment.

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2024

16. Long-term debt

	2024 \$	2023 \$
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	15,615	52,654
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	54,060	76,799
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 July 1, 2027, mortgage matures July 1, 2027 and is secured by ministerial guarantee	66,414	84,800
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	136,193	162,400
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	35,472	61,866
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	772,944	836,055
Balance carried forward	1,080,698	1,274,574

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2024

16. Long-term debt (continued)

	2024	2023
	\$	\$
Balance brought forward	1,080,698	1,274,574
Phase 19 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$2,072 including interest at 3.58% per annum, mortgage interest term matures January 1, 2029, mortgage matures November 1, 2033 and is secured by ministerial guarantee	203,107	221,523
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	618,788	651,086
Phase 21 - Canada Mortgage and Housing Corporation Mortgage payable in monthly installments of \$4,172 including interest at 3.12% per annum, mortgage interest term matures April 1, 2028, mortgage matures April 1, 2043 and is secured by ministerial guarantee	720,489	747,990
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	1,431,286	1,486,961
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	33,649	64,400
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	17,595	28,980
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	316,168	344,675
Land Purchase - Bank of Montreal demand loan payable in monthly instalments of \$5,425 including interest at the bank prime rate plus 1% per annum, secured by the related property	752,746	756,862
Balance carried forward	5,174,526	5,577,051

16. Long-term debt (continued)

	2024	2023
	\$	\$
Balance brought forward	5,174,526	5,577,051
Land Purchase - Bank of Montreal demand loan repayable on an interest-only basis, including interest at the bank prime rate plus 0.5% per annum, secured by the related property, repaid during the year	-	25,870,000
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 determine upon project completion	6,629,801	6,035,445
Indigenous Services Canada Native Claims Loan Agreement payable, without interest and unsecured, due on the date on which the Commonage claim is settled	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	1,684,132	1,305,013
	13,821,118	39,120,168

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

	\$
2025	466,616
2026	396,716
2027	372,060
2028	357,414
2029	350,000
Thereafter	11,878,312
	13,821,118

Okanagan Indian Band
Notes to the consolidated financial statements
March 31, 2024

17. Accumulated surplus

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

	2024	2023
	\$	\$
Band accumulated equity (deficit)	2,094,649	27,754,559
Equity in investments in Band-owned entities	6,777,366	4,951,368
CMHC housing reserves (Note 18)	815,207	802,945
Equity in Ottawa Trust Funds	6,460,718	5,738,076
Restricted capital surplus	39,193	39,194
Equity in tangible capital assets	58,176,340	29,262,312
	74,363,473	68,548,454

18. Housing replacement reserves

	2024	2023
	\$	\$
CMHC replacement reserves		
Beginning balance	652,576	844,946
Current provision	74,840	79,220
Interest earned	45,468	14,622
Disbursements	(73,291)	(186,602)
Transfer to OKIB replacement reserves	—	(99,610)
	699,592	652,576
Okanagan Indian Band replacement reserves		
Beginning balance	150,369	54,954
Disbursements	(34,754)	(4,195)
Transfer from CMHC replacement reserve	—	99,610
	115,615	150,369
	815,207	802,945

19. 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 \$314,991 (\$286,386 in 2023) to the defined contribution pension plan and does not have any other obligations with regard to the pension plan.

20. Expenses by object

	2024	2023
	\$	\$
Wages and salaries	12,989,023	10,954,300
Repair and maintenance	6,804,362	6,052,081
Professional fees	5,777,421	3,648,136
Member support	3,419,677	2,755,393
Administration	2,255,103	3,502,919
Materials and supplies	2,020,034	2,002,821
Student expenses	2,041,172	1,974,130
Amortization	1,627,679	1,087,756
Council	810,840	901,925
Travel	443,978	564,572
Utilities	378,367	394,645
Interest	299,512	1,259,772
Community services	251,176	235,472
UXO removal costs	84,890	3,311,688
	39,203,234	38,645,610

21. Council expenses

	2024	2023
	\$	\$
Honoraria	418,945	357,041
Meeting costs and benefits	151,861	194,273
Travel	82,349	43,159
	653,155	594,473
Recovery of travel costs	(10,744)	(2,621)
Net Council expenses	642,411	591,852
Discretionary Council expenses		
Legal fees	96,040	232,540
Contractor costs	14,922	12,847
Consulting contract fees	8,170	45,427
Materials and supplies	4,344	12,842
Other expenses	44,953	6,217
	168,429	309,873
Total Council expenses	810,840	901,725

22. General revenue

	2024 \$	2023 \$
First Nations and other funding	4,619,198	2,240,342
First Nations Gaming Revenue Share	992,494	1,068,741
CMHC subsidies and contribution	222,053	352,764
Daycare fees and subsidies	79,580	83,420
	5,913,325	3,745,267

23. 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, 2024, the Band had provided guarantees for 15 loans (13 loans as at 2023) for which a cumulative balance of \$2,476,513 (\$2,408,685 at 2023) is outstanding.

24. Risk management

The Band is exposed to credit and interest rate risk which arise from the Band's financial instruments.

(i) Credit risk

Financial assets which potentially subject the Government to concentrations of credit risk consist principally of accounts receivable and cash. In determining the recoverability of receivables, the Band considers any change in the credit quality of these receivables from the date credit was initially granted up to the reporting date and records an allowance for doubtful accounts in situations where collection is uncertain. Provisions required for these receivables are recorded as disclosed in Note 3. Cash is placed at a large national bank and as a result management feels credit risk relating to the Band's cash balances is not significant.

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Band's cash balances earn interest at a variable rate, and changes in market interest rate will affect interest revenue. In addition, some of the Band's long-term debt facilities bear interest at a variable rate and changes in the market rate of interest will impact the Band's interest expense in future periods. The Band does not use derivative financial instruments to mitigate this risk.

Okanagan Indian Band
Consolidated schedule of tangible capital assets
Year ended March 31, 2024

	Social Housing				Band			Construction in progress	2024 Total
	Land \$	Buildings \$	Equipment \$	\$	Land \$	Buildings \$	Equipment \$		
Cost									
As at April 1, 2023	399,088	12,101,949	98,857		31,963,575	14,312,954	5,098,012	874,392	80,757,518
Additions	—	—	—		—	1,211,546	562,523	2,313,861	5,242,657
Transfers	—	—	—		—	—	—	—	—
Disposals	—	—	—		—	—	—	—	—
	399,088	12,101,949	98,857		31,963,575	15,524,500	5,660,535	3,188,253	86,000,175
Accumulated amortization									
As at April 1, 2023	—	4,342,995	91,276		—	3,314,043	3,543,975	—	12,375,037
Additions	—	339,482	1,310		—	551,139	425,535	—	1,627,679
Disposals	—	—	—		—	—	—	—	—
	—	4,682,477	92,586		—	3,865,183	3,969,510	—	14,002,716
Net book value, March 31, 2024	399,088	7,419,472	6,271		31,963,575	11,659,317	1,691,025	3,188,253	71,997,458

	Social Housing				Band			Construction in progress	2023 Total
	Land \$	Buildings \$	Equipment \$	\$	Land \$	Buildings \$	Equipment \$		
Cost									
As at April 1, 2022	469,722	12,733,195	116,857		4,535,445	5,968,255	4,726,989	8,162,391	42,953,637
Additions	—	—	—		27,428,130	2,873,725	371,023	14,950	38,523,761
Transfers	—	—	—		—	5,470,974	—	(7,302,950)	—
Disposals	(70,634)	(631,246)	(18,000)		—	—	—	—	(719,880)
	399,088	12,101,949	98,857		31,963,575	14,312,954	5,098,012	874,392	80,757,518
Accumulated amortization									
As at April 1, 2022	—	4,475,942	106,976		—	3,071,383	3,141,902	—	11,780,291
Additions	—	342,855	1,508		—	242,660	402,072	—	1,087,756
Disposals	—	(475,801)	(17,208)		—	—	—	—	(493,009)
	—	4,342,995	91,276		—	3,314,043	3,543,975	—	12,375,037
Net book value, March 31, 2023	399,088	7,758,954	7,581		31,963,575	10,998,910	1,554,037	874,392	68,382,481

