

CAMPBELL RIVER INDIAN BAND
Consolidated Financial Statements
March 31, 2021

CAMPBELL RIVER INDIAN BAND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2021


The Chief and Council of the Campbell River Indian Band has delegated the responsibility for the integrity and objectivity of the financial information contained in the consolidated financial statements to the management of the Campbell River Indian Band. The consolidated financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Campbell River Indian Band's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these financial statements present fairly the Campbell River Indian Band's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

Chief and Council reviews the consolidated financial statements and approves them. Chief and 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 consolidated financial statements and the independent auditor's report. Chief and Council consider their findings when approving the consolidated financial statements for issuance.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These consolidated financial statements present, in all significant respects the financial position of the Campbell River Indian Band as at March 31, 2021.



Muhammad Imran, CPA, CGA, MBA
Chief Financial Officer

August 3, 2021



INDEPENDENT AUDITOR'S REPORT

To the Chief and Council of the Campbell River Indian Band

Opinion

We have audited the consolidated financial statements of the Campbell River Indian Band (the "Band"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2021, and the results of its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 consolidated 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 generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Chan Nawrood Boates Inc

Chartered Professional Accountants
Campbell River, BC

August 3, 2021

CAMPBELL RIVER INDIAN BAND

Consolidated Statement of Financial Position

March 31, 2021

2021

2020

(Note 21)

\$

\$

FINANCIAL ASSETS

Cash and Cash Equivalents (Note 2)	18,651,184	14,377,921
Trust Funds Held by Federal Government (Note 3)	214,824	214,824
Accounts Receivable (Note 4)	1,533,447	1,351,656
Inventory (Note 5)	303,381	318,233
Portfolio Investments (Note 6)	110	110
Investments in Government Business Partnerships (Note 7)	24,235,737	23,357,488
	<u>44,938,683</u>	<u>39,620,232</u>

LIABILITIES

Accounts Payable and Accrued Liabilities (Note 8)	1,682,079	1,053,004
Deferred Revenue (Note 9)	5,708,466	5,091,043
Long Term Debt (Note 10)	3,743,294	3,965,943
	<u>11,133,839</u>	<u>10,109,990</u>

NET FINANCIAL ASSETS

<u>33,804,844</u>	<u>29,510,242</u>
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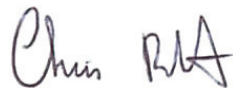
NON-FINANCIAL ASSETS

Prepaid Expenses	78,321	20,071
Tangible Capital Assets (Note 11)	14,999,908	17,356,768
	<u>15,078,229</u>	<u>17,376,839</u>

ACCUMULATED SURPLUS (Note 15)

<u>48,883,073</u>	<u>46,887,081</u>
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Approved by:



Chief



Councillor

CAMPBELL RIVER INDIAN BAND

Consolidated Statement of Operations and Accumulated Surplus

Year Ended March 31, 2021

	2021		2020
	Actual	Budget	
	\$	\$	\$
		(Note 18)	(Note 21)
Revenue			
Federal Government:			
Indigenous Services Canada	4,474,994	5,240,469	3,562,314
Ottawa Trust Funds	4,588	5,000	6,099
Canada Mortgage and Housing Corporation	113,133	113,133	107,828
First Nations Health Authority - Set Contribution	80,260	70,399	76,758
Province of British Columbia	564,901	516,700	413,416
School District 72	35,930	35,930	52,258
Taxation	2,446,821	2,446,301	2,403,450
Income from Government Business Partnerships	3,093,562	1,526,080	3,317,235
Rent and Land Leases	919,549	832,848	931,919
Sales	2,853,756	2,690,442	2,634,291
Other	<u>1,282,044</u>	<u>1,753,149</u>	<u>2,060,731</u>
	<u>15,869,538</u>	<u>15,230,451</u>	<u>15,566,299</u>
Expenditures			
Band Government	4,913,124	5,470,575	4,134,640
Education	1,879,202	2,172,060	1,877,155
Health	12,559	12,559	128,893
Economic Development	3,031,577	4,305,359	2,789,798
Housing and Lands	3,174,305	1,460,111	1,118,117
Community and Social Services	843,622	1,386,625	1,184,907
Employment Programs	<u>19,157</u>	<u>75,000</u>	<u>32,135</u>
	<u>13,873,546</u>	<u>14,882,289</u>	<u>11,265,645</u>
Annual Surplus	1,995,992	<u>348,162</u>	4,300,654
Accumulated Surplus - Beginning of Year as Previously Stated	46,144,430		42,179,046
Prior Period Adjustment (Note 21)	<u>742,651</u>		<u>407,381</u>
Accumulated Surplus - Beginning of Year as Restated	<u>46,887,081</u>		<u>42,586,427</u>
Accumulated Surplus - End of Year	<u>48,883,073</u>		<u>46,887,081</u>

CAMPBELL RIVER INDIAN BAND

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2021

	2021		2020
	Actual	Budget	
	\$	\$	\$
		(Note 18)	(Note 21)
Annual Surplus	<u>1,995,992</u>	<u>348,162</u>	<u>4,300,654</u>
Purchase of Tangible Capital Assets	(201,116)	-	(442,779)
Amortization of Tangible Capital Assets	530,120	575,550	574,121
Disposal of Tangible Capital Assets	2,493	-	42,505
Loss on Disposal of Tangible Capital Assets	<u>2,025,363</u>	<u>-</u>	<u>-</u>
	<u>2,356,860</u>	<u>575,550</u>	<u>173,847</u>
Use (Acquisition) of Prepaid Asset	<u>(58,250)</u>	<u>-</u>	<u>17,183</u>
Increase in Net Financial Assets	<u>4,294,602</u>	<u>923,712</u>	<u>4,491,684</u>
Net Financial Assets - Beginning of Year as Previously Stated	28,767,591	-	24,611,177
Prior Period Adjustment (Note 20)	<u>742,651</u>	<u>-</u>	<u>407,381</u>
Net Financial Assets - Beginning of Year as Restated	<u>29,510,242</u>		<u>25,018,558</u>
Net Financial Assets - End of Year	<u>33,804,844</u>		<u>29,510,242</u>

CAMPBELL RIVER INDIAN BAND

Consolidated Statement of Cash Flows

Year Ended March 31, 2021

2021

2020

(Note 21)

\$

\$

Cash Flows From Operating Activities:

Cash Flows from Government and Other Sources	13,211,608	12,457,600
Cash Paid to Suppliers and Employees	<u>(10,732,387)</u>	<u>(10,652,848)</u>
	<u>2,479,221</u>	<u>1,804,752</u>

Cash Flows From Investing Activities:

Purchase of Portfolio Investments	-	(110)
Distributions from Government Business Partnerships	2,214,647	1,426,048
Purchase of Tangible Capital Assets	<u>(201,116)</u>	<u>(442,779)</u>
Disposal of Tangible Capital Assets	<u>3,160</u>	<u>42,505</u>
	<u>2,016,691</u>	<u>1,025,664</u>

Cash Flows From Financing Activities:

Repayment of Long Term Debt	<u>(222,649)</u>	<u>(256,822)</u>
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Increase in Cash and Cash Equivalents	4,273,263	2,573,594
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Cash and Cash Equivalents - Beginning of Year	<u>14,377,921</u>	<u>11,804,327</u>
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Cash and Cash Equivalents - End of Year	<u>18,651,184</u>	<u>14,377,921</u>
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Cash is Represented by:

Cash on Hand and Held in Banks (Note 2)	18,574,560	14,301,297
Restricted Cash (Note 2)	<u>76,624</u>	<u>76,624</u>
	<u>18,651,184</u>	<u>14,377,921</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies:

a) Basis of Accounting:

These consolidated financial statements are the representation of management and have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board of CPA Canada.

b) Basis of Consolidation:

The consolidated financial statements include the accounts of the Campbell River Indian Band (the "Band") and company's controlled by the Band, Discovery Harbour Holdings Ltd. and Campbell River Indian Band Development Corporation (the "Controlled Entities"). The Controlled Entities do not meet the definition of a government business enterprise or partnership.

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

Under the modified equity method of accounting, only the Band's investment in the business enterprise and partnerships and the enterprise's and partnership's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprises and partnerships that are different from those of the Band, except that any other comprehensive income of the business enterprise and partnerships is accounted for as an adjustment to the accumulated surplus. Inter-organizational transactions and balances are not eliminated.

Investments in the following entities are accounted for by the modified equity method and, as such, the accounting policies of these entities are not adjusted to conform with those of the Band:

- CRIBCO Limited Partnership (99.99%)
- Weiwaikum General Partner Ltd. (100%)
- CRIBCO Forest Products Limited Partnership (99.99%)
- CRIBCO Forest Products Ltd. (100%)
- A-tlegay Fisheries Limited Partnership (23.50%)
- Laich-Kwil-Tach Environmental Assessments Limited Partnership (50.00%)
- Discovery Harbour Shopping Centre (25.00%)
- Discovery Crescent Shopping Centre (50.00%)
- Discovery Residential Holding Ltd. (Lot 4) Joint Venture (50.00%)
- Laich-Kwil-Tach Wood Trucking Joint Venture (45.00%)
- Nanwakolas Offset Limited Partnership (26.18%)
- Nanwakolas Timber Limited Partnership (17.31%)
- Knight Inlet Grizzly Tours Ltd. - Indirect Ownership (17.31%)
- Discovery Enterprises Limited Partnership (51.00%)

c) Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could 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, and prepaid expenses. Intangible assets, and items inherited by right of the Band, are not recognized in the consolidated financial statements.

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued):

d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, restricted cash and balances held with banks.

e) Inventory

Inventory consists of goods purchases for resale and is recorded at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale.

f) Tangible Capital Assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Amortization is provided for using the following rates and methods:

Building	4%	Declining Balance
Community Infrastructure	4%	Declining Balance
Furniture, Equipment and Vehicles	20%	Declining Balance

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

Assets under construction are not amortized until the asset is available to be put into service.

g) Revenue Recognition:

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

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to any obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the liabilities are settled. Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

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

h) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the report 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 allowance for doubtful accounts, estimated useful lives of tangible capital assets, impairment of tangible capital assets, recoverability of investments and advances, accrued liabilities and the possibility of contingent liabilities. Actual results could differ from these estimates.

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued):

i) Portfolio Investments

Investments in limited partnerships without control or significant influence are accounted for as portfolio investments using the cost method. Investments will be recorded at cost and any share of income received will be recognized as income when received or receivable.

j) Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Band is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2021. As at March 31, 2021, no liability for contaminated sites exists.

k) Surplus Recoveries and Deficit Funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency. The Band accounts for these recoveries or surpluses in the year the funding agency requests.

2. Cash and Cash Equivalents:

Under the terms of an agreement with Canada Mortgage and Housing Corporation (CMHC), the Band must set aside funds annually for the repair, maintenance and replacement of worn out assets.

These funds, along with accumulated interest, must be held in separate bank accounts. The funds are to be invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC with any interest earned to be credited as to the replacement reserve. The funds in the account may only be used for CMHC approved expenditures.

The Band is also required to maintain a separate bank account for the operating surplus resulting from the operation of the program under the agreement, known as the operating reserve.

	<u>2021</u>	<u>2020</u>
	\$	\$
Externally Restricted		
Social Housing Replacement Reserve	86,022	67,773
Social Housing Operating Reserve	<u>8,864</u>	<u>8,851</u>
	<u>94,886</u>	<u>76,624</u>
Unrestricted		
Operating	<u>18,556,298</u>	<u>14,301,297</u>
	<u>18,651,184</u>	<u>14,377,921</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

3. Trust Funds Held by Federal Government:

	<u>2020</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>2021</u>
	\$	\$	\$	\$
Capital	214,824	-	-	214,824
Revenue	-	4,588	(4,588)	-
	<u>214,824</u>	<u>4,588</u>	<u>(4,588)</u>	<u>214,824</u>

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

4. Accounts Receivable:

	<u>2021</u>	<u>2020</u>
	\$	\$
Due from Discovery Harbour Authority	108,310	108,310
Due from Indigenous Services Canada	52,091	58,224
Due from Canada Mortgage and Housing Corporation	20,881	25,048
Due from Taxpayers	612,096	611,575
Due from CRIBCO LP	189,233	-
Due from Others	905,963	872,272
Due from Members	<u>153,095</u>	<u>184,449</u>
	2,041,669	1,859,878
Less: Allowance for Doubtful Accounts	<u>(508,222)</u>	<u>(508,222)</u>
	<u>1,533,447</u>	<u>1,351,656</u>

Amounts receivable from CRIBCO Limited Partnership (the "Partnership") relate to an authorized distribution from the Partnership that was approved at March 31, 2021 but not yet paid at year end.

5. Inventory:

	<u>2021</u>	<u>2020</u>
	\$	\$
We Wai Kum House of Treasures	276,632	318,233
Cigarettes	<u>26,749</u>	<u>-</u>
	<u>303,381</u>	<u>318,233</u>

The cost of inventories recognized as an expense and included in expenditures amounted to \$1,286,564 (2020 - \$1,216,173).

6. Portfolio Investments:

Portfolio investments consist of an investment in the BC Gaming First Nations Revenue Sharing LP which is recorded at cost as described in Note 1.

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

7. Investments in Government Business Partnerships:

	<u>2021</u>	<u>2020</u>
	\$	\$
CRIBCO Limited Partnership (99.99%)	9,309,772	8,573,686
CRIBCO Forest Products Limited Partnership (99.99%)	4,214,149	3,727,174
A-tlegay Fisheries Limited Partnership (23.50%)	1,215,479	1,113,977
Laich-Kwil-Tach Environmental Assessments LP (50.00%)	1,028,797	901,377
Discovery Harbour Shopping Centre (25.00%)	3,191,984	3,172,569
Discovery Crescent Shopping Centre (50.00%)	2,244,285	2,076,132
Discovery Residential Holdings Ltd. (Lot 4) Joint Venture (50.00%)	222,603	221,409
Laich-Kwil-Tach Wood Trucking Joint Venture (45.00%)	68,692	52,231
Nanwakolas Offset Limited Partnership (26.18%)	194,032	742,651
Nanwakolas Timber Limited Partnership (17.31%)	2,766,258	2,637,683
Knight Inlet Grizzly Tours Ltd. - Indirect Ownership (17.31%)	(220,314)	138,599
	<u>24,235,737</u>	<u>23,357,488</u>

The following is a description of the activities of each commercial enterprises:

- (b) CRIBCO Limited Partnership operates a marina and marine fuel dock.
- (c) CRIBCO Forest Products Limited Partnership harvests timber for sale.
- (d) A-tlegay Fisheries Limited Partnership acquires and manages various fishing licenses and quota.
- (e) Laich-Kwil-Tach Environmental Assessments LP conducts environmental assessments.
- (f) Discovery Harbour Shopping Centre is a shopping centre that leases to commercial tenants.
- (g) Discovery Crescent Shopping Centres is a real estate project that leases to commercial tenants.
- (h) Discovery Residential Holdings Ltd. (Lot 4) Joint Venture sub leases lands for a boat repair yard.
- (i) Laich-Kwil-Tach Wood Trucking Joint Venture contracts rock hauling and rock sales related to the John Hart Dam Project.
- (j) Nanwakolas Offset Limited Partnership verifies and sells carbon credits on the open market.
- (k) Nanwakolas Timber Limited Partnership harvests and manages timber and has an investment in a grizzly tour resort.
- (l) Knight Inlet Grizzly Tours Ltd. (the "Lodge") operates the Knight Inlet Lodge that provides Grizzly Tours. It is wholly owned by the Nanwakolas Timber Limited Partnership but its operations are not reflected within the financial statements of Nanwakolas Timber Limited Partnership as it is not consolidated into the Nanwakolas Limited Partnership financial statements. The Lodge has a October 31st year-end.

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

7. Investments in Government Business Partnerships (continued):

Following is a summary of the most recent financial statement information available.

	Natural Resource Businesses \$	Real Estate Businesses \$	Commercial and Tourism Businesses \$	Total 2021 \$	Total 2020 \$
Total Assets	<u>39,232,172</u>	<u>11,095,160</u>	<u>15,208,287</u>	<u>65,535,619</u>	<u>57,830,935</u>
Total Liabilities	10,908,666	31,738,986	4,241,167	46,888,819	38,119,065
Total Equity (Deficit)	<u>28,323,506</u>	<u>(20,643,826)</u>	<u>10,967,120</u>	<u>18,646,800</u>	<u>19,711,870</u>
Total Liabilities and Equity	<u>39,232,172</u>	<u>11,095,160</u>	<u>15,208,287</u>	<u>65,535,619</u>	<u>57,830,935</u>
Revenue	9,611,134	7,182,504	9,797,162	26,590,800	30,042,094
Expenses	<u>6,054,766</u>	<u>4,622,151</u>	<u>10,945,526</u>	<u>21,622,443</u>	<u>21,447,719</u>
Net Income (Loss)	<u>3,556,368</u>	<u>2,560,353</u>	<u>(1,148,364)</u>	<u>4,968,357</u>	<u>8,594,375</u>

8. Accounts Payable and Accrued Liabilities:

	<u>2021</u> \$	<u>2020</u> \$
Government Remittances Payable	87,327	67,901
City of Campbell River	239,671	240,767
School District #72	612,901	373,014
Other Trade Payables	<u>742,180</u>	<u>371,322</u>
	<u>1,682,079</u>	<u>1,053,004</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

9. Deferred Revenue:

	<u>2020</u>	<u>Funding</u>	<u>Revenue</u>	<u>ISC</u>	<u>2021</u>
	\$	Received	Recognized	Recovery	\$
		\$	\$	\$	
Indigenous Services Canada (ISC)					
ISC - Fixed Funding	179,718	1,812,760	(1,332,482)	(38,234)	621,762
ISC - Set Funding	19,550	1,004,549	(997,627)	-	26,472
ISC - Flexible Funding	48,253	1,763,941	(1,391,906)	-	420,288
ISC - Grant Funding	<u>79,994</u>	<u>672,985</u>	<u>(752,979)</u>	<u>-</u>	<u>-</u>
	<u>327,515</u>	<u>5,254,235</u>	<u>(4,474,994)</u>	<u>(38,234)</u>	<u>1,068,522</u>
Prepaid Rent					
Home Depot - Prepaid Rent	1,584,206	-	(42,671)	-	1,541,535
Walmart - Prepaid Rent	2,888,514	-	(75,470)	-	2,813,044
Nyrstar - Prepaid Rent	281,109	374,813	(374,813)	-	281,109
Pacific Marine - Prepaid Rent	5,600	-	(5,600)	-	-
Nanwakolas - Prepaid Rent	<u>-</u>	<u>38,528</u>	<u>(34,272)</u>	<u>-</u>	<u>4,256</u>
	<u>4,759,429</u>	<u>413,341</u>	<u>(532,826)</u>	<u>-</u>	<u>4,639,944</u>
Sales and Other					
House of Treasures - Prepaid Sales	<u>4,099</u>	<u>-</u>	<u>(4,099)</u>	<u>-</u>	<u>-</u>
	<u>5,091,043</u>	<u>5,667,576</u>	<u>(5,011,919)</u>	<u>(38,234)</u>	<u>5,708,466</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

10. Long Term Debt:

	<u>2021</u> \$	<u>2020</u> \$
Bank of Montreal (New Band Office): Repayable at \$16,407 per month including interest at 2.86% per annum; matures on August 31, 2021	2,067,753	2,191,207
All Nations Trust Company (Social Housing): Repayable at \$608 per month including interest at 0.80% per annum; guaranteed by Canada Mortgage and Housing Corporation; due February 1, 2025	28,125	35,154
Bank of Montreal (6 - Plex): Repayable at \$1,469 per month including interest at 2.86% per annum; matures on August 31, 2021	184,861	194,307
TD Canada Trust (Social Housing): Repayable at \$1,417 per month including interest at 3.02% per annum; guaranteed by Canada Mortgage and Housing Corporation; due November 1, 2021	9,863	26,262
Bank of Montreal (Campsite): Repayable at \$1,468 per month including interest at 3.85% per annum; matured on April 30, 2020	-	1,418
All Nations Trust Company (Social Housing): Repayable at \$2,398 per month including interest at 2.14% per annum; guaranteed by Canada Mortgage and Housing Corporation; due March 1, 2024	326,556	348,144
All Nations Trust Company (Social Housing): Repayable at \$577 per month including interest at 1.89% per annum; guaranteed by Canada Mortgage and Housing Corporation; due November 1, 2024	108,834	113,660
All Nations Trust Company (Social Housing): Repayable at \$1,816 per month including interest at 1.05% per annum; guaranteed by Canada Mortgage and Housing Corporation; due August 1, 2021	400,329	417,840
All Nations Trust Company (Social Housing): Repayable at \$3,001 per month including interest at 2.41% per annum; guaranteed by Canada Mortgage and Housing Corporation; due April 1, 2023	<u>616,973</u>	<u>637,951</u>
Total Long Term Debt	<u><u>3,743,294</u></u>	<u><u>3,965,943</u></u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

10. Long Term Debt (continued):

Interest expense on long term debt for the year ended March 31, 2021 is \$95,666 (2020 - \$103,992). Scheduled principal repayments for the next five years is estimated as follows:

	\$
2022	220,087
2023	215,492
2024	220,697
2025	225,846
2026 and Thereafter	2,861,172

11. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening \$	Additions \$	Disposals \$	Closing \$	Opening \$	Amort \$	Disposals \$	Closing \$	2021 \$	2020 \$
Land	6,651,765	-	2,025,363	4,626,402	-	-	-	-	4,626,402	6,651,765
Buildings	10,252,684	21,480	-	10,274,164	2,793,820	289,091	-	3,082,911	7,191,253	7,458,864
Community Infrastructure	4,455,384	-	-	4,455,384	1,641,154	150,540	-	1,791,694	2,663,690	2,814,230
Furniture, Equipment and Vehicles	<u>1,109,385</u>	<u>179,636</u>	<u>16,500</u>	<u>1,272,521</u>	<u>677,476</u>	<u>90,489</u>	<u>14,007</u>	<u>753,958</u>	<u>518,563</u>	<u>431,909</u>
Total	<u>22,469,218</u>	<u>201,116</u>	<u>2,041,863</u>	<u>20,628,471</u>	<u>5,112,450</u>	<u>530,120</u>	<u>14,007</u>	<u>5,628,563</u>	<u>14,999,908</u>	<u>17,356,768</u>

12. Contingent Liabilities:

The Band has entered into contribution agreements with various federal government departments. Funding received under these contribution agreement is subject to repayment if the Band fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, if the Band becomes involved in legal actions, some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the Band's financial statements.

- The Band is contingently liable for \$8,547,979 (2020 - \$7,289,625) with respect to loans from the Bank of Montreal for Band members for homes built on reserve land.
- The Band is contingently liable for \$7,726,534 (2020 - \$7,970,073) with respect to the mortgage payable for the Discovery Harbour Shopping Centre.

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

13. Contractual Obligations:

The nature of the Band's activities can result in some multi-year contracts whereby it will be obligated to make future payments when goods or services are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	\$
2022	11,952
2023	<u>6,972</u>
	<u>18,924</u>

14. Pension Plan:

The Band provides a defined contribution plan for eligible members of its staff. Members are required to contribute 3 - 7% of their salary. The Band contributes 3 - 7% to the members' contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. The Band contributed \$85,872 (2020 - \$75,527) for its retirement benefits. The Band does not have any other obligation with regards to the pension plan as at March 31, 2021.

15. Accumulated Surplus:

	<u>2021</u>	<u>2020</u>
	\$	\$
Internally Restricted		
Equity in Tangible Capital Assets	12,895,743	13,044,994
Externally Restricted		
Equity in Ottawa Trust	214,824	214,824
Unrestricted		
Operating Surplus	<u>35,772,506</u>	<u>33,627,263</u>
Total Surplus	<u>48,883,073</u>	<u>46,887,081</u>

16. Federal Assistance Payments:

The Campbell River Indian Band Social Housing Project has received federal assistance through CMHC pursuant to Section 56.1 of the National Housing Act to enable the project to provide housing to low income individuals. The amount of assistance received in 2021 was \$113,133 (2020 - \$124,473).

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

17. Risk Management:

The Band has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. The Band has identified its risks and ensures that management monitors and controls them.

Credit Risk

Credit risk is the risk of financial loss to an institution if a customer or counter party to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

The Band is primarily exposed to credit risk in their receivables in relation to their amounts due from trade receivables which in 2021 totaled \$900,470 (2020 - \$714,823).

It is management's opinion that the Band is not exposed to significant credit risk associated with its cash deposits as they are placed in recognized British Columbia institutions.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of interest rate risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. It is management's opinion that the Band is not exposed to significant interest rate risk as its only investment is Trust Funds Held by Federal Government.

Liquidity Risk

Liquidity risk is the risk that the Band will not be able to meet its financial obligations as they become due.

The Band manages liquidity risk by continually monitoring cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Band's reputation.

18. Budget Figures:

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by Chief and Council and have not been audited.

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

19. Schedule of Expenses by Object:

	<u>2021</u>	<u>2020</u>
	\$	\$
Administration	34,108	44,681
Advertising	22,486	42,635
Amortization and Loss on Disposal of Assets	2,555,483	574,121
Bad Debt Expense	2,050	69,257
Direct Member Benefit	820,500	622,400
Computers and Technology	114,769	86,478
Cost of Goods Sold	1,279,886	1,210,448
Donations	234,884	212,855
Honoraria	249,255	199,335
Insurance	131,579	104,724
Interest and Bank Charges	178,829	191,999
Legal	163,682	252,452
Material and Supplies	253,174	233,848
Office and Sundry	61,570	110,926
Professional Fees	344,270	169,749
Programs	341,376	383,117
Security	48,924	37,358
Subcontract	399,939	270,668
Social Programs	696,520	521,688
Repairs and Maintenance	441,463	420,710
Taxation	1,045,175	1,062,429
Tuition	1,341,236	1,368,584
Training	8,543	2,366
Travel	39,510	167,433
Utilities and Telephone	436,338	527,756
Wages and Benefits	<u>2,627,997</u>	<u>2,377,628</u>
	<u>13,873,546</u>	<u>11,265,645</u>

20. Comparative Figures:

Certain March 31, 2020 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

21. Prior Period Adjustment:

During the year ending March 31, 2021, it was identified that the Band's interest in the Nanwakolas Offset Limited Partnership had not been recorded and that prior year distributions had been understated.

The Nation's comparative financial information for the year ending March 31, 2020 has been adjusted to reflect the investment and past distributions for the year ending March 31, 2020 as follows:

	2020 as <u>Previously Stated</u> \$	<u>Adjustment</u> \$	2020 as <u>Restated</u> \$
Investment in Government Business Partnerships	22,614,837	742,651	23,357,488
Accumulated Surplus - Beginning of Year	42,179,046	407,381	42,586,427
Accumulated Surplus - End of Year	46,144,430	742,651	46,887,081
Revenue - Income from Government Business Partnerships	2,981,965	335,270	3,317,235

22. Segment Disclosure:

The Band provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function. For each separate segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segments are grouped as follows:

Band Government:

Band Government contains activities that are needed to manage and administer the Band's organization including corporate administration. Band Government is responsible for the support and coordination of all Band departments.

Education:

Education contains activities that provide education and facilitate educational opportunities to members for primary and secondary schooling and adult vocational training.

Health:

Health contains activities that provide health services, medical services, financial support or support by other means to members that is aimed at developing both the individual as well as the community.

Economic Development:

Economic Development contains activities that are involved in the development of the community and the development and operation of economic opportunities.

Housing and Lands:

Housing contains activities that relate to on reserve housing as well as off reserve properties owned by the Band.

Community and Social Services:

The objectives of the department are to assist Band members in maintaining a basic standard of living, developing family strengths and providing financial support to enhance their ability towards a more independent lifestyle.

Employment Program:

The objectives of the department are to assist Band members to develop as individuals and find gainful employment.

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

22. Segment Disclosure (continued):

Year ended March 31, 2021:

	Band Government			Education			Health		
	2021 Budget \$	2021 Actual \$	2020 Actual \$	2021 Budget \$	2021 Actual \$	2020 Actual \$	2021 Budget \$	2021 Actual \$	2020 Actual \$
Revenues									
Indigenous Services Canada	1,079,059	1,079,059	656,329	1,834,483	1,684,416	1,648,261	-	-	-
Ottawa Trust Funds	-	-	-	-	-	-	-	-	-
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	-
First Nations Health Authority - Set Contribution	33,000	33,000	-	-	-	2,000	37,399	47,260	74,758
Income from Government Business Partnerships	-	-	-	-	-	-	-	-	-
Province of British Columbia	-	-	-	26,324	24,525	-	-	-	-
Taxation	2,446,301	2,446,821	2,403,450	-	-	-	-	-	-
Other Revenue	600,215	137,651	414,451	275,196	346,495	453,771	-	-	-
	<u>4,158,575</u>	<u>3,696,531</u>	<u>3,474,230</u>	<u>2,136,003</u>	<u>2,055,436</u>	<u>2,104,032</u>	<u>37,399</u>	<u>47,260</u>	<u>74,758</u>
Expenses									
Wages and Benefits	1,089,759	1,031,339	822,679	439,100	393,401	434,178	75	71	55
Interest and Bank Charges	80,000	75,098	92,979	-	-	-	-	-	-
Amortization	350,000	342,896	349,931	-	-	-	-	-	-
Other Expenses	3,950,816	3,463,791	2,869,051	1,732,960	1,485,801	1,442,977	12,484	12,488	128,838
	<u>5,470,575</u>	<u>4,913,124</u>	<u>4,134,640</u>	<u>2,172,060</u>	<u>1,879,202</u>	<u>1,877,155</u>	<u>12,559</u>	<u>12,559</u>	<u>128,893</u>
Annual Surplus (Deficit)	<u>(1,312,000)</u>	<u>(1,216,593)</u>	<u>(660,410)</u>	<u>(36,057)</u>	<u>176,234</u>	<u>226,877</u>	<u>24,840</u>	<u>34,701</u>	<u>(54,135)</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

22. Segment Disclosure (continued):

Year ended March 31, 2021:

	Economic Development			Housing and Lands			Community and Social Services		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Indigenous Services Canada	85,311	38,829	36,736	1,108,085	894,247	573,728	1,133,531	778,443	647,260
Ottawa Trust Funds	5,000	4,588	6,099	-	-	-	-	-	-
Canada Mortgage and Housing Corporation	-	-	-	113,133	113,133	107,828	-	-	-
First Nations Health Authority - Set Contribution	-	-	-	-	-	-	-	-	-
Income from Government Business Partnerships	1,526,080	3,093,562	3,317,235	-	-	-	-	-	-
Province of British Columbia	490,376	540,376	413,416	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-
Other Revenue	4,053,628	4,209,649	3,584,124	243,785	256,540	580,950	132,327	133,726	620,295
	<u>6,160,395</u>	<u>7,887,004</u>	<u>7,357,610</u>	<u>1,465,003</u>	<u>1,279,503</u>	<u>1,262,506</u>	<u>1,265,858</u>	<u>912,169</u>	<u>1,267,555</u>
Expenses									
Wages and Benefits	787,236	696,590	499,064	339,000	333,842	286,664	204,250	205,613	333,098
Interest and Bank Charges	70,605	68,284	59,298	35,250	35,344	37,892	-	-	1,702
Amortization	110,550	98,892	107,720	115,000	88,331	116,470	-	-	-
Other Expenses	3,336,968	2,167,811	2,123,716	970,861	2,716,788	677,091	1,182,375	638,009	850,107
	<u>4,305,359</u>	<u>3,031,577</u>	<u>2,789,798</u>	<u>1,460,111</u>	<u>3,174,305</u>	<u>1,118,117</u>	<u>1,386,625</u>	<u>843,622</u>	<u>1,184,907</u>
Annual Surplus (Deficit)	<u>1,855,036</u>	<u>4,855,427</u>	<u>4,567,812</u>	<u>4,892</u>	<u>(1,894,802)</u>	<u>144,389</u>	<u>(120,767)</u>	<u>68,547</u>	<u>82,648</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2021

22. Segment Disclosure (continued):

Year ended March 31, 2021:

	Employment Program			Consolidated Totals		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$	\$
Revenues						
Indigenous Services Canada	-	-	-	5,240,469	4,474,994	3,562,314
Ottawa Trust Funds	-	-	-	5,000	4,588	6,099
Canada Mortgage and Housing Corporation	-	-	-	113,133	113,133	107,828
First Nations Health Authority - Set Contribution	-	-	-	70,399	80,260	76,758
Income from Government Business Partnerships	-	-	-	1,526,080	3,093,562	3,317,235
Province of British Columbia	-	-	-	516,700	564,901	413,416
Taxation	-	-	-	2,446,301	2,446,821	2,403,450
Other Revenue	<u>7,218</u>	<u>7,218</u>	<u>25,608</u>	<u>5,312,369</u>	<u>5,091,279</u>	<u>5,679,199</u>
	<u>7,218</u>	<u>7,218</u>	<u>25,608</u>	<u>15,230,451</u>	<u>15,869,538</u>	<u>15,566,299</u>
Expenses						
Wages and Benefits	-	-	1,890	2,859,420	2,660,856	2,377,628
Interest and Bank Charges	-	-	-	185,855	178,726	191,871
Amortization	-	-	-	575,550	530,119	574,121
Other Expenses	<u>75,000</u>	<u>19,157</u>	<u>30,245</u>	<u>11,261,464</u>	<u>10,503,845</u>	<u>8,122,025</u>
	<u>75,000</u>	<u>19,157</u>	<u>32,135</u>	<u>14,882,289</u>	<u>13,873,546</u>	<u>11,265,645</u>
Annual Surplus (Deficit)	<u>(67,782)</u>	<u>(11,939)</u>	<u>(6,527)</u>	<u>348,162</u>	<u>1,995,992</u>	<u>4,300,654</u>