

CAMPBELL RIVER INDIAN BAND
Consolidated Financial Statements
March 31, 2022

CAMPBELL RIVER INDIAN BAND

Consolidated Financial Statements

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Year Ended March 31, 2022

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CAMPBELL RIVER INDIAN BAND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2022

The Chief and Council of the Campbell River Indian Band have 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 auditors' 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, 2022.



Muhammad Imran, CPA, CGA, MBA
Chief Financial Officer

July 28, 2022



INDEPENDENT AUDITORS' 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, 2022, 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, 2022, 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 Auditors' 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.

Auditors' 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.

Auditors' 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

July 28, 2022

CAMPBELL RIVER INDIAN BAND

Consolidated Statement of Financial Position

March 31, 2022

2022

2021

FINANCIAL ASSETS

Cash and Cash Equivalents (Note 2)	\$ 14,497,152	\$ 18,651,184
Trust Funds Held by Federal Government (Note 3)	214,824	214,824
Accounts Receivable (Note 4)	1,862,572	1,533,447
Inventory (Note 5)	300,020	303,381
Portfolio Investment (Note 6)	110	110
Investments in Government Business Partnerships (Note 7)	<u>32,441,379</u>	<u>24,235,737</u>
	<u>49,316,057</u>	<u>44,938,683</u>

LIABILITIES

Accounts Payable and Accrued Liabilities (Note 8)	1,053,095	1,682,079
Deferred Revenue (Note 9)	6,690,085	5,708,466
Long Term Debt (Note 10)	<u>1,394,881</u>	<u>3,743,294</u>
	<u>9,138,061</u>	<u>11,133,839</u>

NET FINANCIAL ASSETS

40,177,996 33,804,844

NON-FINANCIAL ASSETS

Prepaid Expenses	24,428	78,321
Tangible Capital Assets (Note 11)	<u>14,381,206</u>	<u>14,999,908</u>
	<u>14,405,634</u>	<u>15,078,229</u>

ACCUMULATED SURPLUS (Note 15)

\$ 54,583,630 \$ 48,883,073

Approved by:



Chief



Councillor

CAMPBELL RIVER INDIAN BAND

Consolidated Statement of Operations and Accumulated Surplus

Year Ended March 31, 2022

	2022		2021
	Actual	Budget (Note 18)	
Revenue			
Federal Government:			
Indigenous Services Canada	\$ 5,271,109	\$ 3,998,227	\$ 4,474,994
Ottawa Trust Funds	5,292	5,000	4,588
Canada Mortgage and Housing Corporation (Note 16)	102,050	113,133	113,133
First Nations Health Authority - Set Contribution	71,861	12,559	80,260
Province of British Columbia	730,747	610,574	564,901
School District 72	73,922	45,420	35,930
Taxation	2,255,776	2,448,383	2,446,821
Income from Government Business Partnerships	3,784,426	1,266,299	3,093,562
Rent and Land Leases	922,642	841,248	919,549
Sales	3,618,606	2,695,220	2,853,756
Other	2,938,814	3,629,838	1,282,044
	<u>19,775,245</u>	<u>15,665,901</u>	<u>15,869,538</u>
Expenditures (Note 19)			
Band Government	4,268,181	5,267,926	4,913,124
Education	2,267,946	2,047,192	1,879,202
Health	21,485	12,559	12,559
Economic Development	4,126,542	5,007,914	3,031,577
Housing and Lands	2,320,619	1,878,241	3,174,305
Community and Social Services	1,047,149	1,741,549	843,622
Employment Programs	22,766	150,000	19,157
	<u>14,074,688</u>	<u>16,105,381</u>	<u>13,873,546</u>
Annual Surplus (Deficit)	5,700,557	\$ <u>(439,480)</u>	1,995,992
Accumulated Surplus - Beginning of Year	<u>48,883,073</u>		<u>46,887,081</u>
Accumulated Surplus - End of Year	<u>\$ 54,583,630</u>		<u>\$ 48,883,073</u>

CAMPBELL RIVER INDIAN BAND

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2022

	2022		2021
	Actual	Budget (Note 18)	
Annual Surplus (Deficit)	\$ 5,700,557	\$ (439,480)	\$ 1,995,992
Purchase of Tangible Capital Assets	-	-	(201,116)
Amortization of Tangible Capital Assets	536,575	115,050	530,120
Disposal of Tangible Capital Assets	82,127	-	2,027,856
	<u>618,702</u>	<u>115,050</u>	<u>2,356,860</u>
Use (Acquisition) of Prepaid Asset	<u>53,893</u>	<u>-</u>	<u>(58,250)</u>
Increase (Decrease) in Net Financial Assets	6,373,152	\$ (324,430)	4,294,602
Net Financial Assets - Beginning of Year	<u>33,804,844</u>		<u>29,510,242</u>
Net Financial Assets - End of Year	<u>\$ 40,177,996</u>		<u>\$ 33,804,844</u>

CAMPBELL RIVER INDIAN BAND

Consolidated Statement of Cash Flows

Year Ended March 31, 2022

2022

2021

Cash Flows From Operating Activities:

Cash Flows from Government and Other Sources	\$ 16,643,313	\$ 13,211,608
Cash Paid to Suppliers and Employees	<u>(14,109,843)</u>	<u>(10,732,387)</u>
	<u>2,533,470</u>	<u>2,479,221</u>

Cash Flows From Investing Activities:

Investment in Government Business Partnerships	(6,344,805)	-
Distributions from Government Business Partnerships	1,923,589	2,214,647
Purchase of Tangible Capital Assets	-	(201,116)
Disposal of Tangible Capital Assets	<u>82,127</u>	<u>3,160</u>
	<u>(4,339,089)</u>	<u>2,016,691</u>

Cash Flows From Financing Activities:

Repayment of Long Term Debt	<u>(2,348,413)</u>	<u>(222,649)</u>
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Increase (Decrease) in Cash and Cash Equivalents	(4,154,032)	4,273,263
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Cash and Cash Equivalents - Beginning of Year	<u>18,651,184</u>	<u>14,377,921</u>
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Cash and Cash Equivalents - End of Year	<u>\$ 14,497,152</u>	<u>\$ 18,651,184</u>
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Cash is Represented by:

Cash on Hand and Held in Banks (Note 2)	\$ 14,338,396	\$ 18,556,298
Restricted Cash (Note 2)	<u>158,756</u>	<u>94,886</u>
	<u>\$ 14,497,152</u>	<u>\$ 18,651,184</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2022

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., 1323088 B.C. 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 the 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 (55.00%)
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, 2022

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:

Buildings	4%	Declining Balance
Community Infrastructure	4 - 10%	Declining Balance
Furniture, Equipment and Vehicles	15 - 55%	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) Basis of Accounting for Revenues and Expenses:

Restricted transfers from other governments are initially deferred to the extent they contain a stipulation that gives rise to a liability. Amounts deferred are recognized as revenue in the period the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions are recorded in the year the contribution becomes receivable under the terms of the applicable funding agreement. Contributions that are specifically designated to fund expenses of a future period, or that are restricted and unspent at the end of a period, are deferred and recognized in the period the related expenses are incurred.

Rents, leases, contributions from non-government agreements, other fees and interest are recognized as revenue in the period earned, when collection is reasonably assured.

The sales of goods and services are recognized as revenue in the period the good or services are provided to the recipient, and collection is reasonably assured.

Taxation revenues are recognized when authorized by Council, the taxable event has occurred, and the definition of an asset is met.

Other economic activities represent activities of subsidiaries and partnerships controlled by the Band. Revenues from economic activities consist of sale of goods and services, government transfers, management fees, and lease revenue.

Expenses are recognized as they are incurred and measurable as a result of goods and services being received and/or the creation of a legal obligation to pay.

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2022

1. Significant Accounting Policies (continued):

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.

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, 2022. As at March 31, 2022, 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.

l) Segment Disclosures:

A segment is defined as a distinguishable activity of group of activities of the Band, for which it is appropriate to separately report financial information to achieve the objectives of the standard. The Band has provided definitions used by the Band as well as presented financial information in segment formation in Note 21.

2. Cash and Cash Equivalents:

	<u>2022</u>	<u>2021</u>
Externally Restricted		
Social Housing Replacement Reserve	\$ 86,471	\$ 86,022
Social Housing Operating Reserve	<u>72,285</u>	<u>8,864</u>
	<u>158,756</u>	<u>94,886</u>
Unrestricted		
Operating	<u>14,338,396</u>	<u>18,556,298</u>
	<u>\$ 14,497,152</u>	<u>\$ 18,651,184</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2022

2. Cash and Cash Equivalents (continued):

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.

3. Trust Funds Held by Federal Government:

	<u>2021</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>2022</u>
Capital	\$ 214,824	\$ -	\$ -	\$ 214,824
Revenue	-	5,292	(5,292)	-
	<u>\$ 214,824</u>	<u>\$ 5,292</u>	<u>\$ (5,292)</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>2022</u>	<u>2021</u>
Due from Discovery Harbour Authority	\$ 108,310	\$ 108,310
Due from Indigenous Services Canada	148,148	52,091
Due from Canada Mortgage and Housing Corporation	7,821	20,881
Due from Taxpayers	422,510	612,096
Due from CRIBCO LP	-	189,233
Due from Nyrstar Myra Falls	265,388	-
Due from Others	1,327,442	905,963
Due from Members	<u>153,094</u>	<u>153,095</u>
	2,432,713	2,041,669
Less: Allowance for Doubtful Accounts	<u>(570,141)</u>	<u>(508,222)</u>
	<u>\$ 1,862,572</u>	<u>\$ 1,533,447</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2022

5. Inventory:

	<u>2022</u>	<u>2021</u>
We Wai Kum House of Treasures	\$ 270,960	\$ 276,632
Cigarettes	<u>29,060</u>	<u>26,749</u>
	<u>\$ 300,020</u>	<u>\$ 303,381</u>

The cost of inventories recognized as an expense and included in expenditures amounted to \$1,653,084 (2021 - \$1,286,564).

6. Portfolio Investment:

The portfolio investment consists of an investment in the BC Gaming First Nations Revenue Sharing LP which is recorded at cost as described in Note 1.

7. Investments in Government Business Partnerships:

	<u>2022</u>	<u>2021</u>
CRIBCO Limited Partnership (99.99%)	\$ 10,500,896	\$ 9,309,772
CRIBCO Forest Products Limited Partnership (99.99%)	4,140,329	4,214,149
A-tlegay Fisheries Limited Partnership (23.50%)	1,516,085	1,215,479
Laich-Kwil-Tach Environmental Assessments LP (50.00%)	1,082,470	1,028,797
Discovery Harbour Shopping Centre (60.00%)	9,768,085	3,191,984
Discovery Crescent Shopping Centre (50.00%)	2,410,338	2,244,285
Discovery Residential Holdings Ltd. (Lot 4) Joint Venture (50.00%)	225,904	222,603
Laich-Kwil-Tach Wood Trucking Joint Venture (45.00%)	118,442	68,692
Nanwakolas Offset Limited Partnership (26.18%)	281,880	194,032
Nanwakolas Timber Limited Partnership (17.31%)	2,929,433	2,766,258
Knight Inlet Grizzly Tours Ltd. - Indirect Ownership (17.31%)	<u>(532,483)</u>	<u>(220,314)</u>
	<u>\$ 32,441,379</u>	<u>\$ 24,235,737</u>

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

- (b) CRIBCO Limited Partnership operates a marina and marine fuel dock and has a March 31 year-end.
- (c) CRIBCO Forest Products Limited Partnership harvests timber for sale and has a March 31 year-end.
- (d) A-tlegay Fisheries Limited Partnership acquires and manages various fishing licenses and quota and has a March 31 year-end.
- (e) Laich-Kwil-Tach Environmental Assessments LP conducts environmental assessments and has a March 31 year-end.
- (f) Discovery Harbour Shopping Centre is a shopping centre that leases to commercial tenants and has a December 31 year-end.
- (g) Discovery Crescent Shopping Centres is a real estate project that leases to commercial tenants and has a December 31 year-end.
- (h) Discovery Residential Holdings Ltd. (Lot 4) Joint Venture sub leases lands for a boat repair yard and has a December 31 year-end.
- (i) Laich-Kwil-Tach Wood Trucking Joint Venture contracts rock hauling and rock sales and has a December 31 year-end.
- (j) Nanwakolas Offset Limited Partnership verifies and sells carbon credits on the open market and has a March 31 year-end.

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2022

7. Investments in Government Business Partnerships (continued):

- (k) Nanwakolas Timber Limited Partnership harvests and manages timber and has an investment in a grizzly tour resort and has a March 31 year-end.
- (l) Knight Inlet Grizzly Tours Ltd. operates the Knight Inlet Lodge (the "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 an October 31st year-end.

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

	Natural Resource Businesses	Real Estate Businesses	Commercial and Tourism Businesses	Total 2022	Total 2021
Total Assets	\$ 41,376,754	\$ 12,507,326	\$ 15,744,353	\$ 69,628,433	\$ 65,535,619
Total Liabilities	10,359,315	30,177,263	5,389,580	45,926,158	46,888,819
Total Equity (Deficit)	31,017,439	(17,669,937)	10,354,773	23,702,275	18,646,800
Total Liabilities and Equity	\$ 41,376,754	\$ 12,507,326	\$ 15,744,353	\$ 69,628,433	\$ 65,535,619
Revenue	\$ 6,550,219	\$ 7,283,014	\$ 15,116,707	\$ 28,949,940	\$ 26,590,800
Expenses	2,001,574	4,165,124	16,206,574	22,373,272	21,622,443
Net Income (Loss)	\$ 4,548,645	\$ 3,117,890	\$ (1,089,867)	\$ 6,576,668	\$ 4,968,357

8. Accounts Payable and Accrued Liabilities:

	2022	2021
Government Remittances Payable	\$ 60,411	\$ 87,327
City of Campbell River	187,071	239,671
School District #72	395,978	612,901
Other Trade Payables	409,635	742,180
	\$ 1,053,095	\$ 1,682,079

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2022

9. Deferred Revenue:

	<u>2021</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>ISC Recovery</u>	<u>2022</u>
Indigenous Services Canada (ISC)					
ISC - Fixed Funding	\$ 621,762	\$ 3,054,672	\$ (2,328,562)	\$ (155)	1,347,717
ISC - Set Funding	26,472	978,576	(1,005,048)	-	-
ISC - Flexible Funding	420,288	1,926,803	(1,334,401)	-	1,012,690
ISC - Grant Funding	-	696,338	(603,098)	-	93,240
	<u>\$ 1,068,522</u>	<u>\$ 6,656,389</u>	<u>\$ (5,271,109)</u>	<u>\$ (155)</u>	<u>2,453,647</u>
Prepaid Rent					
Home Depot - Prepaid Rent	\$ 1,541,535	\$ -	\$ (42,671)	\$ -	1,498,864
Walmart - Prepaid Rent	2,813,044	-	(75,470)	-	2,737,574
Nyrstar - Prepaid Rent	281,109	-	(281,109)	-	-
Nanwakolas - Prepaid Rent	4,256	-	(4,256)	-	-
	<u>\$ 4,639,944</u>	<u>\$ -</u>	<u>\$ (403,506)</u>	<u>\$ -</u>	<u>4,236,438</u>
	<u>\$ 5,708,466</u>	<u>\$ 6,656,389</u>	<u>\$ (5,674,615)</u>	<u>\$ (155)</u>	<u>6,690,085</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2022

10. Long Term Debt:

	<u>2022</u>	<u>2021</u>
Bank of Montreal (New Band Office): Repayable at \$16,407 per month including interest at 2.86% per annum; paid in full on August 31, 2021	\$ -	\$ 2,067,753
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	8,312	28,125
Bank of Montreal (6 - Plex): Repayable at \$1,469 per month including interest at 2.86% per annum; paid in full on August 31, 2021	-	184,861
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; paid in full on November 1, 2021	-	9,863
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	304,520	326,556
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	103,921	108,834
All Nations Trust Company (Social Housing): Repayable at \$1,808 per month including interest at 1.01% per annum; guaranteed by Canada Mortgage and Housing Corporation; due August 31, 2026	382,607	400,329
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>595,521</u>	<u>616,973</u>
Total Long Term Debt	\$ <u>1,394,881</u>	\$ <u>3,743,294</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2022

10. Long Term Debt (continued):

Interest expense on long term debt for the year ended March 31, 2022 is \$53,970 (2021 - \$95,666). Scheduled principal repayments for the next five years is estimated as follows:

2023	\$	74,559
2024		69,798
2025		70,025
2026		71,374
2027 and Thereafter		1,109,125

11. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2022	2021
Land	\$ 4,626,402	\$ -	\$ -	\$ 4,626,402	\$ -	\$ -	\$ -	\$ -	\$ 4,626,402	\$ 4,626,402
Buildings	10,274,164	-	161,103	10,113,061	3,082,911	289,399	79,595	3,292,715	6,820,346	7,191,253
Community Infrastructure	4,455,384	-	-	4,455,384	1,791,694	140,720	-	1,932,414	2,522,970	2,663,690
Furniture, Equipment and Vehicles	<u>1,272,521</u>	<u>-</u>	<u>51,174</u>	<u>1,221,347</u>	<u>753,958</u>	<u>106,456</u>	<u>50,555</u>	<u>809,859</u>	<u>411,488</u>	<u>518,563</u>
Total	<u>\$20,628,471</u>	<u>\$ -</u>	<u>\$ 212,277</u>	<u>\$20,416,194</u>	<u>\$ 5,628,563</u>	<u>\$ 536,575</u>	<u>\$ 130,150</u>	<u>\$ 6,034,988</u>	<u>\$14,381,206</u>	<u>\$14,999,908</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 \$9,391,587 (2021 - \$8,547,979) with respect to loans from the Bank of Montreal for Band members for homes built on reserve land.
- The Band is contingently liable for \$17,877,604 (2021 - \$7,726,534) with respect to the mortgage payable for the Discovery Harbour Shopping Centre.
- The Band is contingently liable for \$162,373 (2021 - \$NIL) with respect to loans from the Coastal Community Credit Union for Band members for homes built on reserve land.

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2022

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	\$	9,164
2023		9,164
2024		8,345
2025		7,760
2026		7,760
2027		3,880
	\$	<u>46,073</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. During the year ended March 31, 2022, the Band contributed \$83,157 (2021 - \$85,872) for its retirement benefits. As at March 31, 2022, the Band owed \$19,676 (2021 - \$10,078) in pension plan contributions.

15. Accumulated Surplus:

	<u>2022</u>	<u>2021</u>
Internally Restricted		
Equity in Tangible Capital Assets	\$ 12,986,325	\$ 11,256,614
Externally Restricted		
Equity in Ottawa Trust	214,824	214,824
Unrestricted		
Operating Surplus	<u>41,382,481</u>	<u>37,411,635</u>
Total Accumulated Surplus	<u>\$ 54,583,630</u>	<u>\$ 48,883,073</u>

16. Canada Mortgage and Housing Corporation:

The Campbell River Indian Band Social Housing Project has received federal assistance through Canada Mortgage and Housing Corporation (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 the year ended March 31, 2022 was \$102,050 (2021 - \$113,133).

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2022

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 2022 totaled \$1,396,296 (2021 - \$900,470).

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, 2022

19. Schedule of Expenses by Object:

	<u>2022</u>	<u>2021</u>
Administration	\$ 29,134	\$ 34,108
Advertising	40,692	22,486
Amortization and Loss on Disposal of Assets	536,575	2,555,483
Bad Debt Expense	64,693	2,050
Computers and Technology	107,636	114,769
Cost of Goods Sold	1,646,600	1,279,886
Direct Member Benefit	692,850	820,500
Donations	119,775	234,884
Honoraria	237,325	249,255
Insurance	143,172	131,579
Interest and Bank Charges	148,869	178,829
Legal	559,045	163,682
Material and Supplies	673,293	253,174
Office and Sundry	97,732	61,570
Professional Fees	616,739	344,270
Programs	552,368	341,376
Repairs and Maintenance	682,105	441,463
Security	64,529	48,924
Subcontract	475,647	399,939
Social Programs	767,000	696,520
Taxation	980,995	1,045,175
Tuition	1,369,768	1,341,236
Training	14,424	8,543
Travel	45,424	39,510
Utilities and Telephone	491,481	436,338
Wages and Benefits	<u>2,916,817</u>	<u>2,627,997</u>
	<u>\$ 14,074,688</u>	<u>\$ 13,873,546</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2022

20. Comparative Figures:

Certain March 31, 2021 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

21. 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, 2022

21. Segment Disclosure (continued):

Year ended March 31, 2022:

	Band Government			Education			Health		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ 900,052	\$ 1,086,723	\$ 1,079,059	\$ 1,734,659	\$ 1,859,476	\$ 1,684,416	\$ -	\$ -	-
Ottawa Trust Funds	-	-	-	-	-	-	-	-	-
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	-
First Nations Health Authority - Set Contribution	-	58,000	33,000	-	-	-	12,559	13,861	47,260
Income from Government Business Partnerships	-	-	-	-	-	-	-	-	-
Province of British Columbia Taxation	2,448,383	2,255,776	2,446,821	26,324	46,497	24,525	-	-	-
Other Revenue	968,941	135,074	137,651	284,096	412,872	346,495	-	-	-
	<u>4,317,376</u>	<u>3,535,573</u>	<u>3,696,531</u>	<u>2,045,079</u>	<u>2,318,845</u>	<u>2,055,436</u>	<u>12,559</u>	<u>13,861</u>	<u>47,260</u>
Expenses									
Wages and Benefits	990,000	814,356	1,031,339	447,721	490,515	393,401	50	-	71
Interest and Bank Charges	85,000	48,071	75,098	-	9	-	-	-	-
Amortization	-	348,776	342,896	-	-	-	-	-	-
Other Expenses	4,192,926	3,056,978	3,463,791	1,599,471	1,777,422	1,485,801	12,509	21,485	12,488
	<u>5,267,926</u>	<u>4,268,181</u>	<u>4,913,124</u>	<u>2,047,192</u>	<u>2,267,946</u>	<u>1,879,202</u>	<u>12,559</u>	<u>21,485</u>	<u>12,559</u>
Annual Surplus (Deficit)	<u>\$ (950,550)</u>	<u>\$ (732,608)</u>	<u>\$ (1,216,593)</u>	<u>\$ (2,113)</u>	<u>\$ 50,899</u>	<u>\$ 176,234</u>	<u>\$ -</u>	<u>\$ (7,624)</u>	<u>\$ 34,701</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2022

21. Segment Disclosure (continued):

Year ended March 31, 2022:

	Economic Development			Housing and Lands			Community and Social Services		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ 36,736	\$ 58,028	\$ 38,829	\$ 548,790	\$ 1,438,282	\$ 894,247	\$ 777,990	\$ 828,600	\$ 778,443
Ottawa Trust Funds	5,000	5,292	4,588	-	-	-	-	-	-
Canada Mortgage and Housing Corporation	-	-	-	113,133	102,050	113,133	-	-	-
First Nations Health Authority - Set Contribution	-	-	-	-	-	-	-	-	-
Income from Government Business Partnerships	1,266,299	3,784,426	3,093,562	-	-	-	-	-	-
Province of British Columbia	584,250	684,250	540,376	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-
Other Revenue	<u>5,079,215</u>	<u>5,768,565</u>	<u>4,209,649</u>	<u>179,422</u>	<u>945,471</u>	<u>256,540</u>	<u>685,052</u>	<u>277,002</u>	<u>133,726</u>
	<u>6,971,500</u>	<u>10,300,561</u>	<u>7,887,004</u>	<u>841,345</u>	<u>2,485,803</u>	<u>1,263,920</u>	<u>1,463,042</u>	<u>1,105,602</u>	<u>912,169</u>
Expenses									
Wages and Benefits	\$ 1,455,716	\$ 1,029,798	\$ 696,590	\$ 412,869	\$ 418,324	\$ 333,842	\$ 622,035	\$ 163,824	\$ 205,613
Interest and Bank Charges	732,500	71,135	68,284	95,965	29,654	35,344	-	-	-
Amortization	50	92,000	98,892	115,000	95,799	88,331	-	-	-
Other Expenses	<u>2,819,648</u>	<u>2,933,609</u>	<u>2,167,811</u>	<u>1,254,407</u>	<u>1,776,842</u>	<u>2,716,788</u>	<u>1,119,514</u>	<u>883,325</u>	<u>638,009</u>
	<u>5,007,914</u>	<u>4,126,542</u>	<u>3,031,577</u>	<u>1,878,241</u>	<u>2,320,619</u>	<u>3,174,305</u>	<u>1,741,549</u>	<u>1,047,149</u>	<u>843,622</u>
Annual Surplus (Deficit)	<u>\$ 1,963,586</u>	<u>\$ 6,174,019</u>	<u>\$ 4,855,427</u>	<u>\$ (1,036,896)</u>	<u>\$ 165,184</u>	<u>\$ (1,910,385)</u>	<u>\$ (278,507)</u>	<u>\$ 58,453</u>	<u>\$ 68,547</u>

CAMPBELL RIVER INDIAN BAND

Notes to Consolidated Financial Statements

March 31, 2022

21. Segment Disclosure (continued):

Year ended March 31, 2022:

	Employment Program			Consolidated Totals		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues						
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ 3,998,227	\$ 5,271,109	\$ 4,474,994
Ottawa Trust Funds	-	-	-	5,000	5,292	4,588
Canada Mortgage and Housing Corporation	-	-	-	113,133	102,050	113,133
First Nations Health Authority - Set Contribution	-	-	-	12,559	71,861	80,260
Income from Government Business Partnerships	-	-	-	1,266,299	3,784,426	3,093,562
Province of British Columbia	-	-	-	610,574	730,747	564,901
Taxation	-	-	-	2,448,383	2,255,776	2,446,821
Other Revenue	<u>15,000</u>	<u>15,000</u>	<u>7,218</u>	<u>7,211,726</u>	<u>7,553,984</u>	<u>5,091,279</u>
	<u>15,000</u>	<u>15,000</u>	<u>7,218</u>	<u>15,665,901</u>	<u>19,775,245</u>	<u>15,869,538</u>
Expenses						
Wages and Benefits	-	-	-	3,928,391	2,916,817	2,660,856
Interest and Bank Charges	-	-	-	913,465	148,869	178,726
Amortization	-	-	-	115,050	536,575	530,119
Other Expenses	<u>150,000</u>	<u>22,766</u>	<u>19,157</u>	<u>11,148,475</u>	<u>10,472,427</u>	<u>10,503,845</u>
	<u>150,000</u>	<u>22,766</u>	<u>19,157</u>	<u>16,105,381</u>	<u>14,074,688</u>	<u>13,873,546</u>
Annual Surplus (Deficit)	<u>\$ (135,000)</u>	<u>\$ (7,766)</u>	<u>\$ (11,939)</u>	<u>\$ (439,480)</u>	<u>\$ 5,700,557</u>	<u>\$ 1,995,992</u>