

**CAMPBELL RIVER INDIAN BAND**  
**Consolidated Financial Statements**  
**March 31, 2023**

# CAMPBELL RIVER INDIAN BAND

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## Consolidated Financial Statements

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Year Ended March 31, 2023

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## **CAMPBELL RIVER INDIAN BAND**

### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

**March 31, 2023**

The accompanying consolidated financial statements of the Campbell River Indian Band as at March 31, 2023 and for the year ended are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

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

The Campbell River Indian Band Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

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

The financial statements have been approved by Chief and Council. In addition, these financial statements have been audited by Chan Nowosad Boates Inc. in accordance with Canadian generally accepted auditing standards on behalf of the members. Chan Nowosad Boates Inc. has full access to Chief and Council for the purpose of their audit.



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Muhammad Imran, CPA, CGA, MBA  
Chief Financial Officer

July 24, 2023



## 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, 2023, 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, 2023, 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 Consolidated 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 Consolidated 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 Consolidated 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 Boatis Inc*

Chartered Professional Accountants  
Campbell River, BC

July 24, 2023

## CAMPBELL RIVER INDIAN BAND

### Consolidated Statement of Financial Position

March 31, 2023

2023

2022

#### FINANCIAL ASSETS

Cash and Cash Equivalents (Note 3)	\$ 19,900,514	\$ 14,497,152
Trust Funds Held by Federal Government (Note 4)	214,824	214,824
Accounts Receivable (Note 5)	15,983,888	1,862,572
Inventory (Note 6)	357,094	300,020
Portfolio Investment (Note 7)	110	110
Investments in Government Business Partnerships (Note 8)	<u>36,142,778</u>	<u>32,441,379</u>
	<u>72,599,208</u>	<u>49,316,057</u>

#### LIABILITIES

Accounts Payable and Accrued Liabilities (Note 9)	1,292,887	1,053,095
Asset Retirement Obligation (Note 10)	690,280	-
Deferred Revenue (Note 11)	19,651,948	6,690,085
Long Term Debt (Note 12)	<u>1,222,351</u>	<u>1,394,881</u>
	<u>22,857,466</u>	<u>9,138,061</u>

#### NET FINANCIAL ASSETS

49,741,742 40,177,996

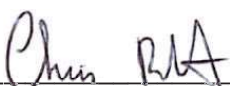
#### NON-FINANCIAL ASSETS

Prepaid Expenses	26,550	24,428
Tangible Capital Assets (Note 13)	<u>14,051,300</u>	<u>14,381,206</u>
	<u>14,077,850</u>	<u>14,405,634</u>

#### ACCUMULATED SURPLUS (Note 16)

\$ 63,819,592 \$ 54,583,630

Approved by:

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Councillor

# CAMPBELL RIVER INDIAN BAND

## Consolidated Statement of Operations and Accumulated Surplus

Year Ended March 31, 2023

	2023		2022
	Actual	Budget (Note 19)	
<b>Revenue</b>			
Federal Government:			
Indigenous Services Canada	\$ 4,976,652	\$ 3,426,045	\$ 5,271,109
Ottawa Trust Funds	-	5,000	5,292
Canada Mortgage and Housing Corporation (Note 17)	106,995	102,050	102,050
First Nations Health Authority - Set Contribution	428,909	13,861	71,861
Province of British Columbia	1,996,213	2,022,147	730,747
School District 72	30,829	30,934	73,922
Taxation	1,697,751	1,690,042	2,255,776
Income from Government Business Partnerships	4,444,886	527,015	3,784,426
Rent and Land Leases	1,666,588	861,208	922,642
Sales	3,768,691	3,449,120	3,618,606
Other	5,056,119	4,137,345	2,938,814
	<u>24,173,633</u>	<u>16,264,767</u>	<u>19,775,245</u>
<b>Expenditures (Note 20)</b>			
Band Government	4,355,708	7,788,404	4,268,181
Education	2,294,148	2,689,825	2,267,946
Health	16,171	26,861	21,485
Economic Development	4,353,773	4,056,261	4,126,542
Housing and Lands	2,346,910	1,705,884	2,320,619
Community and Social Services	1,510,996	3,120,529	1,047,149
Employment Programs	59,965	90,000	22,766
	<u>14,937,671</u>	<u>19,477,764</u>	<u>14,074,688</u>
<b>Annual Surplus (Deficit)</b>	9,235,962	\$ (3,212,997)	5,700,557
<b>Accumulated Surplus - Beginning of Year</b>	<u>54,583,630</u>		<u>48,883,073</u>
<b>Accumulated Surplus - End of Year</b>	<u>\$ 63,819,592</u>		<u>\$ 54,583,630</u>

## CAMPBELL RIVER INDIAN BAND

### Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2023

	<b>2023</b>		<b>2022</b>
	<b>Actual</b>	<b>Budget</b> (Note 19)	
<b>Annual Surplus (Deficit)</b>	<u>\$ 9,235,962</u>	<u>\$ (3,212,997)</u>	<u>\$ 5,700,557</u>
Purchase of Tangible Capital Assets	(389,586)	-	-
Amortization of Tangible Capital Assets	601,530	-	536,575
Disposal of Tangible Capital Assets	<u>117,962</u>	<u>-</u>	<u>82,127</u>
	<u>329,906</u>	<u>-</u>	<u>618,702</u>
Use (Acquisition) of Prepaid Asset	<u>(2,122)</u>	<u>-</u>	<u>53,893</u>
<b>Increase (Decrease) in Net Financial Assets</b>	<u>9,563,746</u>	<u>\$ (3,212,997)</u>	<u>6,373,152</u>
<b>Net Financial Assets - Beginning of Year</b>	<u>40,177,996</u>		<u>33,804,844</u>
<b>Net Financial Assets - End of Year</b>	<u>\$ 49,741,742</u>		<u>\$ 40,177,996</u>



## CAMPBELL RIVER INDIAN BAND

### Consolidated Statement of Cash Flows

Year Ended March 31, 2023

2023

2022

#### Cash Flows From Operating Activities:

Cash Flows from Government and Other Sources	\$ 18,079,015	\$ 16,501,199
Cash Paid to Suppliers and Employees	(13,372,075)	(13,960,974)
Interest Received	490,279	142,114
Interest Paid	(93,190)	(148,869)
	<u>5,104,029</u>	<u>2,533,470</u>

#### Cash Flows From Investing Activities:

Investment in Government Business Partnerships	(1,918,924)	(6,344,805)
Distributions from Government Business Partnerships	2,662,411	1,923,589
Purchase of Tangible Capital Assets	(389,586)	-
Disposal of Tangible Capital Assets	<u>117,962</u>	<u>82,127</u>
	<u>471,863</u>	<u>(4,339,089)</u>

#### Cash Flows From Financing Activities:

Repayment of Long Term Debt	<u>(172,530)</u>	<u>(2,348,413)</u>
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<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>5,403,362</b>	<b>(4,154,032)</b>
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<b>Cash and Cash Equivalents - Beginning of Year</b>	<u><b>14,497,152</b></u>	<u><b>18,651,184</b></u>
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<b>Cash and Cash Equivalents - End of Year</b>	<u><b>\$ 19,900,514</b></u>	<u><b>\$ 14,497,152</b></u>
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#### Cash is Represented by:

Cash on Hand and Held in Banks (Note 3)	\$ 19,613,816	\$ 14,338,396
Restricted Cash (Note 3)	<u>286,698</u>	<u>158,756</u>
	<u><b>\$ 19,900,514</b></u>	<u><b>\$ 14,497,152</b></u>

# CAMPBELL RIVER INDIAN BAND

## Notes to Consolidated Financial Statements

March 31, 2023

### 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., the WWKUM Holding Society and the 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, 2023

### 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

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## Notes to Consolidated Financial Statements

March 31, 2023

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### 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. In addition, the Nation's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs. 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) 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.

#### k) 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.

#### l) Asset Retirement Obligations:

The Nation recognizes a liability for an asset retirement obligation when there is legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. The liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability resulted in an expense as the asset is not in use by the Nation.

# CAMPBELL RIVER INDIAN BAND

## Notes to Consolidated Financial Statements

March 31, 2023

### 2. Change in Accounting Policy:

On April 1, 2022, the Nation adopted Public Accounting Standard PS 3280 - Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets. The Nation determined that the removal of the Wei Wai Kum Cruiseship terminal would result in an asset retirement obligation. The standard was adopted on the prospective application basis at the date of adoption. Under the prospective application method, assets in productive use recognize an increase in the carrying amount of the related tangible capital asset by the same amount of the estimated liability at April 1, 2022. For asset retirement obligations associated with tangible capital assets no longer in productive use, the Nation will recognize an expense of the same amount as the estimated liability.

### 3. Cash and Cash Equivalents:

	<u>2023</u>	<u>2022</u>
<b>Externally Restricted</b>		
Social Housing Replacement Reserve	\$ 212,287	\$ 86,471
Social Housing Operating Reserve	<u>74,411</u>	<u>72,285</u>
	<u>286,698</u>	<u>158,756</u>
<b>Unrestricted</b>		
Operating	<u>19,613,816</u>	<u>14,338,396</u>
	<u>\$ 19,900,514</u>	<u>\$ 14,497,152</u>

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.

### 4. Trust Funds Held by Federal Government:

	<u>2022</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>2023</u>
Capital	\$ <u>214,824</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*.

# CAMPBELL RIVER INDIAN BAND

## Notes to Consolidated Financial Statements

March 31, 2023

### 5. Accounts Receivable:

	<u>2023</u>	<u>2022</u>
Due from Discovery Harbour Authority	\$ 108,310	\$ 108,310
Due from Indigenous Services Canada	33,372	148,148
Due from Canada Mortgage and Housing Corporation	7,821	7,821
Due from Taxpayers	430,220	422,510
Due from Others	15,822,212	1,592,830
Due from Members	<u>152,094</u>	<u>153,094</u>
	16,554,029	2,432,713
Less: Allowance for Doubtful Accounts	<u>(570,141)</u>	<u>(570,141)</u>
	<u>\$ 15,983,888</u>	<u>\$ 1,862,572</u>

### 6. Inventory:

	<u>2023</u>	<u>2022</u>
We Wai Kum House of Treasures	\$ 307,606	\$ 270,960
Cigarettes	<u>49,488</u>	<u>29,060</u>
	<u>\$ 357,094</u>	<u>\$ 300,020</u>

The cost of inventories recognized as an expense and included in expenditures amounted to \$1,755,900 (2022 - \$1,653,084).

### 7. 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.

### 8. Investments in Government Business Partnerships:

	<u>2023</u>	<u>2022</u>
CRIBCO Limited Partnership (99.99%)	\$ 11,832,879	\$ 10,500,896
CRIBCO Forest Products Limited Partnership (99.99%)	4,264,775	4,140,329
A-tlegay Fisheries Limited Partnership (23.50%)	1,851,443	1,516,085
Laich-Kwil-Tach Environmental Assessments LP (50.00%)	1,352,027	1,082,470
Discovery Harbour Shopping Centre (60.00%)	12,028,213	9,768,085
Discovery Crescent Shopping Centre (50.00%)	1,485,855	2,410,338
Discovery Residential Holdings Ltd. (Lot 4) Joint Venture (50.00%)	224,927	225,904
Laich-Kwil-Tach Wood Trucking Joint Venture (45.00%)	41,402	118,442
Nanwakolas Offset Limited Partnership (26.18%)	480,294	281,880
Nanwakolas Timber Limited Partnership (17.31%)	3,056,398	2,929,433
Knight Inlet Grizzly Tours Ltd. - Indirect Ownership (17.31%)	<u>(475,435)</u>	<u>(532,483)</u>
	<u>\$ 36,142,778</u>	<u>\$ 32,441,379</u>

# CAMPBELL RIVER INDIAN BAND

## Notes to Consolidated Financial Statements

March 31, 2023

### 8. Investments in Government Business Partnerships (continued):

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.
- (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 2023	Total 2022
Total Assets	\$ 49,966,252	\$ 33,971,762	\$ 18,636,852	\$102,574,866	\$ 69,628,433
Total Liabilities	15,514,296	29,550,508	6,620,325	51,685,129	45,926,158
Total Equity (Deficit)	<u>34,451,956</u>	<u>4,421,254</u>	<u>12,016,527</u>	<u>50,889,737</u>	<u>23,702,275</u>
Total Liabilities and Equity	\$ 49,966,252	\$ 33,971,762	\$ 18,636,852	\$102,574,866	\$ 69,628,433
Revenue	\$ 11,172,121	\$ 6,220,698	\$ 24,840,324	\$ 42,233,143	\$ 28,949,940
Expenses	<u>6,103,649</u>	<u>4,573,704</u>	<u>23,103,827</u>	<u>33,781,180</u>	<u>22,373,272</u>
Net Income (Loss)	\$ 5,068,472	\$ 1,646,994	\$ 1,736,497	\$ 8,451,963	\$ 6,576,668

# CAMPBELL RIVER INDIAN BAND

## Notes to Consolidated Financial Statements

March 31, 2023

### 9. Accounts Payable and Accrued Liabilities:

	<u>2023</u>	<u>2022</u>
Government Remittances Payable	\$ 54,690	\$ 60,411
City of Campbell River	187,071	187,071
School District #72	475,468	395,978
Other Trade Payables	<u>575,658</u>	<u>409,635</u>
	<u>\$ 1,292,887</u>	<u>\$ 1,053,095</u>

### 10. Asset Retirement Obligation:

The Campbell River Cruise Ship Terminal (the "Terminal") was built and opened in 2007 to receive cruise ships in Campbell River on their way north to Alaska. The Terminal received limited traffic in its first few years of operations and was subsequently closed to cruise ship traffic in the next two years following its opening. The Terminal has not been in productive use for the Nation since its closure in 2009.

The Terminal consists of both on land buildings and facilities and significant infrastructure located in the water. The Nation obtained a third party report that estimated removal and remediation costs, which when adjusted for inflation since the date of the report, are estimated to be \$4,242,596. The Terminal had an estimated period for replacement of 30 years from the date of the report. It is estimated that at the date of recognition of the liability the remaining remediation and replacement period is 29 years. A discount rate of 6.7% was applied by the Nation when present valuing the replacement cost, and a liability and expense of \$646,936 was recognized at April 1, 2022 based on the prospective application of PS 3280 and the adoption of it, and the assets themselves no longer being in productive use. During the year ending March 31, 2023 an accretion expense associated with the obligation was recognized in the amount of \$43,344.

### 11. Deferred Revenue:

	<u>2022</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>ISC Recovery</u>	<u>2023</u>
<b>Indigenous Services Canada (ISC)</b>					
ISC - Fixed Funding	\$ 1,347,717	\$ 3,243,565	\$ (1,009,104)	-	\$ 3,582,178
ISC - Set Funding	-	915,597	(915,597)	-	-
ISC - Flexible Funding	1,012,690	2,227,927	(2,441,088)	-	799,529
ISC - Grant Funding	<u>93,240</u>	<u>697,364</u>	<u>(610,863)</u>	-	<u>179,741</u>
	<u>\$ 2,453,647</u>	<u>\$ 7,084,453</u>	<u>\$ (4,976,652)</u>	-	<u>\$ 4,561,448</u>
<b>Prepaid Rent</b>					
Home Depot - Prepaid Rent	\$ 1,498,864	-	\$ (42,671)	-	\$ 1,456,193
Walmart - Prepaid Rent	<u>2,737,574</u>	-	<u>(75,470)</u>	-	<u>2,662,104</u>
	<u>\$ 4,236,438</u>	<u>\$ -</u>	<u>\$ (118,141)</u>	-	<u>\$ 4,118,297</u>
<b>Other</b>					
BC Hydro	-	457,500	-	-	457,500
MakeWay - Indigenous Watersheds	-	119,148	-	-	119,148
Province of BC - ITA	-	10,130,120	-	-	10,130,120
Province of BC - Security Training	<u>-</u>	<u>265,435</u>	<u>-</u>	<u>-</u>	<u>265,435</u>
	<u>-</u>	<u>10,972,203</u>	<u>-</u>	<u>-</u>	<u>10,972,203</u>
	<u>\$ 6,690,085</u>	<u>\$ 18,056,656</u>	<u>\$ (5,094,793)</u>	-	<u>\$ 19,651,948</u>



## CAMPBELL RIVER INDIAN BAND

### Notes to Consolidated Financial Statements

March 31, 2023

#### 12. Long Term Debt:

	<u>2023</u>	<u>2022</u>
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	\$ 1,056	\$ 8,312
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	184,155	304,520
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	98,915	103,921
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	364,676	382,607
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; renewed until April 1, 2028	<u>573,549</u>	<u>595,521</u>
Total Long Term Debt	\$ <u>1,222,351</u>	\$ <u>1,394,881</u>

# CAMPBELL RIVER INDIAN BAND

## Notes to Consolidated Financial Statements

March 31, 2023

### 12. Long Term Debt (continued):

Interest expense on long term debt for the year ended March 31, 2023 is \$24,855 (2022 - \$53,970). Scheduled principal repayments for the next five years is estimated as follows:

2024	\$	71,701
2025		72,159
2026		73,557
2027		74,983
2028 and Thereafter		929,951

### 13. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2023	2022
Land	\$ 4,626,402	\$ -	\$ -	\$ 4,626,402	\$ -	\$ -	\$ -	\$ -	\$ 4,626,402	\$ 4,626,402
Buildings	10,113,061	-	253,748	9,859,313	3,292,715	358,380	143,286	3,507,809	6,351,504	6,820,346
Community Infrastructure	4,455,384	97,505	-	4,552,889	1,932,414	131,680	-	2,064,094	2,488,795	2,522,970
Furniture, Equipment and Vehicles	<u>1,221,347</u>	<u>292,081</u>	<u>7,500</u>	<u>1,505,928</u>	<u>809,859</u>	<u>111,470</u>	<u>-</u>	<u>921,329</u>	<u>584,599</u>	<u>411,488</u>
<b>Total</b>	<u>\$ 20,416,194</u>	<u>\$ 389,586</u>	<u>\$ 261,248</u>	<u>\$ 20,544,532</u>	<u>\$ 6,034,988</u>	<u>\$ 601,530</u>	<u>\$ 143,286</u>	<u>\$ 6,493,232</u>	<u>\$ 14,051,300</u>	<u>\$ 14,381,206</u>

### 14. 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 \$9,172,233 (2022 - \$9,391,587) with respect to loans from the Bank of Montreal for Band members for homes built on reserve land.
- The Band is contingently liable for \$17,250,789 (2022 - \$17,877,604) with respect to the mortgage payable for the Discovery Harbour Shopping Centre.
- The Band is contingently liable for \$149,326 (2022 - \$162,373) 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, 2023

#### 15. 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, 2023, the Band contributed \$90,343 (2022 - \$83,157) for its retirement benefits. As at March 31, 2023, the Band owed \$21,404 (2022 - \$19,676) in pension plan contributions.

#### 16. Accumulated Surplus:

	<u>2023</u>	<u>2022</u>
<b>Internally Restricted</b>		
Equity in Tangible Capital Assets	\$ 12,828,949	\$ 12,986,325
<b>Externally Restricted</b>		
Equity in Ottawa Trust	214,824	214,824
<b>Unrestricted</b>		
Operating Surplus	<u>50,775,819</u>	<u>41,382,481</u>
<b>Total Accumulated Surplus</b>	<u>\$ 63,819,592</u>	<u>\$ 54,583,630</u>

#### 17. 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, 2023 was \$93,855 (2022 - \$102,049).

# CAMPBELL RIVER INDIAN BAND

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## Notes to Consolidated Financial Statements

March 31, 2023

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### 18. 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 2023 totaled \$15,545,847 (2022 - \$1,396,296).

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.

### 19. 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, 2023

#### 20. Schedule of Expenses by Object:

	<u>2023</u>	<u>2022</u>
Administration	\$ 15,070	\$ 29,134
Advertising	39,480	40,692
Amortization	601,530	536,575
Bad Debt Expense	270	64,693
Computers and Technology	67,080	107,636
Cost of Goods Sold	1,745,307	1,646,600
Direct Member Benefit	815,031	692,850
Donations	319,786	119,775
Honoraria	246,154	237,325
Insurance	170,934	143,172
Interest and Bank Charges	93,190	148,869
Legal	401,560	559,045
Material and Supplies	650,464	673,293
Office and Sundry	103,810	97,732
Professional Fees	420,316	616,739
Programs	686,907	552,368
Repairs and Maintenance	1,298,063	682,105
Security	56,027	64,529
Subcontract	399,774	475,647
Social Programs	670,509	767,000
Taxation	859,187	980,995
Tuition	1,436,452	1,369,768
Training	20,503	14,424
Travel	128,545	45,424
Utilities and Telephone	434,216	491,481
Wages and Benefits	3,257,506	2,916,817
	<u>\$ 14,937,671</u>	<u>\$ 14,074,688</u>

# CAMPBELL RIVER INDIAN BAND

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## Notes to Consolidated Financial Statements

March 31, 2023

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### 21. Comparative Figures:

Certain March 31, 2022 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

### 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, 2023

### 22. Segment Disclosure (continued):

#### Year ended March 31, 2023:

	Band Government			Education			Health		
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual
<b>Revenues</b>									
Indigenous Services Canada	\$ 517,094	\$ 1,112,883	\$ 1,086,723	\$ 1,791,016	\$ 1,773,348	\$ 1,859,476	\$ -	\$ -	-
Ottawa Trust Funds	-	-	-	-	-	-	-	-	-
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	-
First Nations Health Authority - Set Contribution	-	-	58,000	-	416,839	-	13,861	12,070	13,861
Income from Government Business Partnerships	-	-	-	-	-	-	-	-	-
Province of British Columbia	-	-	-	25,934	-	46,497	-	-	-
Taxation	1,690,042	1,697,751	2,255,776	-	-	-	-	-	-
Other Revenue	3,076,457	151,475	135,074	209,428	369,639	412,872	12,000	12,000	-
	5,283,593	2,962,109	3,535,573	2,026,378	2,559,826	2,318,845	25,861	24,070	13,861
<b>Expenses</b>									
Wages and Benefits	978,422	833,756	814,356	445,937	678,490	490,515	-	-	-
Interest and Bank Charges	25,000	11,335	48,071	-	-	9	-	-	-
Amortization	-	346,710	348,776	-	-	-	-	-	-
Other Expenses	6,784,982	3,163,907	3,056,978	2,243,888	1,615,658	1,777,422	26,861	16,171	21,485
	7,788,404	4,355,708	4,268,181	2,689,825	2,294,148	2,267,946	26,861	16,171	21,485
<b>Annual Surplus (Deficit)</b>	\$ (2,504,811)	\$ (1,393,599)	\$ (732,608)	\$ (663,447)	\$ 265,678	\$ 50,899	\$ (1,000)	\$ 7,899	\$ (7,624)

# CAMPBELL RIVER INDIAN BAND

## Notes to Consolidated Financial Statements

March 31, 2023

### 22. Segment Disclosure (continued):

Year ended March 31, 2023:

	Economic Development			Housing and Lands			Community and Social Services		
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual
<b>Revenues</b>									
Indigenous Services Canada	\$ 74,058	\$ 52,837	\$ 58,028	\$ 879,376	\$ 927,079	\$ 1,438,282	\$ 164,501	\$ 1,110,505	\$ 828,600
Ottawa Trust Funds	5,000	-	5,292	-	-	-	-	-	-
Canada Mortgage and Housing Corporation	-	-	-	102,050	106,995	102,050	-	-	-
First Nations Health Authority - Set Contribution	-	-	-	-	-	-	-	-	-
Income from Government									
Business Partnerships	527,015	4,444,886	3,784,426	-	-	-	-	-	-
Province of British Columbia	1,996,213	1,996,213	684,250	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-
Other Revenue	4,502,279	9,206,329	5,768,565	363,160	386,345	945,471	315,283	396,439	277,002
	<u>7,104,565</u>	<u>15,700,265</u>	<u>10,300,561</u>	<u>1,344,586</u>	<u>1,420,419</u>	<u>2,485,803</u>	<u>479,784</u>	<u>1,506,944</u>	<u>1,105,602</u>
<b>Expenses</b>									
Wages and Benefits	\$ 1,078,356	\$ 1,071,086	\$ 1,029,798	\$ 327,062	\$ 345,888	\$ 418,324	\$ 364,978	\$ 328,286	\$ 163,824
Interest and Bank Charges	66,068	56,996	71,135	27,442	24,859	29,654	66,068	-	-
Amortization	-	82,290	92,000	-	172,530	95,799	-	-	-
Other Expenses	2,911,837	3,143,401	2,933,609	1,351,380	1,803,633	1,776,842	2,689,483	1,182,710	883,325
	<u>4,056,261</u>	<u>4,353,773</u>	<u>4,126,542</u>	<u>1,705,884</u>	<u>2,346,910</u>	<u>2,320,619</u>	<u>3,120,529</u>	<u>1,510,996</u>	<u>1,047,149</u>
<b>Annual Surplus (Deficit)</b>	<u>\$ 3,048,304</u>	<u>\$ 11,346,492</u>	<u>\$ 6,174,019</u>	<u>\$ (361,298)</u>	<u>\$ (926,491)</u>	<u>\$ 165,184</u>	<u>\$ (2,640,745)</u>	<u>\$ (4,052)</u>	<u>\$ 58,453</u>



# CAMPBELL RIVER INDIAN BAND

## Notes to Consolidated Financial Statements

March 31, 2023

### 22. Segment Disclosure (continued):

Year ended March 31, 2023:

	Employment Program		Consolidated Totals	
	2023 Budget	2023 Actual	2023 Budget	2022 Actual
<b>Revenues</b>				
Indigenous Services Canada	\$ -	\$ -	\$ 3,426,045	\$ 4,976,652
Ottawa Trust Funds	-	-	5,000	-
Canada Mortgage and Housing Corporation	-	-	102,050	106,995
First Nations Health Authority - Set Contribution	-	-	13,861	428,909
Income from Government Business Partnerships	-	-	527,015	4,444,886
Province of British Columbia	-	-	2,022,147	1,996,213
Taxation	-	-	1,690,042	1,697,751
Other Revenue	-	15,000	8,478,607	10,522,227
	-	15,000	16,264,767	24,173,633
				19,775,245
<b>Expenses</b>				
Wages and Benefits	15,000	-	3,209,755	3,257,506
Interest and Bank Charges	-	-	184,578	93,190
Amortization	-	-	-	601,530
Other Expenses	75,000	59,965	16,083,431	10,985,445
	90,000	59,965	19,477,764	14,937,671
				14,074,688
<b>Annual Surplus (Deficit)</b>	\$ (90,000)	\$ (59,965)	\$ (3,212,997)	\$ 9,235,962
				5,700,557