

Upper Nicola Band

Consolidated Financial Statements

March 31, 2023

Upper Nicola Band

Consolidated Financial Statements

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Upper Nicola Band

Management's Responsibility for Financial Reporting

March 31, 2023

The accompanying Consolidated financial statements of Upper Nicola Band are the responsibility of management and have been approved by Council.

The Consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.


Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the Consolidated financial statements.


The Council meets periodically with management, as well as the external auditors, 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 external auditor's report.

The external auditors, Crowe MacKay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the Consolidated financial statements. The external auditors have full and free access to financial management of Upper Nicola Band and meet when required.

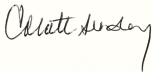
On behalf of Upper Nicola Band:



Chief



Finance and Audit Committee Chair



Band Administrator

28 July 2023

Date

28 July 2023

Date

28 July 2023

Date

Independent Auditors' Report

To the Members of Upper Nicola Band

Qualified Opinion

We have audited the Consolidated financial statements of Upper Nicola Band, which comprise the Consolidated statement of financial position as at March 31, 2023, and the Consolidated statement of remeasurement gains losses, statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying Consolidated financial statements present fairly, in all material respects, the Consolidated financial position of Upper Nicola Band as at March 31, 2023, and the results of its Consolidated operations, its remeasurement gains and losses, its changes in its Consolidated net debt, and its Consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Basis of Presentation and Significant Accounting Policies describes the accounting policy with respect to the First Nation's asset retirement obligations. For fiscal years commencing on or after April 1, 2022, Section 3280, Asset Retirement Obligations, of the Public Sector Accounting Board Handbook requires that asset retirement obligations that can be reasonably estimated are recognized for the year ended March 31, 2023. The First Nation has not gathered the necessary information to be in a position to recognize and disclose any potential asset retirement obligations. As a result, we have been unable to obtain sufficient audit evidence to form an opinion with respect to the possible asset retirement obligations. This caused us to qualify our audit opinion on the consolidated financial statements as at and for the year ended March 31, 2023.

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 Consolidated Financial Statements section of our report. We are independent of Upper Nicola 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 qualified 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 Canadian public sector accounting standards, 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 Upper Nicola 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 Upper Nicola Band or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Upper Nicola 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 auditors' 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 financial statements. 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 First Nation'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 Upper Nicola 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Upper Nicola 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.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Vancouver, Canada
July 26, 2023**


Chartered Professional Accountants

Upper Nicola Band

Consolidated Statement of Financial Position

March 31	2023	2022
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Financial Assets

Cash and equivalents (Note 3)	\$ 6,351,643	\$ 3,068,161
Accounts receivable (Note 4)	2,417,492	3,191,146
Portfolio investments (Note 5)	21,183,973	17,914,773
Long-term investments (Note 6)	2,386,606	1,660,307
Trust funds held by Ottawa (Note 7)	63,050	57,718
	32,402,764	25,892,105

Liabilities

Accounts payable and accrued liabilities	1,365,253	1,197,495
Deferred revenue (Note 8)	4,741,312	2,670,076
Upper Nicola Trust	122,154	122,154
Long-term debt (Note 9)	1,642,025	1,400,197
	7,870,744	5,389,922

Net financial assets	24,532,020	20,502,183
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Non-financial Assets

Capital assets (Note 10)	10,482,880	9,300,336
Prepaid expenses	69,279	9,269
	10,552,159	9,309,605

Accumulated Surplus	\$ 35,084,179	\$ 29,811,789
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Accumulated Surplus consists of


Accumulated operating surplus (Note 11)	32,956,488	29,811,789
Accumulated remeasurement gains, end of year	2,127,691	-
Accumulated Surplus	35,084,179	29,811,789

Contingent liabilities (Note 12)

Approved on behalf of the Upper Nicola Band


_____, Chief


_____, Finance and Audit Committee Chair


_____, Band Administrator

Upper Nicola Band

Consolidated Statement of Remeasurement Gains and Losses

For the year ended March 31	2023	2022
Accumulated remeasurement gains, beginning of year	\$ -	\$ -
Unrealized gains attributable to:		
Portfolio investments	(869,031)	-
Amounts reclassified to the statement of operations		
Realized (gains) losses on portfolio investments	371,902	-
Adjustments		
Adoption of PS 3450 (Note 2)	2,624,820	-
Net remeasurement gains	2,127,691	-
Accumulated remeasurement gains, end of year	\$ 2,127,691	\$ -

Upper Nicola Band

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Indigenous Services Canada	\$ 5,647,934	\$ 7,129,583	\$ 6,399,407
ISC Recovery	(4,982)	(20,358)	-
Other income	7,194,570	4,153,341	3,338,589
First Nations Health Authority	1,369,310	1,500,881	1,520,268
Forestry	992,782	1,211,280	1,398,379
BC Gaming Revenue	803,031	672,748	286,864
Income from portfolio investments	-	(108,491)	713,556
Other Province of BC	173,572	481,266	165,006
First Nations Education Steering Committee	343,127	468,373	520,466
Rental income	261,105	307,801	276,700
Investment income	35,000	141,825	550,736
CMHC subsidy	90,257	92,480	89,929
Indigenous Skills & Employment Training Strategy	49,391	-	11,513
Modified equity from government business enterprises	-	697,603	(150,823)
Daycare fees	141,809	215,162	23,038
Indigenous Services Canada (ISC) - Fixed	(2,300)	-	-
ISC - Revenue deferred from prior year	1,391,850	2,468,267	1,388,214
ISC - Revenue deferred to future year	-	(3,673,884)	(2,468,266)
Other - Revenue deferred to future year	-	(1,067,428)	(201,809)
	18,486,456	14,670,449	13,861,767
Expenses (Note 14)			
Administration	2,123,608	1,744,392	1,726,757
Amortization	-	735,033	765,784
Community and Social Services	3,362,072	3,186,828	2,710,874
Economic Development	225,000	27,495	32,782
Education	2,851,852	2,449,330	2,468,590
Forestry	49,338	16,269	38,603
Health	1,374,569	1,492,955	1,538,902
Housing	488,423	376,845	358,220
Language and culture	384,323	221,460	287,347
Other	445,405	155,875	129,758
Title and rights	1,574,639	878,980	902,988
Property Tax	15,250	15,756	5,284
Capital Fund	6,423,077	224,532	53,732
	19,317,556	11,525,750	11,019,621
Excess of revenue over expenses	(831,100)	3,144,699	2,842,146
Accumulated surplus, beginning of year	-	29,811,789	26,969,643
Net remeasurement gains (losses)	-	2,127,691	-
Accumulated surplus, end of year	\$ (831,100)	\$ 35,084,179	\$ 29,811,789

Upper Nicola Band

Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2023	2022
Excess of revenue over expenses	\$ 3,144,699	\$ 2,842,146
Acquisition of tangible capital assets	(1,917,578)	(320,118)
Amortization of tangible capital assets	735,035	765,784
	(1,182,543)	445,665
Acquisition of prepaid asset	(60,010)	(360)
Effects of remeasurement gains (losses) for the year	2,127,691	-
Increase in net financial assets	4,029,837	3,287,451
Net financial assets, beginning of year	20,502,183	17,214,732
Net financial assets, end of year	\$ 24,532,020	\$ 20,502,183

Upper Nicola Band

Consolidated Statement of Cash Flow

For the year ended March 31, 2023	2023	2022
Cash flows from		
Operating activities		
Excess of revenue over expenses	\$ 3,144,699	\$ 2,842,146
Items not affecting cash		
Amortization	735,035	765,784
Modified equity from government business enterprises	(726,298)	(378,900)
	3,153,436	3,229,030
Change in non-cash operating working capital		
Accounts receivable	773,654	(1,938,130)
Prepaid expenses	(60,010)	(360)
Accounts payable and accrued liabilities	167,757	(659,771)
Deferred revenue	2,071,236	1,281,862
	6,106,073	1,912,631
Capital activities		
Purchase of capital assets	(1,917,578)	(320,118)
Financing activities		
Repayment of long term debt	(158,179)	(170,178)
Advances of long term debt	400,007	-
Fund decrease (increase) in Trust Funds held in Ottawa	(5,332)	86,535
	236,496	(83,643)
Investing activities		
Proceeds from investments (partnership draw)	-	135,601
Due to/from related party	-	1,321
Portfolio investment dispositions	6,909,419	6,525,466
Portfolio investment purchases	(8,050,928)	(9,939,020)
	(1,141,509)	(3,276,632)
Increase (decrease) in cash and cash equivalents	3,283,482	(1,767,762)
Cash and cash equivalents, beginning of year	3,068,161	4,835,923
Cash and cash equivalents, end of year	\$ 6,351,643	\$ 3,068,161

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

1. Basis of Presentation and Significant Accounting Policies

These Consolidated financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

The Consolidated financial statements reflect activities of the First Nation and the partnerships and business enterprises which it controls. Controlled organizations are consolidated, except for government business enterprises and partnerships which are accounted for by the modified equity method. Upper Nicola Band Limited Partnership is controlled by the Nation and accounted for by the modified equity method.

(a) Revenue recognition

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

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulated liabilities are settled.

Forestry revenues are recognized in the period in which they become receivable in accordance to the First Nation's contractual arrangements.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

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

Income from investments is recorded on the accrual basis.

(b) Investments

The First Nation accounts for its Government Business Enterprise (Upper Nicola Holdings Limited Partnership) and its investments in Stuwix Resources Joint Venture and Stuwix Resources Ltd. using the modified equity method. Under this method, the First Nation's investment in the business enterprise and its net earnings and other changes in equity are recorded in the Administration segment. No adjustment is made to conform the accounting policies of the government business enterprise to those of the Nation. Inter-organizational transactions and balances have not been eliminated, except for any profit or loss on transactions of assets that remain within the entities.

Other investments are recorded at lower of cost and net realizable value.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

1. Basis of Presentation and Significant Accounting Policies (continued)

(c) Financial instruments

Measurement

The First Nation measures all its financial assets and financial liabilities at cost or amortized cost, except for the following, which are measured at fair value without any adjustment for transaction costs: derivatives, portfolio investments in equity instruments that are quoted in an active market and portfolio investments that the First Nation has elected to measure at fair value. The effective interest rate method is used to determine interest revenue or expenses for financial instruments measured at amortized cost.

Financial assets measured at amortized cost include cash and equivalents, accounts receivable, and trust funds held by Ottawa. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, Upper Nicola Trust, and long-term debt.

Financial assets measured at fair value include portfolio investments.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy used has the following levels:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1, that are observable for the asset or liability either directly, such as prices, or indirectly, such as those derived from prices; and
- Level 3 – Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Consolidated Statement of Remeasurement Gains and Losses and recognized in the Consolidated Statement of Operations and Accumulated Surplus. Interest and dividends attributable to financial instruments are reported in the Consolidated Statement of Operations and Accumulated Surplus.

Transaction costs

Transaction costs attributable to financial instruments measured at fair value are recognized in the Consolidated Statement of Operations and Accumulated Surplus in the period incurred. Transaction costs for financial instruments measured at cost or amortized cost are recognized in the original cost of the instrument.

Impairment

At the end of each reporting period, management assesses financial assets or groups of financial assets for evidence of objective impairment. An impairment loss is recognized in the Consolidated Statement of Operations and Accumulated Surplus when there is a loss in value that is other than temporary. Future recoveries of impaired financial assets are recognized in the Consolidated Statement of Operations and Accumulated Surplus when received, except for recoveries of impaired portfolio investments. Future recoveries of impaired portfolio investments are not recognized. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Consolidated Statement of Remeasurement Gains and Losses.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

1. Basis of Presentation and Significant Accounting Policies (continued)

(d) Cash and equivalents

Cash and cash equivalents include cash on hand and balances in bank accounts, net of bank overdrafts.

(e) 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. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and the First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Automotive equipment	4 Years
Buildings	20 Years
Furniture and Equipment	5 Years
Infrastructure	25 Years
Social Housing	25 Years

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

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets, including recognized interest in reserve lands and natural resources, as well as assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

1. Basis of Presentation and Significant Accounting Policies (continued)

(f) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date:

- there is a 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.

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

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

2. Change in Accounting Policy from Changes to Accounting Standards

The First Nation adopted the following new accounting policies due to changes in the Public Sector Accounting Standards of the CPA Canada Handbook. The new standards are effective for years beginning on or after April 1, 2022 (the transition date):

Financial Statement Presentation

On April 1, 2022, the First Nation adopted Section PS 1201 "Financial Statement Presentation", which replaced the existing PS 1200 standard. The new standard introduces a Consolidated Statement of Remeasurement Gains and Losses, which includes unrealized gains and losses on financial instruments that are measured at fair value and unrealized foreign exchange gains and losses on items in the amortized cost category. In addition, accumulated surplus or deficit on the Consolidated Statement of Financial Position is presented as the total of the accumulated operating surplus or deficit and the accumulated remeasurement gains and losses.

The First Nation has applied the change prospectively on the transition date in accordance with the applicable transitional provisions.

The adoption of the new requirements resulted in an introduction of the Consolidated Statement of Remeasurement Gains and Losses and disclosure of the accumulated remeasurement gains and losses on the Consolidated Statement of Financial Position.

Financial Instruments

On April 1, 2022, the First Nation adopted Section PS 3450 "Financial Instruments". The new standard provides guidance on the recognition, measurement, presentation and disclosure of financial instruments. Financial instruments are subsequently measured either (i) fair value or (ii) cost or amortized cost. For financial instruments measured at fair value, unrealized gains and losses are reported on the Consolidated Statement of Remeasurement Gains and Losses and realized gains and losses are reclassified from the Consolidated Statement of Remeasurement Gains and Losses to the Consolidated Statement of Operations and Accumulated Surplus.

The First Nation must also disclose both qualitative and quantitative information on its exposure to financial instrument risk.

The First Nation has applied the new standard prospectively on the transition date in accordance with the following transitional provisions:

- Recognition, derecognition and measurement policies followed in the Consolidated financial statements for periods prior to the transition date are not reversed. Therefore, the Consolidated financial statements of prior periods, including comparative information, have not been restated.

At the transition date:

- The First Nation recognized all financial assets and financial liabilities on its Consolidated Statement of Financial Position and classified items at (i) fair value or (ii) cost or amortized cost.
 - The First Nation measured derivatives and portfolio investments in equity instruments that are quoted in an active market at fair value. The difference between a financial instrument's fair value and its previous carrying amount is recognized as an adjustment to the accumulated remeasurement gains and losses at the transition date.
 - No adjustment to an item's carrying value was made to retroactively expense transaction costs applicable to items in the fair value category.
 - Any unamortized discount, premium, or transaction costs associated with a financial asset or financial liability measured at amortized cost is included in the item's opening carrying value.
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Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

The adoption of the new requirements resulted in an increase to the Consolidated Statement of Remeasurement Gains and Losses and portfolio investments as at April 1, 2022 of \$2,624,820 and additional disclosures as described in Note 5 of the Consolidated financial statements.

Portfolio Investments

On April 1, 2022, the First Nation adopted Section PS 3041 "Portfolio Investments", which replaced the existing PS 3040 standard. The new standard removes the distinction between temporary and portfolio investments and removes the exclusion of pooled investment funds from its scope. Under the new standard, portfolio investments are measured in accordance with PS 3450 Financial Instruments.

The First Nation has applied the change prospectively on the transition date, in accordance with the applicable transitional provisions as described under PS 3450 Financial Instruments.

The adoption of the new requirements resulted in the changes as described in the change in accounting policy PS 3450 Financial Instruments.

Asset Retirement Obligations

On April 1, 2022, the First Nation adopted Section PS 3280 "Asset Retirement Obligations", which replaced the existing PS 3270 "Solid Waste Landfill Closure and Post-Closure Liability" standard. The new standard applies to asset retirement obligations associated with tangible capital assets controlled by the entity that are in productive use or no longer in productive use. It establishes requirements for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets.

The First Nation has applied the change prospectively on the transition date, with the following transitional provisions:

The First Nation recognized:

- asset retirement obligations where the event giving rise to the obligation (i.e., acquisition, construction, development or normal use) occurred on or after April 1, 2022;
- asset retirement obligations where the event giving rise to the obligation arose prior to April 1, 2022 and the obligation has not been previously recognized; and
- asset retirement obligations where the event giving rise to the obligation arose prior to April 1, 2022, and the previously recognized obligation requires adjustment in applying the standard.

For asset retirement obligations associated with tangible capital assets in productive use, the First Nation increased the carrying amount of the related tangible capital asset (including those that have been fully amortized) by the same amount as the liability. For asset retirement obligations associated with tangible capital assets no longer in productive use, the First Nation has recognized an expense of the same amount as the liability.

This adoption of the new requirements had no significant impact on the First Nation's consolidated financial statements.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

3. Cash and equivalents

	2023	2022
Externally restricted		
CMHC replacement reserve	\$ 152,007	\$ 151,789
CMHC operating reserve	447,429	442,853
	599,436	594,642
Unrestricted		
General accounts	5,752,207	2,473,519
	\$ 6,351,643	\$ 3,068,161

Under the terms of agreements with Canada Mortgage and Housing Corporation (CMHC), any annual operating surplus may be retained in an operating reserve, to be drawn against in the event of any future deficits. These funds, along with accumulated interest, must be deposited in a separate bank account. Funds may only be invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

Under the terms of the operating agreements with CMHC, the replacement reserve is to be credited annually with agreed amounts. These funds, along with accumulated interest, must be held in a separate bank account, and invested in accounts or instruments insured by Canada Deposit Insurance Corporation, or otherwise approved by CMHC from time to time. These funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then to principal. At the year end date, the reserve was overfunded by \$132,408 (2022 - \$91,615).

4. Accounts receivable

	2023	2022
Accounts receivable - general	\$ 2,522,534	\$ 3,308,207
Members receivables	493,057	481,130
	3,015,591	3,789,337
Allowance for doubtful accounts	(598,099)	(598,191)
	\$ 2,417,492	\$ 3,191,146

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

5. Portfolio investments

	2023	2022 Cost (note 2)
Cash	\$ 595,738	\$ 527,824
Guaranteed investment certificates	1,770,000	520,000
Fixed income	5,585,581	5,133,842
Equities	13,232,654	11,733,107
	\$ 21,183,973	\$ 17,914,773

Portfolio investments are carried at fair market value (2022 - Cost) with fixed income and equities classified as level 1 as per the fair value hierarchy under Note 1(c). The cost of portfolio investments are \$19,056,282 (2022 - \$20,539,593 fair value).

6. Long-term investments

	2023	2022
All Nations Trust Company, at cost	\$ 36,000	\$ 36,000
Spayum Holdings Limited Partnership	1,104,294	1,113,782
Stuwix Resources Joint Venture	399,419	361,235
Upper Nicola Holdings Limited Partnership	846,893	149,290
	\$ 2,386,606	\$ 1,660,307

Upper Nicola Band holds a loan receivable and equity interest in Spayum Holdings Limited Partnership (previously 1149296 Limited Partnership). The note receivable is non-interest bearing, and there are no set terms of repayment.

Upper Nicola Band has a non-controlling interest in Stuwix Resources Joint Venture. During the year, the Joint Venture paid, under normal terms of trade, \$2,342,059 (2022 - \$1,419,654) for contract services provided.

Upper Nicola Band wholly owns Upper Nicola Holdings Limited Partnership.

Summary of the financial statements of Stuwix Resources Joint Venture, Upper Nicola Holdings Limited Partnership, and Spayum Holdings Limited Partnership is as follows:

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

6. Long-term investments (continued)

	Stuwix Resources Joint Venture	Upper Nicola Holdings Limited Partnership	Spayum Holdings Limited Partnership	2023 Total	2022 Total
Assets	\$ 8,442,321	\$ 947,592	\$ 5,344,655	\$ 14,734,568	\$ 16,691,165
Liabilities	\$ 5,444,738	\$ 100,698	\$ 3,191,133	\$ 8,736,569	\$ 11,677,520
Equity	2,997,583	846,894	2,153,522	5,997,999	5,013,645
Total liabilities and equity	\$ 8,442,321	\$ 947,592	\$ 5,344,655	\$ 14,734,568	\$ 16,691,165

	Stuwix Resources Joint Venture	Upper Nicola Holdings Limited Partnership	Spayum Holdings Limited Partnership	2023 Total	2022 Total
Revenue	\$ 14,102,981	\$ 1,186,739	\$ 223,855	\$ 15,513,575	\$ 17,192,441
Cost of sales	15,320,484	-	-	15,320,484	16,878,756
Expenses	1,342,062	489,136	242,575	2,073,773	1,820,311
Total expenses	16,662,546	489,136	242,575	17,394,257	18,699,067
Net income	\$ (2,559,565)	\$ 697,603	\$ (18,720)	\$ (1,880,682)	\$ (1,506,626)

7. Trust funds held by Ottawa

The Capital and Revenue funds are held in Ottawa and arise from monies derived from capital and revenue sources which the Crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by section 64 and 69 of the Indian Act. The Funds earn interest pursuant to section 61(2) of the Indian Act.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

8. Deferred revenue

Deferred revenue represents funds received, that will be recognized as revenue in the next fiscal year, when the related expenses are incurred, or when the terms of the funding have been completed. The deferred revenue relates to the following funders:

	March 31, 2022	Funding received, 2023	Revenue recognized, 2023	March 31, 2023
Federal Government				
ISC - ACRS Program	\$ 266,589	\$ -	\$ (70,091)	\$ 196,498
ISC - NAHS 2018-19 Septic Replacement	112,859	-	-	112,859
ISC - IR3 Site7 Subdivision ICMS 127751	596,421	-	(253,169)	343,252
ISC - Operations and Maintenance	-	809,550	(494,781)	314,769
ISC - Service Delivery	-	-	118,874	118,874
ISC - Elementary & Secondary Education	229,049	210,151	(23,589)	415,611
ISC - Economic Development	162,008	27,751	(20,358)	169,401
ISC - Post secondary Education	59,467	556,859	(531,821)	84,505
ISC - Local Education Tuition	317,631	522,267	(555,114)	284,784
ISC - Income Assistance	-	-	185,021	185,021
ISC - ACRS 2020	187,135	-	-	187,135
ISC - BC Capacity Initiative Cultural Landscape	31,063	-	(31,063)	-
ISC - N'kwala School	389,296	1,205,615	(1,032,387)	562,524
ISC - ACRS Ventilation	31,007	20,778	-	51,785
ISC - Species at Risk	39,640	97,987	(87,459)	50,168
ISC - Nicola Chiefs' Watershed Committee	46,102	233,612	(58,135)	221,579
ISC - Child Protection	-	1,186,282	(997,007)	189,275
ISC - P&ID	-	20,000	(4,253)	15,747
ISC - Housing Top Up	-	-	170,094	170,094
	2,468,267	4,890,852	(3,685,238)	3,673,884
Other Funders				
UNB Miscellaneous Projects	41,486	-	(33,073)	8,413
Local Revenue - Property Tax	4,906	56,096	(50,753)	10,249
WIPG - TMX Investment	95,417	-	(5,792)	89,625
Community Bldg	-	1,282,030	(918,320)	363,710
IAMC Monitoring	-	279,862	(180,375)	99,487
Employment program	60,000	-	(60,000)	-
Lands Rlemp	-	157,463	(36,635)	120,828
FireSmart	-	242,080	(92,080)	150,000
Language Project	-	324,404	(224,285)	100,119
Forest Title & Rights	-	125,000	-	125,000
	201,809	2,466,935	(1,601,313)	1,067,428
	\$ 2,670,076	\$ 7,357,787	\$ (5,286,551)	\$ 4,741,312

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

9. Long-term debt

	2023	2022
Royal Bank of Canada demand loan bearing interest at 3.52% per annum, repayable in blended monthly instalments of \$1,802. Matures in full September 2023.	\$ 10,456	\$ 31,304
All Nations Trust Company (Phase 3 - #14539209003) mortgage bearing interest at 2.39% per annum, repayable in blended monthly instalments of \$2,579. The loan matured in full November 2022. The loan was secured by a ministerial guarantee.	-	20,456
All Nations Trust Company (Phase 4 - #19362060002) mortgage bearing interest at 0.74% per annum, repayable in blended monthly instalments of \$1,812. The loan has a renewal date of January 2026, and is scheduled to mature in full January 2026. The loan is secured by a ministerial guarantee.	60,981	82,150
All Nations Trust Company (Phase 5 - #19362060001) mortgage bearing interest at 3.04% per annum, repayable in blended monthly instalments of \$2,181. The loan renewal and maturity date is February 2027. The loan is secured by a ministerial guarantee.	100,775	124,595
All Nations Trust Company (Phase 6 - #19362060003) mortgage bearing interest at 0.69% per annum, repayable in blended monthly instalments of \$2,023. The loan has a renewal date of June 2025, and is scheduled to mature in full January 2030. The loan is secured by a ministerial guarantee.	162,081	185,059
All Nations Trust Company (Phase 7 - #19362060005) mortgage bearing interest at 3.45% per annum, repayable in blended monthly instalments of \$4,577. The loan has a renewal date of August 2027, and is scheduled to mature in full August 2042. The loan is secured by a ministerial guarantee.	901,051	933,026
Murray Chevrolet vehicle loan bearing interest at 5.99% per annum, repayable in blended monthly instalments of \$726. Matures in full November 2023.	5,683	13,782
Connect Okanagan Telephone equipment lease, bearing interest at 10.21% per annum, repayable in blended monthly payments of \$659. Final payment is due July 2023, at which time the company has the option to purchase the equipment for \$1 plus applicable taxes.	2,583	9,825

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

9. Long-term debt (continued)

	2023	2022
Governance building loan, bearing interest at 6% per annum, repayable in blended monthly payments of \$1,592. Matures the earlier of (a) March 8, 2028 (5 years from Principal amount withdrawn), (b) the date of completion of the purpose of borrowing, and (c) the date upon which the Authority issues debt securities to replace the long-term financing to the First Nation	398,415	-
	\$ 1,642,025	\$ 1,400,197

Estimated principal portion of long-term debt due within the next five years:

2024	\$ 182,200
2025	145,803
2026	128,692
2027	126,528
2028 and thereafter	1,058,802
	\$ 1,642,025

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

10. Tangible Capital Assets

	Cost			Accumulated amortization			2023 net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	
Land	\$ 297,594	\$ -	\$ 297,594	\$ -	\$ -	\$ -	\$ 297,594
Buildings	8,614,266	-	8,614,266	7,611,482	104,376	7,715,858	898,408
Automotive equipment	1,246,597	51,441	1,298,038	1,242,222	4,375	1,246,597	51,441
Furniture and equipment	1,801,621	434,636	2,236,257	1,699,282	80,259	1,779,541	456,716
Infrastructure	10,774,407	-	10,774,407	5,692,431	293,055	5,985,486	4,788,921
Infrastructure under construction	980,995	1,431,500	2,412,495	-	-	-	2,412,495
Social Housing Land	181,180	-	181,180	-	-	-	181,180
Social Housing Buildings	4,082,614	-	4,082,614	2,433,521	252,968	2,686,489	1,396,125
	\$ 27,979,274	\$ 1,917,577	\$ 29,896,851	\$ 18,678,938	\$ 735,033	\$ 19,413,971	\$ 10,482,880

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

	Cost			Accumulated amortization			2022 Net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	
Land	\$ 32,594	\$ 265,000	\$ 297,594	\$ -	\$ -	\$ -	\$ 297,594
Buildings	8,614,266	-	8,614,266	7,507,106	104,376	7,611,482	1,002,784
Automotive equipment	1,246,597	-	1,246,597	1,214,696	27,526	1,242,222	4,375
Furniture and equipment	1,772,862	28,759	1,801,621	1,611,423	87,859	1,699,282	102,339
Infrastructure	10,774,407	-	10,774,407	5,399,376	293,055	5,692,431	5,081,976
Infrastructure under construction	954,636	26,359	980,995	-	-	-	980,995
Social Housing Land	181,180	-	181,180	-	-	-	181,180
Social Housing Buildings	4,082,614	-	4,082,614	2,180,553	252,968	2,433,521	1,649,093
	\$ 27,659,156	\$ 320,118	\$ 27,979,274	\$ 17,913,154	\$ 765,784	\$ 18,678,938	\$ 9,300,336

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

11. Accumulated operating surplus

	2023	2022
Operating Fund	\$ 20,164,735	\$ 19,316,644
Capital Fund	8,669,620	7,596,330
Investment Fund	2,386,606	1,660,307
Social Housing Fund	1,677,809	1,180,790
Trust Fund	57,718	57,718
	<hr/>	<hr/>
	\$ 32,956,488	\$ 29,811,790

12. Contingent Liabilities

Government contributions related to programs of the Nation are subject to conditions regarding the expenditure of funds. The Nation's accounting records are subject to audit by the funding agencies. Should any instances be identified in which the amounts charged to the projects are not in accordance with the agreed terms and conditions, amounts would be refundable to the respective funding agencies. Adjustments to the financial statements as a result of these ministerial audits will be recorded in the period in which they become known.

13. Budget Information

The unaudited budget data presented in these consolidated financial statements is based upon information provided by management.

Amortization was not contemplated on development of the budget and has been recognized at the amount expensed in the current year.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

14. Expenses by Object

For the year ended March 31	2023 Budget	2023 Actual	2022 Actual
Administration fees	\$ 229,869	\$ 198,096	\$ 335,142
Advertising	36,035	18,002	20,325
Amortization	-	735,033	765,784
Bad debts	500	4,178	-
Band member services	966,068	676,467	670,727
CMHC replacement reserve	43,524	32,355	36,108
Community meetings	-	363	2,250
Contracted services	902,547	581,430	526,295
Equipment purchase	2,782,031	40,302	-
Honorariums	315,704	188,583	329,420
Insurance	153,943	155,159	136,527
Interest and bank charges	11,720	39,819	33,934
Management Fees	60,574	30,685	65,303
Office expenses	118,367	108,431	111,683
Other expenses	605,687	391,212	380,284
Payments on loans	269,910	-	-
Professional fees	5,048,099	1,024,008	557,936
Rent	149,157	156,071	105,599
Repairs and maintenance	526,750	350,532	432,691
Salaries, wages and benefits	3,979,928	4,119,681	3,929,614
Social Assistance	791,900	806,512	767,829
Supplies	394,036	301,113	361,224
Training and professional development	251,132	63,917	90,325
Travel	180,783	244,028	136,102
Tuition and Student Allowances	1,252,591	1,020,851	982,881
Utilities	246,701	238,922	241,638
	\$ 19,317,556	\$ 11,525,750	\$ 11,019,621

Included in Salaries, wages and benefits expense is \$127,614 (2022 - \$144,506) related to a defined contribution pension plan. The First Nation matches all permanent employees' contributions up to 8% of annual salary.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

15. Segmented information

	2023 Budget	Administration 2023 Actual	2022 Actual	2023 Budget	Amortization 2023 Actual	2022 Actual	Community and Social Services 2023 Budget	2023 Actual	2022 Actual
Revenues									
Indigenous Services Canada	\$ 727,513	\$ 1,363,301	\$ 480,907	\$ -	\$ -	\$ -	\$ 2,106,893	\$ 1,659,995	\$ 2,587,427
Other revenue	1,169,910	1,903,164	1,845,834	-	-	-	1,105,649	1,440,985	1,186,584
Total revenue	1,897,423	3,266,465	2,326,741	-	-	-	3,212,542	3,100,980	3,774,011
Expenses									
Salaries, wages and benefits	904,720	824,863	859,200	-	-	-	790,655	965,679	839,488
Tuition and Student Allowances	-	(500)	9,377	-	-	-	-	5,316	-
Social Assistance	-	-	-	-	-	-	791,900	806,512	767,829
Other expenses	1,218,888	920,029	858,180	-	735,033	765,784	1,779,517	1,409,321	1,103,557
Total expenses	2,123,608	1,744,392	1,726,757	-	735,033	765,784	3,362,072	3,186,828	2,710,874
Annual surplus (deficit)	\$ (226,185)	\$ 1,522,073	\$ 599,984	\$ -	\$ (735,033)	\$ (765,784)	\$ (149,530)	\$ (85,848)	\$ 1,063,137
	2023 Budget	Economic Development 2023 Actual	2022 Actual	2023 Budget	Education 2023 Actual	2022 Actual	2023 Budget	Forestry 2023 Actual	2022 Actual
Revenues									
Indigenous Services Canada	\$ 312,446	\$ -	\$ 272	\$ 3,270,244	\$ 1,956,133	\$ 1,876,410	\$ -	\$ -	\$ -
First Nations Education Steering Committee	-	-	-	343,127	468,373	520,466	-	-	-
Forestry	-	-	-	-	-	-	992,782	1,211,280	1,398,379
Other revenue	-	-	-	192,837	219,838	125,457	-	-	-
Total revenue	312,446	-	272	3,806,208	2,644,344	2,522,333	992,782	1,211,280	1,398,379
Expenses									
Salaries, wages and benefits	-	-	228	954,610	928,298	826,658	-	-	-
Tuition and Student Allowances	-	-	-	1,245,595	1,012,135	973,504	-	-	-
Other expenses	225,000	27,495	32,554	651,647	508,897	668,428	49,338	16,269	38,603
Total expenses	225,000	27,495	32,782	2,851,852	2,449,330	2,468,590	49,338	16,269	38,603
Annual surplus (deficit)	\$ 87,446	\$ (27,495)	\$ (32,510)	\$ 954,356	\$ 195,014	\$ 53,743	\$ 943,444	\$ 1,195,011	\$ 1,359,776

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

15. Segmented information (continued)

	2023 Budget	Health 2023 Actual	2022 Actual	2023 Budget	Housing 2023 Actual	2022 Actual	2023 Budget	Language and culture 2023 Actual	2022 Actual
Revenues									
Indigenous Services Canada	\$ 40,095	\$ -	\$ -	\$ 190,187	\$ (49,952)	\$ 109,104	\$ -	\$ -	\$ -
First Nations Health Authority	1,369,310	1,500,881	1,520,268	-	-	-	-	-	-
Other revenue	155,388	337,395	294,879	365,850	361,581	376,873	419,827	224,286	284,250
Total revenue	1,564,793	1,838,276	1,815,147	556,037	311,629	485,977	419,827	224,286	284,250
Expenses									
Salaries, wages and benefits	510,118	615,665	626,745	101,115	110,792	124,307	186,827	140,806	205,864
Tuition and Student Allowances	-	-	-	-	-	-	6,996	3,900	-
Other expenses	864,451	877,290	912,157	387,307	266,053	233,913	190,500	76,754	81,483
Total expenses	1,374,569	1,492,955	1,538,902	488,422	376,845	358,220	384,323	221,460	287,347
Annual surplus (deficit)	\$ 190,224	\$ 345,321	\$ 276,245	\$ 67,615	\$ (65,216)	\$ 127,757	\$ 35,504	\$ 2,826	\$ (3,097)
	2023 Budget	Other 2023 Actual	2022 Actual	2023 Budget	Title and rights 2023 Actual	2022 Actual	2023 Budget	Capital Fund 2023 Actual	2022 Actual
Revenues									
Indigenous Services Canada	\$ 283,311	\$ 105,702	\$ 36,642	\$ (2,300)	\$ (94,365)	\$ 108,280	\$ 104,113	\$ 962,794	\$ 120,313
Other revenue	201,491	36,818	96,388	1,152,581	1,011,490	840,750	3,944,000	-	20,000
Total revenue	484,802	142,520	133,030	1,150,281	917,125	949,030	4,048,113	962,794	140,313
Expenses									
Salaries, wages and benefits	92,157	8,831	17,490	436,626	521,648	427,090	-	-	-
Other expenses	353,248	147,044	112,268	1,138,013	357,332	475,898	6,423,077	224,532	53,732
Total expenses	445,405	155,875	129,758	1,574,639	878,980	902,988	6,423,077	224,532	53,732
Annual surplus (deficit)	\$ 39,397	\$ (13,355)	\$ 3,272	\$ (424,358)	\$ 38,145	\$ 46,042	\$ (2,374,964)	\$ 738,262	\$ 86,581

Upper Nicola Band

Notes to Consolidated Financial Statements

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15. Segmented information (continued)

	2023 Budget	Property Tax 2023 Actual	2022 Actual	2023 Budget	Consolidated totals 2023 Actual	2022 Actual
Revenues						
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ 7,032,502	\$ 5,903,608	\$ 5,319,355
First Nations Health Authority	-	-	-	1,369,310	1,500,881	1,520,268
First Nations Education Steering Committee	-	-	-	343,127	468,373	520,466
Forestry	-	-	-	992,782	1,211,280	1,398,379
Local revenue - fees	36,296	56,095	37,190	36,296	56,095	37,190
Other revenue	4,906	(5,341)	(4,906)	8,712,439	5,530,216	5,066,109
Total revenue	41,202	50,754	32,284	18,486,456	14,670,449	13,861,767
Expenses						
Salaries, wages and benefits	3,100	3,100	2,544	3,979,928	4,119,682	3,929,614
Tuition and Student Allowances	-	-	-	1,252,591	1,020,851	982,881
Social Assistance	-	-	-	791,900	806,512	767,829
Other expenses	12,150	12,656	2,740	13,293,136	5,578,705	5,339,297
Total expenses	15,250	15,756	5,284	19,317,556	11,525,750	11,019,621
Annual surplus (deficit)	\$ 25,952	\$ 34,998	\$ 27,000	\$ (831,100)	\$ 3,144,699	\$ 2,842,146

March 31, 2023

16. Risk Management

Transacting in and holding of financial instruments exposes the First Nation to certain financial risks and uncertainties. Qualitative and quantitative analysis of the significant risks are as follows:

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Nation's exposure to credit risk relates to accounts receivable and arises from the possibility that a debtor does not fulfil its obligations. Management believes this risk is minimized as the First Nation performs continuous evaluation of its financial assets and records impairment in accordance with the stated policy. The maximum exposure to credit risk is the carrying value of these assets. A significant portion of the First Nation's accounts receivable is from federal and provincial governments, which minimizes credit risk.

The aged financial assets that are past due but not impaired are as follows include \$1,281,637 of accounts receivable over 90 days. As at year-end, management has determined that a portion of the accounts receivable are impaired. Impaired accounts receivable are disclosed in Note 4. There have been no significant changes to the credit risk from the previous year.

(b) 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 comprises three types of risk: currency risk, interest rate risk and other price risk. The First Nation is exposed to market risk as follows:

(i) 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 market interest rates. The First Nation's interest-bearing financial instruments include fixed rate long-term debt and fixed income instruments included in portfolio investments. The fair values of fixed rate financial instruments fluctuate as market rates of interest change. The cash flows resulting from variable rate financial instruments fluctuate as interest rates applicable to the instruments change. Management manages this risk through borrowing at a fixed rate of interest at the change in market interest rates will have no impact on the cash flows required to service the debt and holding fixed income instruments for their duration. There have been no significant changes to interest rate risk from the previous year.

(ii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk, whether those changes are caused by factors specific to the individual financial instrument or issuer, or factors affecting all similar financial instruments or issuers. The First Nation's investments in portfolio investments expose the First Nation to price risks as these instruments are subject to price changes in an open market for a variety of reasons including, investor sentiment and expectations, changes in market rates of interest, general economic indicators and restrictions of credit markets. The First Nation does not employ derivative financial instruments to hedge its exposure to other price risk. Management mitigates this risk through diversification of investments in different countries, business sectors and corporate sizes. There have been no significant changes to other price risk from the previous year.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2023

17. Segments

Administration

Includes general operations, support, and financial management of the Nation.

Community and Social Services

Includes revenue and expenditures related to community and social services.

Economic Development

Includes revenue and expenditures related to pursuit of economic development opportunities.

Education

Includes revenue and expenditures related to education programs.

Forestry

Includes revenue and expenditures related to forestry projects and licenses.

Health

Includes revenue and expenditures related to health programs.

Housing

Includes revenue and expenditures related to Social Housing programs carried on by the Nation.

Language and culture

Includes revenue and expenditures related to language and culture programs.

Title and rights

Includes revenue and expenditures related to title and rights.

Capital Fund

Includes revenue and expenditures related to capital projects.

Property Tax

Includes revenue and expenditures related to administration of property tax.