



Kwikwetlem First Nation
March 31, 2022



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**Kwikwetlem First Nation
Consolidated Financial Statements**

March 31, 2022

Kwikwetlem First Nation Contents

For the year ended March 31, 2022

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Management's Responsibility

To the Members of Kwikwetlem First Nation

The accompanying consolidated financial statements of Kwikwetlem First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Kwikwetlem First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

August 24, 2022

"Karen Nagra" Signed

CFO

"Deborah Martelluzzi" Signed

CAO

To the Members of Kwikwetlem First Nation:

Opinion

We have audited the consolidated financial statements of Kwikwetlem First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2022, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation 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.

Other Matter

The financial statements as at March 31, 2021 were audited by another public accountant who issued an unqualified audit report dated August 30, 2021.

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

Management and those charged with governance are 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 the First Nation'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 First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's 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.

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 the First Nation'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 First Nation 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 First Nation 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.

Maple Ridge, British Columbia

August 24, 2022

MNP LLP

Chartered Professional Accountants

Kwikwetlem First Nation
Consolidated Statement of Financial Position
As at March 31, 2022

	2022	2021
Financial assets		
Cash	563,606	1,553,052
Restricted cash (Note 4)	21,320	21,277
Accounts receivable (Note 5)	2,414,800	759,447
Portfolio investments (Note 6)	1,724,839	1,621,931
Investments in partnerships and government business entities (Note 7)	1,349,883	2,000,607
Advances to related Nation entities & departments (Note 8)	1,252,935	1,778,560
Funds held in trust (Note 9)	279	347
	7,327,662	7,735,221
Liabilities		
Accounts payable and accruals (Note 10)	1,818,917	2,194,711
Deferred revenue (Note 11)	287,814	270,411
Long-term debt (Note 12)	1,391,735	1,476,255
	3,498,466	3,941,377
Net financial assets	3,829,196	3,793,844
Non-financial assets		
Tangible capital assets (Schedule 1)	9,886,041	7,007,070
Prepaid expenses	25,439	35,500
Total non-financial assets	9,911,480	7,042,570
Accumulated surplus (Note 13)	13,740,676	10,836,414

Approved on behalf of the Council

"Ed Hall" Signed

Chief

"John Peters" Signed

Councillor

Kwikwetlem First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

	2022 Budget	2022	2021
Revenue			
Indigenous Services Canada	766,769	2,320,083	1,621,221
BC First Nations Gaming Revenue Sharing Limited Partnership	69,650	159,020	278,600
BC Housing	242,900	1,603,205	456,014
BC Hydro	-	27,647	21,700
Canada Mortgage and Housing Corporation	30,000	236,679	36,787
Economic activity and other income	886,353	2,927,837	995,393
Earnings (loss) from partnerships and government business entities	-	(652,424)	2,046,279
First Nations Education Steering Committee	-	80,124	21,546
First Nations Health Authority	60,721	129,625	209,938
FN Lands Management Resource Centre	55,000	151,643	112,050
Fraser Health Authority	-	15,000	450
Government of Canada	407,744	1,213,493	462,334
Interest income	5,000	5,693	6,638
New Relationship Trust	-	55,000	-
Property tax revenue	261,603	262,556	953
Province of British Columbia	70,292	964,835	352,350
Real Estate Foundation of British Columbia	-	480,000	-
Rental income	1,254,388	959,374	138,125
	4,110,420	10,939,390	6,760,378
Expenditures			
Band Programs	1,799,240	2,545,185	2,756,739
Capital Program	-	23,497	44,464
Community Services	170,081	1,261,004	573,294
Education	173,180	133,519	249,862
Health	214,547	141,641	146,973
Lands & Resources	1,060,642	1,428,910	735,298
Referral & Stewardship	765,210	1,820,443	515,591
Social Housing	298,980	350,712	406,400
Capital Fund	-	330,217	238,390
	4,481,880	8,035,128	5,667,011
Annual surplus (deficit)	(371,460)	2,904,262	1,093,367
Accumulated surplus, beginning of year	10,836,414	10,836,414	9,743,047
Accumulated surplus, end of year	10,464,954	13,740,676	10,836,414

Kwikwetlem First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2022

	2022 Budget	2022	2021
Annual surplus (deficit)	(371,460)	2,904,262	1,093,367
Acquisition of tangible capital assets	-	(3,243,588)	(780,214)
Amortization of tangible capital assets	-	364,617	272,160
	-	(2,878,971)	(508,054)
Acquisition of prepaid expenses	-	(25,439)	(35,500)
Use of prepaid expenses	-	35,500	546
	-	10,061	(34,954)
Increase (decrease) in net financial assets	(371,460)	35,352	550,359
Net financial assets, beginning of year	3,793,844	3,793,844	3,243,485
Net financial assets, end of year	3,422,384	3,829,196	3,793,844

Kwikwetlem First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Surplus	2,904,262	1,093,367
Non-cash items		
Amortization	364,617	272,160
Loss (earnings) from partnerships and government business entities	652,424	(2,046,279)
	3,921,303	(680,752)
Changes in working capital accounts		
Accounts receivable	(1,655,353)	(114,338)
Prepaid expenses	10,061	(34,954)
Accounts payable and accruals	(375,794)	(560,842)
Deferred revenue	17,403	(266,077)
	1,917,620	(1,656,963)
Financing activities		
Repayment of long-term debt	(84,520)	(82,479)
Capital activities		
Acquisition of tangible capital assets	(3,243,588)	(780,214)
Investing activities		
Net change in portfolio investments	(102,908)	338,272
Net change in funds held in trust	68	32,745
Advances to related Nation entities & departments	-	(180,185)
Repayment of advances to related Nation entities & departments	525,625	881,609
Advances to partnerships and government business entities	(1,700)	(16,775)
	421,085	1,055,666
Decrease in cash resources	(989,403)	(1,463,990)
Cash resources, beginning of year	1,574,329	3,038,319
Cash resources, end of year	584,926	1,574,329
Cash resources are composed of:		
Cash	563,606	1,553,052
Restricted cash	21,320	21,277
	584,926	1,574,329

Kwikwetlem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

1. Operations

The Kwikwetlem First Nation (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Kwikwetlem First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

Impact of COVID-19 on operations

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on communities through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations, and isolation / quarantine orders

The Nation's operations were not materially impacted by COVID-19.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation's operations as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine / isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the First Nation's operations.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Kwikwetlem First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities:

- Kwikwetlem First Nation Social Housing Program

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Kwikwetlem First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Choxw Holdings Corporation (bare trust company, 100% owned by Kwikwetlem First Nation)
- KFN Enterprises Ltd. (100% owned by Kwikwetlem First Nation through the bare trustee company)
- KFN Enterprises Limited Partnership (99% limited partner through the bare trustee company)

Kwikwetlem First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

2. Significant accounting policies *(Continued from previous page)*

Net financial assets

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Portfolio investments with prices quoted in an active market include term deposits.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of the First Nation's members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust funds consist of:

- Capital trust funds derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust funds generated primarily through land leasing transactions or interest earned on deposits held in trust.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable, and amounts due from related parties, are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Kwikwetlem First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Own source revenue

Own source revenue derived from sources such as resource based revenues, property tax, interest income and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Rental revenue

Rental revenue is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Earnings from investments in Nation partnerships and business entities

Earnings from investments in Nation partnership and business entities is recognized as revenue when received or receivable based on the First Nation's proportion of the partnership's or entities' equity.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings and improvements	declining balance	5 %
Office and general equipment	declining balance	20 %
Computer equipment	declining balance	30 %
Vehicles	declining balance	30 %
Boats	declining balance	30 %
Infrastructure	straight-line	10 years
Canoes	straight-line	20 years
Parking lots	straight-line	30 years
Watermains	straight-line	40 years
Roads	straight-line	100 years

Kwikwetlem First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the First Nation determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write downs are not reversed.

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2022.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. Management has determined that no liability exists as at March 31, 2022.

Segments

The First Nation conducts its business through the following reportable segments: Band Programs, Capital Program, Community Services, Education, Health, Social Housing, Lands & Resources and Referral & Stewardship. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Kwikwetlem First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

3. Recent accounting pronouncement

PS 3280 Asset Retirement Obligations (New)

In August 2018, new PS 3280 Asset Retirement Obligations was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of new PS 3280, PS 3270 Solid Waste Landfill Closure and Post-Closure Liability will be withdrawn.

The main features of this standard are as follows:

- An ARO represents a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic matter.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.

The best method to estimate the liability is often a present value technique.

This standard was to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

4. Restricted cash

	2022	2021
Externally restricted CMHC Replacement Reserve	21,320	21,277

Replacement Reserve

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") the Nation maintains a replacement reserve, established by an annual allocation of \$9,040 (2021 - \$9,040), to ensure replacement of buildings financed by CMHC. In addition to the annual allocation, the First Nation was required to allocate a supplemental assistance amount totaling \$200,000. The \$200,000 of supplemental assistance was received subsequent to March 31, 2022, therefore this reserve is overfunded by \$12,237 (2021 - overfunded by \$21,277).

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

Kwikwetlem First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

5. Accounts receivable

	2022	2021
BC Housing	1,280,211	-
BC Hydro	15,000	2,250
Canadian Pacific Railway	35,642	-
CMHC subsidies receivable	203,057	3,057
Fraser Health Authority	6,171	89,145
First Nation Steering Committee	10,718	18,971
Funding and trade receivables	184,015	158,394
Indigenous Advisory and Monitoring Committee	27,499	54,795
Indigenous Services Canada	238,634	100,613
Ministry of Environment	2,000	2,000
Member receivable	345,957	320,197
Natural Resources Canada	55,000	-
New Relationship Trust	6,268	-
Rent subsidies	4,628	10,025
	2,414,800	759,447

6. Portfolio investments

	2022	2021
Measured at cost:		
BC First Nations Gaming Revenue Sharing LP	100	100
BC First Nations Gaming Revenue Sharing General Partner Ltd.	10	10
	110	110
Measured at fair value:		
Royal Bank of Canada Guaranteed Investment Certificates (GICs)	75,000	75,000
Royal Bank of Canada (GICs) held in trust for minor Band Members	1,649,729	1,546,821
	1,724,729	1,621,821
	1,724,839	1,621,931

All Royal Bank of Canada GICs bear interest at 0.1% per annum, have one-year terms, and are renewed upon maturity.

Kwikwetlem First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

7. Investments in partnerships and government business entities

The First Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>	2022
First Nation Government Business Enterprises					
KFN Enterprises Ltd. - 100%	10	-	(16,501)	(16,491)	
Choxw Holdings Corp. - 100%	-	6,675	(8,325)	(1,650)	
	10	6,675	(24,826)	(18,141)	
First Nation Business Partnerships – Modified Equity					
KFN Enterprises Limited Partnership - 99.99%	9,999	1,067,562	290,463	1,368,024	
	10,009	1,074,237	265,637	1,349,883	
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>	2021
First Nation Government Business Enterprises					
KFN Enterprises Ltd. - 100%	10	-	(15,736)	(15,726)	
Choxw Holdings Corp. - 100%	-	4,975	-	4,975	
	10	4,975	(15,736)	(10,751)	
First Nation Business Partnerships – Modified Equity					
KFN Enterprises Limited Partnership - 99.99%	9,999	1,067,562	933,797	2,011,358	
	10,009	1,072,537	918,061	2,000,607	

Kwikwetlem First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

7. Investments in partnerships and government business entities *(Continued from previous page)*

Summary financial information for Kwikwetlem First Nation business enterprises, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>KFN Enterprises Ltd. As at March 31, 2022</i>	<i>Choxw Holdings Corp. As at March 31, 2022</i>	2022	2021
Assets				
Due from shareholders	-	1	1	1
Investments	30	-	30	94
Total assets	30	1	31	95
Liabilities				
Accounts payable and accruals	2,000	1,650	3,650	4,650
Advances from related parties	14,520	6,675	21,195	17,795
Total liabilities	16,520	8,325	24,845	22,445
Deficit	(16,490)	(8,324)	(24,814)	(22,350)
Total revenue	-	-	-	205
Total expenses	764	1,700	2,764	4,620
Net income (loss)	(764)	(1,700)	(2,764)	(4,415)

Kwikwetlem First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

7. Investments in partnerships and government business entities *(Continued from previous page)*

Summary financial information for Kwikwetlem First Nation business partnerships, accounted for using the modified equity method, for the respective year-end is as follows:

	<i>KFN Enterprises</i> <i>Limited</i> <i>Partnership</i> <i>As at March 31,</i> <i>2022</i>	<i>KFN Enterprises</i> <i>Limited</i> <i>Partnership</i> <i>As at March 31,</i> <i>2021</i>
Assets		
Cash	3,836,395	2,655,585
Accounts receivable	42,524	552,339
Prepaid expenses and deposits	12,350	28,627
Holdbacks receivable	-	85,079
Advances to related parties	1,649,748	5,437,432
Property and equipment	649,754	490,467
Investments in joint arrangements	2,744,532	865,474
Total assets	8,935,303	10,115,003
Liabilities		
Accounts payable and accruals	52,424	43,511
Government remittances payable	91,521	71,450
Wages and employee benefits payable	26,837	5,463
Advances from related parties	1,083,608	1,090,490
Callable debt	7,380,420	7,960,198
Total liabilities	8,634,810	9,171,112
Partners' Capital	300,493	943,891
Total revenue	3,964,322	4,285,372
Total expenses	1,665,940	1,208,696
Earnings from operations	2,298,382	3,076,676
Other income (expense)	(2,941,782)	(1,027,427)
Net earnings (loss)	(643,400)	2,049,249

Kwikwetlem First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

8. Advances to related Nation entities & departments

	2022	2021
Kwikwetlem Holdings Inc.	3,000	3,000
Kwikwetlem Holdings Limited Partnership	155,697	181,935
Kwikwetlem Land Management Inc.	2,250	2,250
Kwikwetlem Land Management Limited Partnership	2,500	2,500
Kwosel Land Development Limited Partnership	2,500	2,500
Kwosel Land Development Ltd.	2,250	2,250
Saskay Consulting Limited Partnership	3,250	3,250
Saskay Consulting Ltd.	1,500	1,500
Saskay Land Development Corporation	107,352	107,352
Saskay Land Development Limited Partnership	972,636	1,472,023
	1,252,935	1,778,560

9. Funds held in trust

Capital and revenue trust funds are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

	2022	2021
Capital Trust		
Balance, beginning of year	-	17,483
Less: Transfers to Nation	-	17,483
Balance, end of year	-	-
Revenue Trust		
Balance, beginning of year	347	15,609
Interest and distributions	(68)	347
Less: Transfers to Nation	-	(15,609)
Balance, end of year	279	347

10. Accounts payable and accrued liabilities

	2022	2021
Accounts payable - general	92,661	547,559
Accrued salaries and employee benefits	65,387	94,599
Damage deposits	4,850	2,478
Government remittances payable	6,290	3,254
Guaranteed Investment Certificates payable in trust to minor band members	1,649,729	1,546,821
	1,818,917	2,194,711

Kwikwetlem First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

11. Deferred revenue

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Indigenous Services Canada Kwikwetlem Holdings Limited Partnership	270,411 - 270,411	2,049,672 1,140,113 3,189,785	2,320,083 852,299 3,172,382	- 287,814 287,814

12. Long-term debt

	2022	2021
Two Bank of Montreal demand loans, each with blended monthly payments of \$202 at 3.39% per annum, maturing in February 2024. Both loans are payable on demand and have no specified terms of repayment or early repayment penalties.	51,966	55,094
Royal Bank of Canada demand loan, with blended monthly payments of \$5,994 at 3.2% per annum, maturing October 2039. The loan is payable on demand and has no specified terms of repayment or early repayment penalties.	815,426	862,418
All Nations' Trust Company mortgage with blended monthly payments of \$1,382 at 0.68% per annum, maturing August 1, 2030.	132,952	148,250
All Nations' Trust Company mortgage with blended monthly payments of \$2,308 at 2.22% per annum, maturing December 1, 2038.	391,391	410,493
	1,391,735	1,476,255

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2023	85,013
2024	86,717
2025	88,941
2026	91,231
2027	93,587

Kwikwetlem First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

13. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
Equity in Tangible Capital Assets	8,494,306	5,530,814
Operating Surplus	5,224,771	5,283,976
Equity in Ottawa Trust Funds	279	347
Equity in CMHC Replacement Reserve	21,320	21,277
	13,740,676	10,836,414

14. Budget information

The disclosed budget information has been approved by the Chief and Council of the Kwikwetlem First Nation at the Chief & Council meeting held on March 23, 2021.

15. Financial instruments

Kwikwetlem First Nation's financial instruments consist of cash, accounts receivable, accounts payable and accruals, and long-term debt. It is management's opinion that the First Nation is not exposed to significant currency or credit risk arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure through its normal operating and financing activities. The First Nation is exposed to interest rate price risk on its mortgages with fixed interest rates, and market risk on demand loans with variable rates.

Kwikwetlem First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

16. Segments

The First Nation conducts its business through reportable segments, which are differentiated by major activities, accountability and control relationships. The reportable segments and their activities are as follows:

Band Programs

Responsible for administering projects the Band is involved in annually and on an on-going basis relating to the overall objectives of the First Nation and the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, band government, economic development, community services and technical services.

Capital Programs and Capital Fund

Manages capital projects within the community undertaken to support the growth and/or maintenance of the First Nation's infrastructure.

Community Services

Provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

Education

Supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs, it also provides services for students at the elementary/secondary and post secondary level, including; instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

Health

Oversees the delivery of health programs and initiatives for the betterment of the lives of the members of the First Nation.

Lands & Resources

Includes revenue and expenses related to general governance activities, lands administration, membership and aboriginal rights and title.

Referral & Stewardship

Responsible for facilitating and resolving inquiries from government regulators, procurement introductions and negotiation referrals for companies seeking mutual benefit agreements and cares for, and protects, the lands, waters and resources within the Nation's traditional territory.

Social Housing

Responsible for the administration and management of Social Housing units.

Enterprise Fund

Oversees the Nation's investments in partnerships and government business entities.

Ottawa Trust

Manages moneys held in trust by the Government of Canada.

Kwikwetlem First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

17. Guarantees

As at March 31, 2022, the First Nation has guaranteed two Bank of Montreal demand loans with a maximum amount of \$9,220,000 for KFN Enterprises LP. As at March 31, 2022 \$7,380,420 (2021 - 7,960,198) was drawn.

18. Economic dependence

Kwikwetlem First Nation receives a significant portion of its revenue from various government agreements. The ability of the Nation to continue operations is dependent upon the continued financial commitments as guaranteed by these agreements.

19. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

20. Related party transactions

During the year, the Nation transacted with related parties as follows:

- Revenue includes \$119,231 (2021 - \$42,000) in management fees, rental and other head office services to KFN Enterprises Limited Partnership.
- KFN recognized \$643,334 share of loss (2021 - \$2,049,044 share of income) from KFN Enterprises Limited Partnership.
- Revenue includes \$53,008 (2021 - \$nil) in head office services to Saskay Land Development Limited Partnership, a subsidiary held through Choxw Holdings Corporation (bare trust company)
- Expenses includes \$4,427 (2021 - \$84,160) in contract expenses to Saskay Land Development Limited Partnership.
- Revenue includes \$814,399 (2021 - \$153,947) in management fees from Kwikwetlem Holdings Limited Partnership, a subsidiary held through Choxw Holdings Corporation (bare trust company)
- KFN recognized \$764 share of loss (2021 - \$2,765) from KFN Enterprises Ltd.
- KFN recognized \$8,325 share of loss (2021- \$nil) from Choxw Holdings Corporation.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Kwikwetlem First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Land</i>	<i>Parking lots</i>	<i>Buildings and improvements</i>	<i>Vehicles</i>	<i>Computer equipment</i>	<i>Subtotal</i>
<hr/>						
Cost						
Balance, beginning of year	1,455,000	-	4,329,549	455,755	224,440	6,464,744
Acquisition of tangible capital assets	-	1,614,000	-	-	37,355	1,651,355
Balance, end of year	1,455,000	1,614,000	4,329,549	455,755	261,795	8,116,099
Accumulated amortization						
Balance, beginning of year	-	-	1,247,035	282,252	90,779	1,620,066
Annual amortization	-	36,580	137,957	51,526	45,702	271,765
Balance, end of year	-	36,580	1,384,992	333,778	136,481	1,891,831
Net book value of tangible capital assets	1,455,000	1,577,420	2,944,557	121,977	125,314	6,224,268
2021 Net book value of tangible capital assets	1,455,000	-	3,082,514	173,503	133,661	4,846,699

Kwikwetlem First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	Subtotal	Office and general equipment	Boats	Infrastructure	Watermains	Roads	Subtotal
Cost							
Balance, beginning of year	6,464,744	346,113	325,305	173,917	336,212	605,117	8,251,408
Acquisition of tangible capital assets	1,651,355	45,947	60,874	125,172	-	-	1,883,348
Balance, end of year	8,116,099	392,060	386,179	299,089	336,212	605,117	10,134,756
Accumulated amortization							
Balance, beginning of year	1,620,066	231,980	269,844	62,589	91,928	36,185	2,312,592
Annual amortization	271,765	27,421	25,770	22,401	6,724	6,051	360,132
Balance, end of year	1,891,831	259,401	295,614	84,990	98,652	42,236	2,672,724
Net book value of tangible capital assets	6,224,268	132,659	90,565	214,099	237,560	562,881	7,462,032
2021 Net book value of tangible capital assets	4,846,699	114,133	55,461	111,328	244,284	568,932	5,940,837

Kwikwetlem First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Subtotal</i>	<i>Canoes</i>	<i>Construction in progress</i>	2022	2021
Cost					
Balance, beginning of year	8,251,408	89,709	1,019,962	9,361,079	8,580,865
Acquisition of tangible capital assets	1,883,348	-	1,360,240	3,243,588	780,214
Balance, end of year	10,134,756	89,709	2,380,202	12,604,667	9,361,079
Accumulated amortization					
Balance, beginning of year	2,312,592	41,417	-	2,354,009	2,081,849
Annual amortization	360,132	4,485	-	364,617	272,160
Balance, end of year	2,672,724	45,902	-	2,718,626	2,354,009
Net book value of tangible capital assets	7,462,032	43,807	2,380,202	9,886,041	7,007,070
2021 Net book value of tangible capital assets	5,940,837	48,292	1,019,962	7,009,091	

Kwikwetlem First Nation
Schedule 2 - Segmented Information
For the year ended March 31, 2022

	Band Programs	Capital Program	Community Services	Education	Health	Lands & Resources	Referral & Stewardship	Social Housing	Capital Fund	Enterprise Fund	Ottawa Trust Fund	2022
Revenue												
ISC	\$ 411,584	\$ 219,723	\$ 785,264	\$ 152,022	\$ -	\$ 588,962	\$ -	\$ 162,528	\$ -	\$ -	\$ -	\$ 2,320,083
Other government	543,735	1,388,489	549,024	-	169,310	564,716	1,541,671	331,679	-	-	-	5,088,624
Economic activities and other	1,027,321	-	148,039	39,808	-	403,531	816,013	134,116	1,614,000	(652,424)	279	3,530,683
	1,982,640	1,608,212	1,482,327	191,830	169,310	1,557,209	\$ 2,357,684	628,323	1,614,000	(652,424)	279	10,939,390
Expenses												
Amortization	-	-	-	-	-	-	-	34,399	330,217	-	-	364,616
Operating expenses	1,283,309	15,240	255,386	1,165	9,094	518,038	509,765	72,263	-	-	-	2,664,260
Salaries, wages and benefits	655,321	-	216,086	26,272	83,129	296,042	795,833	172,921	-	-	-	2,245,604
Program and services delivery expenses	606,555	8,257	789,532	106,082	49,418	614,830	514,845	71,129	-	-	-	2,760,648
	2,545,185	23,497	1,261,004	133,519	141,641	1,428,910	1,820,443	350,712	330,217	-	-	8,035,128
Surplus (deficit) before other items	(562,545)	1,584,715	221,323	58,311	27,669	128,299	537,241	277,611	1,283,783	(652,424)	279	2,904,262
Capital asset acquisitions	(824)	(1,360,240)	(20,006)	-	-	(5,065)	(224,187)	(19,267)	1,629,589	-	-	-
Transfers between programs	15,664	-	8,331	139	578	1,424	7,302	-	-	-	(33,438)	-
Annual surplus (deficit)	\$ (547,705)	\$ 224,475	\$ 209,648	\$ 58,450	\$ 28,247	\$ 124,658	\$ 320,356	\$ 258,344	\$ 2,913,372	\$ (652,424)	\$ (33,159)	\$ 2,904,262

	Band Programs	Capital Program	Community Services	Education	Health	Lands & Resources	Referral & Stewardship	Social Housing	Capital Fund	Enterprise Fund	Ottawa Trust Fund	2021
Revenue												
ISC	\$ 222,750	\$ 360,075	\$ 453,578	\$ 76,225	\$ -	\$ 433,757	\$ -	\$ 74,836	\$ -	\$ -	\$ -	\$ 1,621,221
Other government	494,600	343,776	110,691	-	177,593	271,088	450,534	81,787	-	-	-	1,930,069
Economic activities and other	184,205	-	90,634	40,087	-	239,197	373,363	234,976	-	2,046,279	347	3,209,088
	901,555	703,851	654,903	116,312	177,593	944,042	823,897	391,599	-	2,046,279	347	6,760,378
Expenses												
Amortization	-	-	-	-	-	-	-	33,770	238,390	-	-	272,160
Operating expenses	1,403,600	7,353	186,035	11,468	25,659	152,804	98,965	157,409	-	-	-	2,043,293
Salaries, wages and benefits	920,716	36,661	63,907	162,823	51,858	351,925	249,173	102,731	-	-	-	1,939,794
Program and services delivery expenses	432,423	450	323,352	75,571	69,456	230,569	167,453	112,490	-	-	-	1,411,764
	2,756,739	44,464	573,294	249,862	146,973	735,298	515,591	406,400	238,390	-	-	5,667,011
Surplus (deficit) before other items	(1,855,184)	659,387	81,609	(133,550)	30,620	208,744	308,306	(14,801)	(238,390)	2,046,279	347	1,093,367
Capital asset acquisitions	(11,730)	(558,422)	(17,151)	-	(758)	(5,072)	(187,081)	-	780,214	-	-	-
Transfers between programs	231,865	-	375	106,161	-	(229,026)	(109,375)	-	-	-	-	-
Annual surplus (deficit)	\$ (1,635,049)	\$ 100,965	\$ 64,833	\$ (27,389)	\$ 29,862	\$ (25,354)	\$ 11,850	\$ (14,801)	\$ 541,824	\$ 2,046,279	\$ 347	\$ 1,093,367