

Consolidated Financial Statements of

AKISQ'NUK FIRST NATION

And Independent Auditors' Report thereon

Year ended March 31, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of akisq'nuk First Nation (akisq'nuk) and all the information in this report are the responsibility of management and have been approved by the Nasukin and two Council members on behalf of akisq'nuk Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects, including the consolidated financial position of akisq'nuk and the results of its consolidated operations and its consolidated change in net financial assets and its consolidated cash flows.

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

Nasukin and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The elections for the positions of Nasukin and Council occur every two years. Individuals are elected for a term of four years, with elections staggered every two years.

Nasukin and Council review akisq'nuk's financial statements and recommend their approval. Nasukin and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditors' report. Nasukin and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. In addition, Nasukin and Council also consider the engagement of akisq'nuk's external auditors.

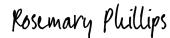
The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. KPMG LLP have full access to Nasukin and Council.



Nasukin



Councilor



Councilor

October 5, 2022



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INDEPENDENT AUDITORS' REPORT

To the Nasukin and Council and Members of Akisq'nuk First Nation

Opinion

We have audited the consolidated financial statements of akisq'nuk First Nation (akisq'nuk), which comprise:

- the consolidated statement of financial position as at March 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of akisq'nuk as at March 31, 2022 and its consolidated results of operations, its consolidated changes in 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of akisq'nuk in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing akisq'nuk'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 akisq'nuk or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing akisq'nuk's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 akisq'nuk'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 akisq'nuk'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 akisq'nuk to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is fluid and cursive, with 'KPMG' on the top line and 'LLP' on the line below it, all underlined with a single continuous line.

Chartered Professional Accountants

Kelowna, Canada

October 5, 2022

AKISQ'NUK FIRST NATION

Consolidated Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Financial Assets		
Cash and cash equivalents	\$ 14,059,666	\$ 12,097,667
Restricted cash and cash equivalents (note 2)	13,163,321	12,103,566
Accounts receivable (note 3)	28,749,007	544,516
Investments (note 4)	687,762	687,762
Investments in business enterprises (note 5)	67,569	66,560
	<hr/> \$ 56,727,325	<hr/> \$ 25,500,071
Liabilities		
Accounts payable and accrued liabilities	\$ 571,465	\$ 513,686
Deferred revenue (note 6)	4,441,263	3,017,872
Long-term debt (note 7)	2,710,802	2,804,514
	<hr/> 7,723,530	<hr/> 6,336,072
Net financial assets	49,003,795	19,163,999
Non-Financial Assets:		
Tangible capital assets (note 8)	14,735,359	13,901,372
Prepaid expenses and deposits	132,496	132,471
	<hr/> 14,867,855	<hr/> 14,033,843
Accumulated surplus (note 9)	\$ 63,871,650	\$ 33,197,842

Commitments (note 3)
Contingencies (note 13)

See accompanying notes to consolidated financial statements.

On behalf of the Nasukin and Council:



Nasukin



Councilor



Councilor

AKISQ'NUK FIRST NATION

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2022, with comparative information for 2021

	2022 Budget (note 1 (h))	2022	2021
Revenue:			
Transfers from other governments:			
Indigenous Services Canada	\$ 2,503,291	\$ 29,405,564	\$ 1,061,689
Province of British Columbia	4,318,080	2,091,457	7,642,184
Ktunaxa Nation Council	43,500	20,000	50,917
First Nations Health Authority	304,364	546,808	397,077
Other First Nation funding agencies	20,000	122,097	(6,492)
Grants	1,469,966	480,695	980,963
Impact Management and Benefit Agreement	300,000	284,824	342,739
Canada Mortgage and Housing Corporation	472,920	97,130	116,995
First Nations Goods and Services Tax	364,104	508,005	458,800
Property taxation	483,000	482,910	471,919
Leases and rentals	769,000	794,694	738,863
Interest and other	143,200	273,060	209,521
Housing tenants - rent	90,150	97,450	77,700
Eva Joseph Learning & Cultural Society	-	726,677	386,911
Columbia Lake Recreation Society	-	-	70,107
Equity in earnings (loss) of business enterprises (note 5)	-	(11,750)	760
	11,281,575	35,919,621	13,000,653
Expenses:			
Administration	1,637,562	1,052,284	862,949
Campground	165,866	151,508	126,352
Culture and language	203,601	22,921	18,358
Economic development	278,376	2,636	2,114
Education	345,002	216,477	287,205
Governance	499,699	506,817	626,109
Health	639,741	287,084	319,428
Housing	819,651	496,432	898,379
Indian registry and estates	56,829	3,227	2,758
Land management	179,288	10,976	11,956
Public works	1,335,881	1,188,395	1,337,421
Rights and title	150,000	110,470	79,076
Social development	248,459	217,935	227,700
Taxation	281,165	260,541	246,782
Eva Joseph Learning & Cultural Society	-	718,110	410,579
Columbia Lake Recreation Society	-	-	84,815
	6,841,120	5,245,813	5,541,981
Surplus (note 3)	\$ 4,440,455	\$ 30,673,808	\$ 7,458,672
Accumulated surplus, beginning of year		33,197,842	25,739,170
Accumulated surplus, end of year		\$ 63,871,650	\$ 33,197,842

See accompanying notes to consolidated financial statements.

AKISQ'NUK FIRST NATION

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2022, with comparative information for 2021

	2022 Budget	2022	2021
	(note 1(h))		
Surplus	\$ 4,440,455	\$ 30,673,808	\$ 7,458,672
Changes to non-financial assets:			
Acquisition of tangible capital assets	(4,789,000)	(1,666,903)	(1,587,956)
Amortization of tangible capital assets	713,000	821,006	786,297
Net book value of tangible capital assets disposed of	-	11,910	240,922
	(4,076,000)	(833,987)	(560,737)
Net acquisition of prepaid expenses and deposits	-	(25)	(4,519)
Increase in net financial assets	\$ 364,455	29,839,796	6,893,416
Net financial assets, beginning of year		19,163,999	12,270,583
Net financial assets, end of year		\$ 49,003,795	\$ 19,163,999

See accompanying notes to financial statements.

AKISQ'NUK FIRST NATION

Consolidated Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Surplus	\$ 30,673,808	\$ 7,458,672
Adjustments for:		
Equity in (earnings) loss of business enterprises	11,750	(760)
Amortization	821,006	786,297
Loss on disposal of tangible capital assets	11,910	240,922
Changes in non-cash operating items:		
Accounts receivable	(28,204,491)	74,033
Accounts payable and accrued liabilities	57,779	4,353
Deferred revenue	1,423,391	2,045,784
Prepaid expenses and deposits	(25)	(4,519)
	4,795,128	10,604,782
Financing activities:		
Proceeds from term debt	-	124,566
Repayment from term debt	(93,712)	(87,249)
	(93,712)	37,317
Capital activities		
Acquisition of tangible capital assets	(1,666,903)	(1,587,956)
	(1,666,903)	(1,587,956)
Investing activities:		
Increase in restricted cash and cash equivalents	(1,059,755)	(1,169,281)
Net distribution to business enterprises	(12,759)	(135)
	(1,072,514)	(1,169,416)
Increase in cash and cash equivalents	1,961,999	7,884,727
Cash and cash equivalents, beginning of year	12,097,667	4,212,940
Cash and cash equivalents, end of year	\$ 14,059,666	\$ 12,097,667
Supplemental cash flow information:		
Interest paid	\$ 71,747	\$ 84,837

See accompanying notes to consolidated financial statements.

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

Akisq'nuk First Nation ("akisq'nuk" or the "First Nation") is a Ktunaxa Nation Aboriginal Community located near Windermere, British Columbia. akisq'nuk is organized under the Indian Act of Canada and provides local government, education, and social development services to its members.

1. Significant accounting policies:

These consolidated financial statements include the assets, liabilities, and results of operations of akisq'nuk and all related entities and organizations subject to control by akisq'nuk's Nasukin and Council. No inclusion has been made of assets, liabilities, revenue or expenses of akisq'nuk members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of akisq'nuk's Nasukin and Council.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments, as established by the Canadian Public Sector Accounting Board ("PSAB"), which encompasses the following principles:

(a) Fund accounting:

akisq'nuk uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been combined for the purpose of presentation in the consolidated financial statements.

(b) Reporting entity and basis of consolidation:

akisq'nuk's reporting entity includes akisq'nuk community government and all related entities and organizations which are accountable for the administration of their financial affairs and resources to akisq'nuk and are either owned or controlled by akisq'nuk.

(i) Consolidated entities:

These financial statements consolidate the assets, liabilities and results of operations of the following government not-for-profit and other organizations have been consolidated:

Eva Joseph Early Learning and Cultural Society
Akisq'nuk Housing Society
1285651 BC Ltd.

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(b) Reporting entity and basis of consolidation (continued):

(ii) Investment in government business enterprises:

akisq'nuk accounts for its investments in government business enterprises (GBE) and government business partnerships (GBP) on a modified equity basis. Under the modified equity basis, the GBE's and GBP accounting policies are not adjusted to conform with those of akisq'nuk and inter-organizational transactions and balances are not eliminated. akisq'nuk recognizes its equity interest in the annual earnings or loss of the GBE's and GBP in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any distributions that akisq'nuk may receive from the GBE's and GBP will be reflected as deductions in the investment asset account.

akisq'nuk's government business enterprises investments consist of the following:

Akisq'nuk Natural Resources Corporation - 100% interest
0910003 BC Ltd. - 100% interest

akisq'nuk's government business partnership investment consists of the following partnership:

Akisq'nuk Resources Limited Partnership - 99.99% interest

(iii) Investments:

Investments in entities in which akisq'nuk does not control individually or jointly are recorded at acquisition cost. If there has been an other than temporary decline in the value of an investment, the investment is written down to its net realizable value.

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(c) Financial instruments:

Financial instruments are initially classified upon initial recognition as a fair value or an amortized cost instrument. Instruments classified as fair value instruments include investments in equity instruments that are quoted in an active market, and any other items elected by akisq'nuk to be recorded at fair value. All other financial instruments are recorded at amortized cost. Transaction costs directly attributable to the acquisition or issue of a financial instrument are added to the amortized cost or expensed if related to instruments recorded on a fair value basis. The effective interest rate method is used to measure interest for financial instruments recorded at amortized cost.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations. For instruments measured at fair value, unrealized gains or losses are adjusted through the statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations. As at March 31, 2022, akisq'nuk does not have any significant financial instruments that required or were elected to be recorded at fair value. Accordingly a statement of remeasurement gain (loss) has not been presented.

(d) Budget data:

The budget data presented in these consolidated financial statements have been derived from the budget approved by akisq'nuk's Nasukin and Council on April 29, 2021.

(e) Contaminated site liabilities::

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when an environmental standard exists, contamination exceeds the environmental standard, akisq'nuk is directly responsible and accepts responsibility, future economic benefits will be given up and a reasonable estimate can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. An expected recoveries from other parties, including other governments, are recorded as a reduction of the liability. As at March 31, 2022, akisq'nuk did not have any significant contaminated site liabilities.

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(f) Segmented disclosure::

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. akisq'nuk has determined the most appropriate basis for classifying segments is by program. Segmented disclosures are provided in note 17 and Schedule 2 to the consolidated financial statements.

(g) Asset retirement obligations:

Commencing with the year ending March 31, 2023, an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the transaction giving rise to the obligation has occurred, cash or other economic benefits are expected to be given up in the future and a reasonable estimate of the obligation can be made. akisq'nuk is assessing the impact of the new accounting standard on its tangible capital assets and will record any impact to financial liabilities, tangible capital assets or accumulated surplus in the March 31, 2023 consolidated financial statements.

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

2. Unrestricted and restricted cash and cash equivalents:

akisq'nuk maintains its cash balance in two financial institutions in British Columbia. The majority of funds are held in a credit union. The Credit Union Deposit Insurance Corporation of British Columbia provides a guarantee on all money on deposit with a British Columbia Credit Union.

	2022	2021
Internally restricted: (note 10)		
Impact Management and Benefits Agreement ("IMBA")	4,208,824	3,924,000
British Columbia First Nations ("BCFN") Gaming Revenue	813,840	626,137
Amounts due to members	14,593	14,381
	5,037,257	4,564,518
Externally restricted:		
Trust Funds on deposit with Indigenous Services Canada ("ISC") (note 12)	7,997,842	7,419,532
Social Housing Program, replacement reserve (note 12)	24,662	15,956
First Nations Finance Authority, debt reserve fund (note 7)	103,560	103,560
	8,126,064	7,539,048
	\$ 13,163,321	\$ 12,103,566

Amounts due to members relates to amounts held in respect of a 2011 signing bonus for each of akisq'nuk's members. The balance as at March 31, 2022 represents amounts held by akisq'nuk for members under the age of 18.

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

3. Accounts receivable:

	2022	2021
ISC	\$ 28,276,289	\$ 66,023
Columbia Basin Trust	127,932	26,282
Other aboriginal funding agencies	12,285	19,830
First Nations Good and Services Tax	-	10,590
Canada Mortgage and Housing Corporation	18,803	29,646
Regional District of East Kootenay	60,000	120,000
Members	241,983	200,610
Other	217,285	231,062
	28,954,577	704,043
Less allowance for doubtful accounts	(205,570)	(159,527)
	\$ 28,749,007	\$ 544,516

ISC accounts receivable includes a \$28.0 million Elkhorn Ranch settlement amount, which was received in May 2022. akisq'nuk has committed to distribute up to 75% of the total settlement to its membership, beginning in September 2022.

akisq'nuk's allowance for doubtful accounts is based on an assessment of the nature of the outstanding balance, the debtor circumstances and the number of days the respective account has been receivable.

4. Investments:

	2022	2021
Ktunaxa Enterprises Ltd. ("KEL"), shares, at cost	\$ 1	\$ 1
Ktunaxa Holdings Limited Partnership ("KHL P"), limited partnership interest	648,555	648,555
SEM Holdings Ltd. ("SHL"), shares, at cost	20	20
St. Eugene Mission Development Corporation ("SDC"), shares, at cost	1	1
St. Eugene Mission Holdings Ltd. ("SEMHL"), shares, at cost	1	1
BCFN Gaming Revenue General Partner Inc. ("BCFN GR GP"), shares, at cost	10	10
BCFN Gaming Revenue Limited Partnership ("BCFN GR LP"), limited partnership interest, at cost	100	100
All Nations Trust Company, 38,510 Class A common shares	38,510	38,510
Sun Life Financial Inc., shares, at cost	564	564
	\$ 687,762	\$ 687,762

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

4. Investments (continued):

akisq'nuk's investment in KEL consists of 20% beneficial interest in one common share. KEL's primary asset is an investment in KHLP, which holds a 99.99% interest in Nupqu Development Limited Partnership ("NDLP"). NDLP's general partner is Nupqu Development Corporation, in which KEL holds a 100% interest. As akisq'nuk, through its investment, does not control or jointly control KEL, the investment has been recorded using the cost method.

akisq'nuk holds 20% limited partnership interest in KHLP, in which KEL is the general partner. akisq'nuk's investment is recorded at cost from April 1, 2017 as akisq'nuk does not control or jointly control KHLP's operations or assets. akisq'nuk records earnings from its investment in KHLP based on cash distributions of limited partnership earnings received.

akisq'nuk's investment in SHL consists of 20% beneficial interest in one common share. SHL's assets, at March 31, 2022, include a 33% share of the SEM Resort Limited Partnership. As akisq'nuk, through its investment, does not control or jointly control SHL, the investment has been recorded using the cost method.

akisq'nuk's investment in SDC consists of 20% beneficial interest in one common share. SDC's primary asset is the headlease for the SEM Resort Limited Partnership. As akisq'nuk, through its investment, does not control or jointly control SDC, the investment has been recorded using the cost method.

akisq'nuk's investment in SEMHL consists of 20% beneficial interest in one common share. SEMHL's primary assets, at March 31, 2022, include a 100% share of SHL. As akisq'nuk, through its investment, does not control or jointly control SHL, the investment has been recorded using the cost method.

akisq'nuk's investment in BCFN GR GP consists in a share in the capital of the General Partner by way of \$10 capital contribution. As akisq'nuk, through its investment, does not control or jointly control BCFN GR GP, the investment has been recorded using the cost method.

akisq'nuk's investment in BCFN GR LP subscribes for an interest in the Partnership, by way of a \$100 capital contribution. As akisq'nuk, through its investment, does not control or jointly control BCFN GR LP, the investment has been recorded using the cost method.

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

5. Investments in business enterprises:

	2022	2021
Government business enterprises	\$ 1,398	\$ 1,128
Government business limited partnerships	66,171	65,432
	\$ 67,569	\$ 66,560

The change in akisq'nuk's investment in business enterprises consists of the following:

	2022	2021
Equity in earnings (loss) of business enterprises	\$ (11,750)	\$ 760
Net advances to business enterprises	12,759	135
	\$ 1,009	\$ 895

(a) Government business enterprises (GBE):

(i) akisq'nuk's investments in its wholly-owned incorporated entities is summarized as follows:

	2022	2021
Akisq'nuk Natural Resource Corporation:		
Investment in shares, at cost	\$ 1	\$ 1
Accumulated equity in earnings	36	36
	37	37
091003 BC Ltd.:		
Investment in shares, at cost	1	1
Advances	1,360	1,090
	1,361	1,091
	\$ 1,398	\$ 1,128

Akisq'nuk Natural Resource Corporation:

Akisq'nuk Natural Resource Corporation is the general partner for Akisq'nuk Resource Limited Partnership in which it holds a 0.01% interest.

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

5. Investments in business enterprises (continued):

(a) Government business enterprises (GBE) (continued):

091003 BC Ltd.:

As at March 31, 2022, 091003 BC Ltd. had not commenced significant operations.

The fiscal year end of the GBE is March 31 and the financial information provided below is as at and for the periods ended March 31, 2022, with comparative information for the periods ended March 31, 2021.

(ii) Financial information for wholly-owned incorporated entities is summarized as follows:

2022	Akisq'nuk Natural Resource Corporation	091003 BC Ltd.
Balance sheet information:		
Assets	\$ 37	\$ 1,361
Liabilities	-	1,360
Shareholder's equity	37	1
Results of operations:		
Net earnings (loss)	-	-

2021	Akisq'nuk Natural Resource Corporation	091003 BC Ltd.
Balance sheet information:		
Assets	\$ 37	\$ 1,091
Liabilities	-	1,090
Shareholder's equity	37	1
Results of operations:		
Net earnings	-	-

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

5. Investments in business enterprises (continued):

(b) Government business partnerships (GBP):

(i) akisq'nuk's investment in GBP's consists of the following:

	2022	2021
Akisq'nuk Resources Limited Partnership:		
Net contributions (distributions)	\$ (5,464)	\$ (18,015)
Net equity in earnings	71,635	83,447
Partnership equity interest	\$ 66,171	\$ 65,432

Pursuant to an agreement dated January 15, 2013 akisq'nuk and Akisq'nuk Natural Resources Corporation formed a limited partnership, Akisq'nuk Resources Limited Partnership in which akisq'nuk is a limited partner holding 99.99% of units.

The fiscal year end of the GBP is March 31 and the financial information provided below is as at and for the periods ended March 31, 2022, with comparative information for the periods ended March 31, 2021.

(ii) Financial information relating to akisq'nuk's GBP investments is as follows:

	2022	2021
Balance sheet information:		
Assets	\$ 131,375	\$ 130,697
Liabilities	65,166	65,228
Partnership equity	66,209	65,469
Results of operations:		
Revenues	677	850
Expenses	12,427	90
Earnings (loss)	(11,750)	760

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

6. Deferred revenue:

	2022	2021
ISC	\$ 2,759,094	\$ 1,694,194
Columbia Basin Trust	751,957	456,246
Lease and rental	543,900	524,400
Ktunaxa Nation Council	60,000	130,760
First Nation Health Authority	104,281	121,197
Grants and other	222,031	91,075
	<hr/> \$ 4,441,263	<hr/> \$ 3,017,872

ISC deferred revenue includes a non-interest bearing loan advance relate to a timber claim totaling \$83,015 (2021 - \$92,426). The loan is due to the earlier of the claim settlement or May 31, 2025. As management expects the loan will be extinguished through proceeds of the claim settlement, the balance has been included in deferred revenue.

The net change in deferred revenue for the year was as follows:

	2022	2021
Balance beginning of year	\$ 3,017,872	\$ 972,088
Contributions received in the year	2,686,092	3,516,473
Amounts recorded in revenue	(1,262,701)	(1,470,689)
 Balance, end of year	 \$ 4,441,263	 \$ 3,017,872

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

7. Term debt:

	2022	2021
Promissory note loans, repayable in total monthly installments of \$9,003, including interest at 2.4%, due December 2027 to June 2028	\$ 1,780,226	\$ 1,840,656
Mortgages, secured by a Ministerial Guarantee from ISC, bearing interest at 1.91% repayable in monthly installments of \$4,271 including interest, matures June 2044.	930,576	963,858
	<hr/> \$ 2,710,802	<hr/> \$ 2,804,514

Interest on term debt for the year totaled \$71,747 (2021 - \$84,388) and is included in Taxation and Housing expenses and interest and bank charges (Schedule 1).

The promissory note loans were borrowed from the First Nations Finance Authority ("FNFA") and are secured by a council resolution on August 24, 2017 and July 25, 2018. Under the terms of the borrowing arrangements with FNFA, secured revenues supporting principal and interest payments are first deposited into a secured revenue trust account and then distributed to FNFA and akisq'nuk. In connection with the borrowing arrangement, FNFA retains and holds cash and investments, on behalf of akisq'nuk, in a debt reserve fund as security for future loan repayments. The balance in the debt reserve fund is paid to akisq'nuk on settlement of the outstanding loans. As at March 31, 2022, akisq'nuk's debt reserve fund balance was \$103,560 (2021 - \$103,560) (note 2).

Scheduled principal payments and maturity on term debt for the next five years are as follows:

2023	\$ 99,827
2024	102,080
2025	104,385
2026	106,743
2027	\$ 109,154

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

8. Tangible capital assets:

March 31, 2022	Land and Buildings	Infrastructure	Equipment, Computer & Automotive	Construction in Progress	Total
Cost:					
Beginning of year	\$ 12,762,467	\$ 7,253,062	\$ 793,321	\$ 797,279	\$ 21,606,129
Acquisitions	418,798	-	219,825	1,028,280	1,666,903
Disposals	-	-	(251,417)	-	(251,417)
Transfers	63,368	-	-	(63,368)	-
End of year	13,244,633	7,253,062	761,729	1,762,191	23,021,615
Accumulated amortization:					
Beginning of year	4,024,239	3,097,925	582,593	-	7,704,757
Amortization	434,005	264,455	122,546	-	821,006
Disposals	-	-	(239,507)	-	(239,507)
End of year	4,458,244	3,362,380	465,632	-	8,286,256
Net book value, end of year	\$ 8,786,389	\$ 3,890,682	\$ 296,097	\$ 1,762,191	\$ 14,735,359

Construction in progress includes \$291,064 for a water reservoir and \$1,471,127 for housing projects.

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

8. Tangible capital assets (continued):

March 31, 2021	Land and Buildings	Infrastructure	Equipment, Computer & Automotive	Construction in Progress	Total
Cost:					
Beginning of year	\$ 12,120,878	\$ 7,253,062	\$ 617,803	\$ 291,064	\$ 20,282,807
Acquisitions	906,223	-	175,518	506,215	1,587,956
Disposals	(264,634)	-	-	-	(264,634)
End of year	12,762,467	7,253,062	793,321	797,279	21,606,129
Accumulated amortization:					
Beginning of year	3,613,863	2,831,507	496,802	-	6,942,172
Amortization	434,088	266,418	85,791	-	786,297
Disposals	(23,712)	-	-	-	(23,712)
End of year	4,024,239	3,097,925	582,593	-	7,704,757
Net book value, end of year	\$ 8,738,228	\$ 4,155,137	\$ 210,728	\$ 797,279	\$ 13,901,372

9. Accumulated surplus:

	2022	2021
Financial surplus:		
Unrestricted operating surplus	\$ 38,787,332	\$ 10,100,978
Internally restricted surplus (note 10)	5,037,257	4,564,518
	43,824,589	14,665,496
Invested in tangible capital assets (note 11)	12,024,557	11,096,858
Externally restricted surplus (note 12)	8,022,504	7,435,488
	\$ 63,871,650	\$ 33,197,842

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

10. Internally restricted surplus:

	Beginning balance	Contributions	Interest	Approved Expenses	Ending Balance
IMBA	\$ 3,924,000	\$ 208,349	\$ 76,475	-	\$ 4,208,824
BCFN Gaming					
Revenue	626,137	182,020	5,683	-	813,840
Amounts due to members	14,381	-	212	-	14,593
	\$ 4,564,518	\$ 390,369	\$ 82,370	-	\$ 5,037,257

11. Invested in tangible capital assets:

(a) Investment in tangible capital assets:

	2022	2021
Tangible capital assets	\$ 14,735,359	\$ 13,901,372
Less financed by:		
Term debt	(2,710,802)	(2,804,514)
	\$ 12,024,557	\$ 11,096,858

(b) Change in invested in tangible capital assets:

	2022	2021
Balance, beginning of year	\$ 11,096,858	\$ 10,573,438
Acquisition of tangible capital assets	1,666,903	1,587,956
Amortization of tangible capital assets	(821,006)	(786,297)
Net book value of tangible capital assets disposed	(11,910)	(240,922)
Proceeds from term debt	-	(124,566)
Repayment of term debt	93,712	87,249
Balance, end of year	\$ 12,024,557	\$ 11,096,858

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

12. Externally restricted surplus:

Externally restricted surplus includes trust funds on deposit with ISC and a replacement reserve in connection with the CMHC Social Housing Program. The change in the externally restricted surplus is as follows:

	Beginning balance	Contributions	Interest	Approved transfers/ expenses	Ending balance
ISC - Capital	\$ 34,544	\$ -	\$ -	\$ -	\$ 34,544
ISC - Revenue	7,384,988	434,048	144,262	-	7,963,298
CMHC - replacement reserve	15,956	8,700	6	-	24,662
	\$ 7,435,488	\$ 442,748	\$ 144,268	\$ -	\$ 8,022,504

The ISC Trust Funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. These funds are restricted in their use, which is usually permitted for a purpose that will promote the general progress and welfare of akisq'nuk and akisq'nuk members. The management of the funds is primarily governed by sections of the Indian Act.

Under the terms of akisq'nuk's agreement with CMHC, a replacement reserve account is credited by an amount determined on an annual basis. The amount credited to the Social Housing Program replacement reserve for the year ended March 31, 2022, was \$8,700.

13. Contingencies:

(a) Litigation and claims:

As at March 31, 2022, akisq'nuk was involved in outstanding litigation involving employee dismissals. The outcome of these matters and any ultimate liability to akisq'nuk is not determinable at this time.

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

14. Related party transactions:

akisq'nuk is one of four communities that comprise the Ktunaxa Nation. Transactions with the Ktunaxa Nation Council during the year included funding received of \$20,000 (2021 - \$50,917).

Lease revenue includes \$20,708 (2021 - \$21,908) from Ktunaxa Kinbasket Child and Family Services Society, a Ktunaxa Nation entity.

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

15. Employee future benefits:

akisq'nuk matches employee contributions to a defined contribution plan, which is administered by the Great West Life Assurance Company. The total pension expense, representing employer contributions to the plan, for the year was \$39,734 (2021 - \$49,542).

16. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk refers to the risk that counterparty may default on its contractual obligations resulting in a financial loss. As disclosed in note 2, akisq'nuk holds its cash with financial institutions who are insured by the Credit Union and Canadian Deposit Insurance Corporation. Cash equivalents are held in interest bearing cash accounts or money market funds readily convertible to cash.

(b) Interest rate risk:

Interest rate risk relates to the impact of changes in interest rates on akisq'nuk's future cash inflows from its investments and future cash outflows on its term debt. akisq'nuk's cash and cash equivalents are held in cash or short term money market instruments, accordingly, akisq'nuk is not subject to significant interest rate risk in regards to these financial assets.

For the year ended March 31, 2022, akisq'nuk's interest on its term debt was not subject to significant interest rate risk. akisq'nuk manages interest rate risk through negotiations with lenders at origination or renewal of loan agreements.

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

16. Financial risks and concentration of risk: (continued):

(c) Liquidity risk:

Liquidity risk is the risk that akisq'nuk will not be able to meet its financial obligations as they become due. akisq'nuk monitors the maturity of its financial liabilities and assesses whether it has sufficient cash to settle these financial obligations when due.

akisq'nuk is subject to non-financial covenants and restrictions in relation to its term debt. As at March 31, 2022, akisq'nuk was in compliance with these covenants and restrictions. The following table summarizes the contractual maturities of akisq'nuk's financial liabilities:

	2022			
	On demand	Up to 1 year	Over 1 year	Total
Accounts payable and accrued liabilities	\$ 571,465	\$ -	\$ -	\$ 571,465
Term debt	-	99,930	2,610,872	2,710,802
	\$ 571,465	\$ 99,930	\$ 2,610,872	\$ 3,282,267
	2021			
	On demand	Up to 1 year	Over 1 year	Total
Accounts payable and accrued liabilities	\$ 513,686	\$ -	\$ -	\$ 513,686
Term debt	-	91,142	2,713,372	2,804,514
	\$ 513,686	\$ 91,142	\$ 2,713,372	\$ 3,318,200

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

17. Segmented information:

akisq'nuk provides a variety of services to community members and receives funding from various federal and provincial government agencies to support the delivery of these services. Segmented reporting by program is used to account for the scope and significance of each service. Certain lines of service that have been separately disclosed and are summarized below, with activity for the year ended March 31, 2022 summarized in schedule 2.

(a) Administration:

Administration is responsible for overall governance and delivery of core operations, such as daily office procedures, as well as for advisory services and professional and institutional development.

(b) Business:

Business includes various business projects and endeavours undertaken by akisq'nuk.

(c) Campground:

Campground consists of the operation of the Lakeshore Resort and Campground.

(d) Culture and language:

Culture and language includes programs, learning resources and events to celebrate, raise awareness of, and preserve Aboriginal arts, culture and heritage.

(e) Economic development:

Economic development is a policy intervention endeavour with aims of economic and social well being of people. Economic development includes akisq'nuk's business operations not assigned to a business enterprise.

(f) Education:

Education assists students with receiving secondary and post secondary quality education that provides them with the opportunity to acquire the skills needed to enter the labour market and be full participants in a strong Canadian economy.

(g) Governance:

Governance includes costs related to Nasukin and Council's governance of akisq'nuk's operations, including operating, structure and other related costs.

(h) Health:

Health's focus is assisting akisq'nuk's members to improve their health and social well being. akisq'nuk is responsible for safe water supplies on reserve and providing a range of Health programs including education, early childhood development, elder care, nutrition, diabetes, drug and alcohol support, and help for persons with disabilities.

AKISQ'NUK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

17. Segmented information (continued):

(i) Housing:

Housing includes akisq'nuk's activities to increase the supply of safe and affordable housing through repairs of current homes and the development of new housing.

(j) Indian registry and estates:

Indian registry and estates is responsible for the maintenance of akisq'nuk's member list and issuance of status cards.

(k) Land management:

Lands management provides a variety of program support, service and advice to akisq'nuk's members with respect to a range of lands related matters.

(l) Public works:

Public works is responsible for the construction, acquisition, operations and maintenance of community infrastructure. This includes water supply, wastewater treatment and community buildings.

(m) Rights and title:

Rights and title includes seeking opportunities to expand economic opportunities for the community.

(n) Social development:

akisq'nuk supports five social programs. With the goal of assisting members to become more self-sufficient; protect individuals and families at the risk of violence; provide prevention supports that allow individuals and families to better care for their children; and support greater participation in the labour market.

(o) Taxation:

akisq'nuk collects property taxes related to their community land. Taxation includes operations and expenses related to the collection of property and other taxes.

(p) Eva Joseph Learning & Cultural Society:

The program consists of the operations of the Eva Joseph Learning & Cultural Society.

(q) Columbia Lake Recreation Society:

The program consists of the operations of the Columbia Lake Recreation Society. The Columbia Lake Recreation Society was dissolved in the year ended March 31, 2022.

AKISQ'NUK FIRST NATION

Schedule 1 - Consolidated Expenses by Object

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Amortization	\$ 821,006	\$ 786,297
Bad debts	56,874	46,800
Donations and culture	214,784	204,649
Honouraria	136,775	113,975
Insurance	125,619	78,653
Interest and bank charges	78,109	94,101
Materials and supplies	108,084	189,403
Office and general	518,669	421,048
Program costs	72,073	96,128
Professional development	14,281	8,648
Professional fees	358,323	350,233
Repairs and maintenance	260,684	802,620
Social programs	148,288	124,891
Telephone and utilities	238,806	168,484
Travel	36,795	35,123
Tuition and education	196,855	238,174
Salaries and benefits	1,859,788	1,782,754
	<hr/> \$ 5,245,813	<hr/> \$ 5,541,981

AKISQ'NUK FIRST NATION

Schedule 2 - Segmented Information

Year ended March 31, 2022, with comparative information for 2021

Year ended March 31, 2022	Revenue						Expenses						Contributions to (from) other programs	Surplus (deficit)		
	Equity in earnings (loss) of business enterprises			Other			Amortization			Other						
	ISC	Total														
Administration	\$ 339,306	\$ -	\$ 87,404	\$ 426,710	\$ -	\$ 1,052,284	\$ 1,052,284	\$ 754,073	\$ 128,499							
Business	-		(11,750)	620,490	608,740	-	-	-	-					608,740		
Campground	-		-	296,393	296,393	-	151,508	151,508	(43,136)					101,749		
Culture and language	-		-	14,869	14,869	-	22,921	22,921	(6,526)					(14,578)		
Economic development	-		-	4,600	4,600	-	2,636	2,636	(750)					1,214		
Education	184,498		38,719	223,217	-	216,477	216,477	(61,634)	(54,894)							
Governance	158,993		-	182,060	341,053	-	506,817	506,817	(144,296)	(310,060)						
Health	-		-	639,781	639,781	-	287,084	287,084	(81,737)					270,960		
Housing	260,559		-	1,337,136	1,597,695	125,819	370,613	496,432	(103,704)					997,559		
Indian registry and estates	5,000		-	-	5,000	-	3,227	3,227	(919)					854		
Land management	8,116		-	80,100	88,216	-	10,976	10,976	(3,125)					74,115		
Public works	200,994		-	42,886	243,880	618,938	569,457	1,188,395	(162,132)	(1,106,647)						
Rights and title	28,000,000		-	1,491,217	29,491,217	-	110,470	110,470	(31,452)	29,349,295						
Social development	248,098		-	(29,776)	218,322	-	217,935	217,935	(62,049)	(61,662)						
Taxation	-		-	993,251	993,251	75,749	184,792	260,541	(52,613)					680,097		
Eva Joseph Learning and Culture Society	-		-	726,677	726,677	500	717,610	718,110	-					8,567		
Columbia Lake Recreation Society	-		-	-	-	-	-	-	-					-		
	\$ 29,405,564	\$ (11,750)	\$ 6,525,807	\$ 35,919,621	\$ 821,006	\$ 4,424,807	\$ 5,245,813	-	\$ 30,673,808							

Year ended March 31, 2021	Revenue						Expenses						Contributions to (from) other programs	Surplus (deficit)		
	Equity in earnings (loss) of business enterprises			Other			Amortization			Other						
	ISC	Total														
Administration	\$ 285,100	\$ -	\$ 64,422	\$ 349,522	\$ -	\$ 862,949	\$ 862,949	\$ 557,575	\$ 44,148							
Business	-		760	497,637	498,397	-	-	-	-					498,397		
Campground	-		-	303,226	303,226	-	126,352	126,352	(22,459)					154,415		
Culture and language	210,997		-	97,456	308,453	-	18,358	18,358	(102,760)					187,335		
Economic development	-		-	29,281	29,281	-	2,114	2,114	(3,263)					23,904		
Education	1,302		-	184,467	185,769	-	287,205	287,205	(376)					(101,812)		
Governance	229,275		-	-	229,275	-	626,109	626,109	(51,009)	(447,843)						
Health	104,393		-	18,070	122,463	-	319,428	319,428	(111,291)	(308,256)						
Housing	-		-	447,923	447,923	120,169	778,210	898,379	(56,641)					(507,097)		
Indian registry and estates	-		-	880,997	880,997	-	2,758	2,758	(126,674)					751,565		
Land management	5,000		-	-	5,000	-	11,956	11,956	(490)					(7,446)		
Public works	9,163		-	572	9,735	582,231	755,190	1,337,421	(2,125)					(1,329,811)		
Rights and title	-		-	7,934,868	7,934,868	-	79,076	79,076	(14,056)					7,841,736		
Social development	216,459		-	41,980	258,439	-	227,700	227,700	(36,030)					(5,291)		
Taxation	-		-	980,287	980,287	75,749	171,033	246,782	(30,401)					703,104		
Eva Joseph Learning & Cultural Society	-		-	386,911	386,911	4,178	406,401	410,579	-					(23,668)		
Columbia Lake Recreation Society	-		-	70,107	70,107	3,970	80,845	84,815	-					(14,708)		
	\$ 1,061,689	\$ 760	\$ 11,938,204	\$ 13,000,653	\$ 786,297	\$ 4,755,684	\$ 5,541,981	-	\$ 7,458,672							