

**Kwadacha Nation
Consolidated Financial Statements**
March 31, 2023

Kwadacha Nation Contents

For the year ended March 31, 2023

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Management's Responsibility

To the Members of Kwadacha Nation:

The accompanying consolidated financial statements of Kwadacha 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 Kwadacha 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.

July 24, 2024



Executive Director

To the Members of Kwadacha Nation:

Qualified Opinion

We have audited the consolidated financial statements of Kwadacha Nation and its subsidiaries (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, 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, except for the possible effects of the matter(s) described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2023, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As of April 1, 2022, the Nation adopted the Public Sector Accounting Board's accounting standard PS 3280 Asset Retirement Obligation. However, no assessment over the tangible capital assets was completed on whether there are any legal obligations to decommission any assets and the costs associated with it. The impact to the financial assets and financial liabilities are unknown at this time.

The Nation did not prepare and approve a budget for the year ended March 31, 2023. Canadian Public Sector Accounting Standards requires the approved budget to be presented in the consolidated statements of operations and accumulated surplus, and changes in net financial assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under Statements section of our report. We are independent of the Nation in accordance with the ethical requirements that are those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the 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 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 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 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 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.

Prince George, British Columbia

July 24, 2024

MNP LLP

Chartered Professional Accountants

MNP

Kwadacha Nation
Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022
Financial assets		
Cash and cash equivalents (Note 4)	6,619,260	3,058,003
Accounts and other receivables (Note 5)	10,209,334	980,231
Portfolio investments	110	110
Inventory held for resale (Note 6)	418,205	364,406
Advances to related Nation entities (Note 7)	396,028	527,795
Restricted cash and reserves (Note 8)	9,178,610	10,048,045
Funds held in trust (Note 9)	144,511	137,505
Investment in Nation partnerships and business entities (Note 10)	6,353,042	4,815,787
Total financial assets	33,319,100	19,931,882
Liabilities		
Accounts payable and accruals (Note 11)	2,437,992	3,491,827
Deferred revenue (Note 12)	7,657,378	1,571,614
Advances from related Nation entity (Note 13)	3,516,813	3,983,260
Debt (Note 14)	3,088,693	3,387,080
Promissory note payable (Note 15)	2,048,818	2,156,451
Total financial liabilities	18,749,694	14,590,232
Net financial assets	14,569,406	5,341,650
Contingent liabilities (Note 16)		
Subsequent event (Note 17)		
Non-financial assets		
Tangible capital assets (Schedule 1)	53,639,859	48,688,001
Prepaid expenses	41,944	46,052
Total non-financial assets	53,681,803	48,734,053
Accumulated surplus (Note 18)	68,251,209	54,075,703
Accumulated surplus is comprised of:		
Accumulated surplus	66,206,685	52,031,003
Accumulated remeasurement gains	2,044,524	2,044,700
	68,251,209	54,075,703

Approved on behalf of Chief and Council:




Chief

Councillor




Councillor

Councillor

Kwadacha Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

	<i>Schedules</i>	2023	2022
Revenue			
Indigenous Services Canada (Note 20)	13,150,194	9,103,376	
Other revenue	7,395,618	2,498,278	
Province of British Columbia	5,176,215	623,209	
Kwadacha Community Store	3,476,580	3,373,097	
BC Hydro Trust Funds Contribution	3,121,883	3,841,681	
Earnings from investment in Nation partnerships and business entities (Note 10)	2,506,443	3,149,812	
First Nations Health Authority	1,948,215	2,124,094	
Rental income	719,003	714,026	
Interest	400,313	1,539,909	
First Peoples' Heritage Language and Culture Council	272,472	-	
Government of Canada	65,486	82,175	
New Relationship Trust	49,760	-	
Loss on portfolio investments	-	(96,157)	
Nation members Trust	-	9,011	
Gain (loss) on disposal of tangible capital assets	(6,200)	78,250	
Forgiveness (recovery) of related party loans	(37,130)	117,852	
	38,238,852	27,158,613	
Program expenses (Schedule 2)			
Administration	3 1,521,034	2,525,477	
Education and Training	4 3,430,548	3,437,263	
Income Assistance	5 1,246,960	944,896	
Operations and Maintenance	6 1,497,739	1,731,802	
Capital	7 3,004,808	2,934,028	
Own Source	8 7,789,853	7,326,168	
Health and Wellness	9 3,854,777	2,553,627	
Settlement Negotiations	10 1,717,451	1,421,735	
Nation Member Trust	11 -	9,037	
	24,063,170	22,884,033	
Annual surplus		14,175,682	4,274,580
Accumulated surplus, beginning of year		52,031,003	47,756,423
Accumulated surplus, end of year		66,206,685	52,031,003

Kwadacha Nation
Consolidated Statement of Remeasurement Gains
For the year ended March 31, 2023

	2023	2022
Accumulated remeasurement gains, beginning of year	2,044,700	2,335,675
Unrealized losses attributable to:		
Fair value of financial instruments in restricted cash and reserves	(176)	(290,975)
Accumulated remeasurement gains, end of year	2,044,524	2,044,700

Kwadacha Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2023

	2023	2022
Annual surplus	14,175,682	4,274,580
Purchases of tangible capital assets	(7,936,805)	(1,725,737)
Amortization of tangible capital assets	2,963,247	2,685,420
Proceeds on disposal of tangible capital assets	15,500	125,000
Change in remeasurement gains for the year	(176)	(290,975)
(Gain) loss on disposal of tangible capital assets	6,200	(78,250)
Use (acquisition) of prepaid expenses	4,108	(9,251)
 Increase in net financial assets	9,227,756	4,980,787
Net financial assets, beginning of year	5,341,650	360,863
 Net financial assets, end of year	14,569,406	5,341,650

Kwadacha Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	14,175,682	4,274,580
Non-cash items		
Amortization	2,963,247	2,685,420
Bad debts	21,191	46,767
Change in remeasurement gains for the year	(176)	(290,975)
(Gain) loss on disposal of tangible capital assets	6,200	(78,250)
Forgiveness (recovery) of related party loans	37,130	(117,852)
	17,203,274	6,519,690
Changes in working capital accounts		
Accounts and other receivables	(9,250,294)	126,957
Inventory held for resale	(53,799)	-
Restricted cash and reserves	869,435	(2,459,004)
Funds held in trust	(7,006)	(2,499)
Accounts payable and accruals	(1,053,835)	(201,268)
Deferred revenue	6,085,764	1,328,333
Prepaid expenses	4,108	(9,251)
	13,797,647	5,302,958
Financing activities		
Repayment of debt	(298,387)	(413,567)
Net repayment of advances from related Nation entities	(371,810)	(811,864)
Repayment of promissory note	(107,633)	(104,596)
	(777,830)	(1,330,027)
Capital activities		
Purchases of tangible capital assets	(7,936,805)	(1,725,737)
Proceeds on disposal of tangible capital assets	15,500	125,000
Disposal of portfolio investments	-	92,457
	(7,921,305)	(1,508,280)
Investing activities		
Net investment in Nation partnerships and business entities	(1,537,255)	(1,153,893)
Increase in cash	3,561,257	1,310,758
Cash, beginning of year	3,058,003	1,747,245
Cash, end of year	6,619,260	3,058,003

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

1. Operations

The Kwadacha Nation (the "Nation") is located in the province of British Columbia, and provides various services to its members. Kwadacha 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.

2. Significant accounting policies

The consolidated financial statements of Kwadacha Nation (the "Nation") are the representations of management, and are prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada and are consistent with accounting policies set out by Indigenous Services Canada ("ISC"). Significant aspects of the accounting policies adopted by the Nation are as follows:

Reporting entities consolidated

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

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

- 0936269 B.C. Ltd.
- Kwadacha Settlement Negotiations Agreement
- Kwadacha Land Corp.

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.

Kwadacha Nation business entities, owned or controlled by the Nation's Chief and Council but not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Nation business partnerships, jointly owned and controlled by the Nation's Chief and Council that are not dependent on the Nation for their continuing operations, are included in the consolidated 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 Nation. Thus, the 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.

Government business entities accounted for by the modified equity basis include:

- Kwadacha Master GP Ltd. (100%)
- Three Feathers GP Ltd. (33.33%)

Government business partnerships accounted for by the modified equity basis include:

- Tse Keh Nay Limited Liability Partnership (33.33%)
- Claw Mountain Outfitters Limited Liability Partnership (50%)
- Three Feathers Limited Partnership (33.33%)
- KNGV Freight Services (A Joint Venture) (50%)
- Kwadacha Natural Resources Limited Partnership (99.99%)
- Obo Forest Management Limited Partnership (99.99%)
- Kwadacha Air Limited Partnership (99.99%)
- Kwadacha Green Energy Limited Partnership (99.99%)

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Entities which are not controlled or jointly controlled are accounted for at cost. These include:

- Chee Ventures Ltd. (30.76%)
- British Columbia First Nations Gaming Revenue Sharing Limited Partnership
- British Columbia First Nations Gaming Revenue Sharing General Partnership Ltd.

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.

Funds held in Ottawa Trust Fund

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

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

Net financial assets

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

Inventories

Inventories are recorded at the lower of cost or net realizable value. Cost for retail inventory is valued using the first in first out method; cost for gravel is valued using the weighted average cost method.

Tangible capital assets

Capital expenditures are any significant expenditure incurred to acquire or improve land, buildings, engineering structures, machinery or equipment. The benefits last beyond one year and result in the acquisition of an asset or are an extension of the life of an asset. Tangible capital assets are initially recorded at cost less accumulated amortization. Contributed tangible assets are recorded at their fair value at the date of contribution.

Assets under construction are not amortized until the asset is available for productive use.

All intangible assets and items inherited by the right of the Nation, such as reserve lands, forests, water resources and mineral resources, are not recognized in the Nation's consolidated financial statements.

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.

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	declining balance	4 %
Buildings - renovations	straight-line	10 years
Automotive	declining balance	30 %
Equipment	declining balance	20-30 %
Infrastructure	declining balance	4 %

Revenue recognition

i) Government Transfers

The 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 Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

ii) Nation Capital and Revenue Trust Funds

The Nation recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

iii) Investment Income

Investment income is recognized by the Nation when the investment income is earned.

iv) Other Revenue

Revenue earned from the sale of fuel, tobacco and confectionary items is recognized when the goods are delivered to the customer, persuasive evidence of an arrangement exists, and collection is reasonably assured.

Interest income, rental income, and other revenue are recognized when earned and/or when the service is provided and collection is reasonably assured.

Measurement uncertainty (use of estimates)

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are based on the best information available regarding potentially contaminated sites that the Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Segments

The Nation conducts its business through a number of reportable segments as described in Note 22. These operating segments are established by senior management to facilitate the achievement of the 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.

Liability for contaminated site

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 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, 2023.

At each financial reporting date, the 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 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. As at March 31, 2023, no liability for contaminated sites exists.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Nation reviews the carrying amount of the liability. The Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The 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.

As at March 31, 2023, the Nation has not prepared an assessment on whether any liability exists. A qualified opinion has been issued due to this matter.

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Financial instruments

The Nation recognizes its financial instruments when the Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

The Nation has designated endowment and trustee funds to be subsequently measured at their fair value. Fair value is determined by quoted prices in active markets.

The Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the consolidated statement of remeasurement gains and losses.

3. Change in accounting policies

Financial Instruments

Effective April 1, 2022, the Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under PS 3450 Financial Instruments. The new Section is applied prospectively, and prior periods have not been restated.

Asset Retirement Obligations

Effective April 1, 2022, the Nation adopted the Public Sector Accounting Board's (PSAB) accounting standard PS 3280 Asset Retirement Obligation.

4. Cash and cash equivalents

Included in the cash and cash equivalents is restricted funds of \$1,701,883 (2022 - \$855,226) provided by British Columbia First Nations Gaming Revenue Sharing Limited Partnership. Under the terms of agreement, the funds must be expended on or held for the purpose of the following areas:

- Health and wellness;
- Infrastructure, safety, transportation and housing;
- Economic and business development;
- Education, language, culture and training;
- Community development and environmental protection;
- Capacity building, fiscal management and governance.

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

5. Accounts and other receivables

	2023	2022
Accounts receivables	9,779,460	427,648
Rent receivables	279,768	258,577
Allowance for rent receivable	(279,768)	(258,577)
Goods and Services Tax receivable	197,949	108,698
Government receivables	169,708	382,026
Employee advances and member loan receivable	62,217	61,859
	10,209,334	980,231

6. Inventory held for resale

	2023	2022
Retail	418,205	313,470
Jet fuel, seacan and materials	-	42,700
Gravel	-	8,236
	418,205	364,406

7. Advances to related Nation entities

Amounts due from Nation entities are unsecured, non-interest bearing with no specific terms of repayment.

	2023	2022
Due from KNGV Freight Services	396,028	460,214
Due from Kwadacha Land Corp.	-	1,197
Due from Kwadacha Natural Resources Limited Partnership	-	57,633
Due from Kwadacha Green Energy Limited Partnership	-	8,751
	396,028	527,795

8. Restricted cash and reserves

	2023	2022
Reserves		
Capital Reserve	447,926	204,325
Debt Reserve - First Nations Finance Authority	149,591	141,766
Secured Revenue Trust Account - First Nations Finance Authority	121,942	119,922
Minister of Finance Security Deposit	-	2,500
	719,459	468,513
Victoria Foundation		
Endowment Fund	5,781,424	7,158,007
Trustee Payments	2,677,727	2,421,525
	8,459,151	9,579,532
	9,178,610	10,048,045

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

8. Restricted cash and reserves *(Continued from previous page)*

Capital Asset Reserve

The Capital Asset Reserve consists of internally restricted funds designated for the future acquisition of tangible capital assets in accordance with the Nation's capital plan.

Debt Reserve

Under the terms of a Borrowing Agreement with First Nation Finance Authority, five percent of the loan amount is withheld in the event that FNFA lacks sufficient funds to meet its obligations due to default in payment by the Nation. Upon extinguishment of the loan, the Debt Reserve, \$149,591 (2022 - \$141,766) plus daily interest at 0.85%, will be repaid to the Nation.

Secured Revenue Trust Account

Under the terms of a Secured Revenue Trust Account Management Agreement with First Nations Finance Authority, a minimum debt service coverage ratio must be maintained with interest calculated monthly at 0.7%. Scheduled principal and interest payments are withdrawn in accordance with the Borrowing Agreement.

Victoria Foundation

Trust funds are held on behalf of the Nation in an Endowment Fund with the Victoria Foundation, created under the Endowment Fund Public Deed of Trust and a Payment Trustee Agreement between Kwadacha Nation, the Victoria Foundation and British Columbia Power Authority dated November 28, 2009. The initial capital contribution earning interest in this fund is \$13,500,000. As the amount is an endowment held in perpetuity, it has not been recorded in these consolidated financial statements.

9. Funds held in trust

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

	2023	2022
Capital Trust		
Balance, beginning and end of year	1	1
Revenue Trust		
Balance, beginning of year	137,504	135,005
BC special	1,303	1,280
Interest	5,703	1,219
Balance, end of year	144,510	137,504
	144,511	137,505

Ottawa Trust Funds

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. Investments in Nation partnerships and business entities

The Nation has investments in the following entities:

	<i>Balance, beginning of year</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Change in ownership</i>	<i>2023 Total investment</i>
Government Business Entities - Modified Equity:					
Kwadacha Natural Resources GP Ltd. -					
100%	(27,751)	-	-	-	(27,751)
Three Feathers GP Ltd. - 33.33%	25	-	-	-	25
	(27,726)	-	-	-	(27,726)
First Nation Business Partnerships – Modified Equity:					
Kwadacha Natural Resources Limited Partnership - 99.99%					
	2,895,217	70,585	67,130	-	3,032,932
Tse Keh Nay Limited Liability Partnership - 33.33%					
	261,721	(225,000)	285,098	-	321,819
Three Feathers Limited Partnership - 33.33%					
	41,916	-	(52,157)	-	(10,241)
Claw Mountain Limited Liability Partnership - 50%					
	444,410	-	(73,634)	-	370,776
KNGV Freight Services (A Joint Venture) - 50%					
	(107,781)	284,837	(6,242)	-	170,814
Obo Forest Management Limited Partnership - 99.99%					
	1,241,019	(1,144,831)	2,318,855	-	2,415,043
Kwadacha Green Energy Limited Partnership - 99.99%					
	49,852	50,459	(32,078)	-	68,233
Kwadacha Air Limited Partnership - 99.99%					
	17,159	-	(5,767)	-	11,392
	4,843,513	(963,950)	2,501,205	-	6,380,768
	4,815,787	(963,950)	2,501,205	-	6,353,042

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

	<i>Balance, beginning of year</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Change in ownership</i>	<i>2022</i>
Government Business Entities - Modified Equity:					
Kwadacha Natural Resources GP Ltd. - 100%	(16,538)	-	-	16,538	-
Obo Forest Management GP Ltd. - 100%	(11,213)	-	-	11,213	-
Kwadacha Master GP Ltd. - 100%	-	-	-	(27,751)	(27,751)
Three Feathers GP Ltd. - 33.33%	25	-	-	-	25
	(27,726)	-	-	-	(27,726)
First Nation Business Partnerships – Modified Equity:					
Kwadacha Natural Resources Limited Partnership - 99.99%	196,594	611,972	2,086,651	-	2,895,217
Tse Keh Nay Limited Liability Partnership - 33.33%	74,094	(33,000)	220,627	-	261,721
Three Feathers Limited Partnership - 33.33%	39,082	-	2,834	-	41,916
Claw Mountain Limited Liability Partnership - 50%	502,117	-	(57,707)	-	444,410
KNGV Freight Services (A Joint Venture) - 50%	(107,002)	-	(779)	-	(107,781)
Obo Forest Management Limited Partnership - 99.99%	2,967,178	(2,714,774)	988,615	-	1,241,019
Kwadacha Green Energy Limited Partnership - 99.99%	(786,246)	855,968	(19,870)	-	49,852
Kwadacha Air Limited Partnership - 99.99%	75,369	9,050	(67,260)	-	17,159
	2,961,186	(1,270,784)	3,153,111	-	4,843,513
	2,933,460	(1,270,784)	3,153,111	-	4,815,787

Summary financial information for each Nation business entity, accounted for using the modified equity method, for their respective year-ends is provided below.

The Nation's investees have a different year-end than March 31, 2023, as described below. The Nation uses the investees' year-end financial statements to account for its investment in these investees. For most investments, there have been no significant events or transactions in the interim period.

All entities listed are unaudited.

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. Investments in Nation partnerships and business entities *(Continued from previous page)*

As at the audit report date, financial statements were unavailable for Kwadacha Master GP Ltd. and as such financial information for this entity has not been included in the summary below.

	<i>Three Feathers Limited Partnership As at April 30, 2023</i>	<i>Tse Keh Nay Limited Liability Partnership As at March 31, 2023</i>	<i>Claw Mountain Outfitters Limited Liability Partnership As at December 31, 2022</i>
Assets			
Cash	839,615	964,427	72,497
Accounts receivable	354,273	86,829	6,707
Prepaid expenses	13,200	-	-
Due from related parties	5,850	-	-
Investments	-	-	-
Property, plant, equipment	-	-	178,730
Intangibles	-	-	547,660
Inventory	-	-	7,300
Guaranteed investment certificate	-	-	10,040
Total assets	1,212,938	1,051,256	822,934
Liabilities			
Accounts payable and accruals	42,681	85,800	80,670
Deferred revenue	-	-	-
Accrued silviculture liability	1,200,790	-	-
Due to related party	-	-	-
Long-term debt and leases	-	-	-
Total liabilities	1,243,471	85,800	80,670
Shareholders' Equity/Partners' Capital			
	(30,533)	965,456	742,264
Total revenue	346,825	927,770	2,735
Total expenses	503,312	72,472	150,003
Net income (loss)	(156,487)	855,298	(147,268)

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. Investments in Nation partnerships and business entities *(Continued from previous page)*

	<i>KNGV Freight Services (A Joint Venture) As at April 30, 2023</i>	<i>Kwadacha Air Limited Partnership As at December 31, 2022</i>	<i>Obo Forest Management Limited Partnership As at December 31, 2022</i>	<i>Three Feathers GP Ltd. As at April 30, 2023</i>
Assets				
Cash	432,542	-	1,467,661	-
Accounts receivable	45,765	-	475,808	300
Prepaid expenses	-	-	25,000	-
Due from related parties	-	-	1,139,881	228
Investments	-	15,791	-	-
Property, plant, equipment	-	-	52,082	-
Intangibles	-	-	-	-
Inventory	-	-	-	-
Guaranteed investment certificate	-	-	-	-
Total assets	478,307	15,791	3,160,432	528
Liabilities				
Accounts payable and accruals	8,765	4,399	131,279	1,650
Deferred revenue	-	-	-	-
Accrued silviculture liability	-	-	124,813	-
Due to related party	-	-	-	5,850
Long-term debt and leases	-	-	-	-
Total liabilities	8,765	4,399	256,092	7,500
Shareholders' Equity/Partners' Capital				
	469,542	11,392	2,904,340	(6,972)
Total revenue	295,028	-	2,616,339	(16)
Total expenses	307,512	5,768	297,252	1,313
Net income (loss)	(12,484)	(5,768)	2,319,087	(1,329)

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. Investments in Nation partnerships and business entities *(Continued from previous page)*

	<i>Kwadacha Green Energy Limited Partnership As at December 31, 2022</i>	<i>Kwadacha Natural Resources Limited Partnership As at December 31, 2022</i>
Assets		
Cash	29,788	1,677,168
Accounts receivable	-	982,512
Prepaid expenses	-	91,357
Due from related parties	-	17,435
Investments	-	-
Property, plant, equipment	49,449	2,365,803
Intangibles	-	-
Inventory	-	-
Guaranteed investment certificate	-	-
Total assets	79,237	5,134,275
Liabilities		
Accounts payable and accruals	11,090	356,510
Deferred revenue	-	353,813
Accrued silviculture liability	-	-
Due to related party	-	1,208,948
Long-term debt and leases	-	268,065
Total liabilities	11,090	2,187,336
Shareholders' Equity/Partners' Capital		
	68,147	2,946,939
Total revenue	-	5,846,450
Total expenses	32,081	5,782,613
Net income (loss)	(32,081)	63,837

11. Accounts payable and accruals

Included in accounts payable and accruals are government remittances of \$69,866 (2022 - \$38,320).

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

12. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
CPMS #8612 - Fort Ware water system	187,530	-	-	187,530
ICMS #9-00123010 - flood & erosion mitigation	34,747	-	5,405	29,342
ICMS #9-00128367 - housing renovations	249,337	-	249,337	-
ICMS #9-00129808 - two triplexes construction	900,000	-	900,000	-
ICMS #9-00129872 - housing top-up COVID-19	200,000	-	200,000	-
ICMS #9-00130382 - major renovations	-	611,691	-	611,691
ICMS #9-00129576 - waste diversion program	-	865,729	-	865,729
Indigenous Services Canada - First Nation representative	-	83,542	-	83,542
Indigenous Services Canada - emergency management assistance	-	36,278	-	36,278
Province of BC - Mackenzie Project	-	5,843,266	-	5,843,266
	1,571,614	7,440,506	1,354,742	7,657,378

13. Advances from related Nation entity

Amounts due to related Nation entity is unsecured, non-interest bearing with no specific terms of repayment.

	2023	2022
Due to Kwadacha Education Society	3,516,813	3,983,260

14. Debt

	2023	2022
Royal Bank of Canada demand loan, repayable in monthly instalments of \$4,894 including interest at 3.00% per annum, secured by a Government of Canada ministerial guarantee, matures November 2024	771,650	806,646
Royal Bank of Canada demand loan, repayable in monthly instalments of \$5,184 including interest at 3.59% per annum, secured by a Government of Canada ministerial guarantee, matures August 2023	736,566	771,641
Royal Bank of Canada term loan, repayable in monthly instalments of \$10,433 including interest at prime rate plus 1.75%, secured by a Government of Canada ministerial guarantee, matures July 2023	556,788	641,804
Royal Bank of Canada demand loan, repayable in monthly instalments of \$2,971 including interest at 2.47% per annum, secured by a Government of Canada ministerial guarantee, matures April 2025	370,023	396,177
Royal Bank of Canada demand loan, repayable in monthly instalments of \$5,400 including interest at 1.77% per annum, secured by a Government of Canada ministerial guarantee, matures January 2026	179,005	240,047

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

14. Debt *(Continued from previous page)*

	2023	2022
Royal Bank of Canada demand loan, repayable in monthly instalments of \$2,342 including interest at 3.61% per annum, secured by a Government of Canada ministerial guarantee, matures December 2023	249,923	268,629
Royal Bank of Canada demand loan, repayable in monthly instalments of \$1,885 including interest at 5.18% per annum, secured by a Government of Canada ministerial guarantee, matures July 2027	87,851	105,841
Royal Bank of Canada demand loan, repayable in monthly instalments of \$1,121 including interest at 1.87% per annum, secured by a Government of Canada ministerial guarantee, matures February 2026	98,847	110,333
Royal Bank of Canada demand loan, repayable in monthly instalments of \$772 including interest at 3.18% per annum, secured by a Government of Canada ministerial guarantee, matures April 2024	38,040	45,962
	3,088,693	3,387,080

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

2024	317,142
2025	328,258
2026	329,833
2027	287,931
2028	279,622
<u>Thereafter</u>	<u>1,545,907</u>
	3,088,693

Prime rate at March 31, 2023 was 6.70% (2022 - 2.70%).

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

15. Promissory note payable

2023

2022

First Nation Finance Authority

Note payable for interim financing obtained for the construction of a biomass plant, due the earlier of (a) five years from the first principal amount drawdown (May 11, 2021), (b) the date of completion of the plant (April 21, 2017), or (c) the date upon which the Authority issues debt securities to replace the interim financing, secured by reserves established in accordance with an agreement with First Nation Finance Authority

2,048,818

2,156,451

16. Contingent liabilities

Kwadacha Nation has entered into contribution agreements with various government agencies. Funding received under these contribution agreements is subject to repayment if the Nation fails to comply with the terms and conditions of the agreements. The amount of the liability related to current year funding, if any, of the Nation is not determinable at this time.

The Nation may have future silviculture commitments for government business enterprise owned forest licenses if future costs exceed current estimates. The amount of the liability, if any, is not determinable at this time.

17. Subsequent event

Subsequent to the year ended March 31, 2023, the Nation had an asset with a net book value of \$4,460,038 which was no longer in use and will be listed for sale. The sale price is not determinable at this time.

18. Accumulated surplus

Accumulated surplus consists of the following:

2023

2022

Operations Fund	486,977	(6,667,995)
Investment in tangible capital assets	48,502,348	43,144,469
Capital Asset Fund - internally restricted	447,926	204,325
Investment in Nation partnerships and business entities	6,353,042	4,815,762
Ottawa Trust Fund	144,511	137,505
Settlement Negotiations Fund	10,271,881	10,396,937
Accumulated remeasurement gains and losses	2,044,524	2,044,700
	68,251,209	54,075,703

19. Economic dependence

Kwadacha Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of Treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

20. Indigenous Services Canada ("ISC") reconciliation

	2023	2022
Direct Nation Funding		
ISC revenue per confirmation	13,445,209	10,431,709
ISC reimbursements	(52,518)	-
Deferred for future capital projects	(1,597,240)	(1,349,337)
Deferred revenue recognized during the year	1,354,743	21,004
 Recipient total per consolidated financial statements	 13,150,194	 9,103,376

21. Budget information

Budgets were not prepared for all segments and all departments for the year ending March 31, 2023. As such, the budget figures are not presented in the consolidated statements of operations and accumulated surplus, and change in net financial assets.

22. Segments

During the year, the Nation had 9 reportable segments. These segments are differentiated by factors such as major activities, services lines, accountability, and control relationships. For management and reporting purposes, the revenue, expenses, surpluses or deficits are organized by the following segments:

Administration:

This segment provides governance initiatives and training through the activities of Chief and Council and administration of other activities relating to program delivery, membership and finance.

Education and Training:

This segment provides elementary and secondary education instructional services and provides financial support to Post Secondary students.

Income Assistance:

This segment provides programs and services for the social benefit and welfare of Nation members.

Operations and Maintenance:

The segment manages community and facilities operations and maintenance including capital projects, municipal services, water and wastewater operations, roads, fire protection, and maintenance of community buildings.

Capital:

This segment provides for capital infrastructure development.

Own Source:

This segment provides for a variety of non-funded local services.

Health and Wellness:

This segment provides a variety of health care programs, services and support to Nation members.

Settlement Negotiations:

This segment provides programs and services not otherwise funded for the social, economic and capital needs of Nation members.

Nation Member Trust:

This segment provides administration services for funds held in trust for Nation members.

Kwadacha Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

23. Financial Instruments

The Nation as part of its operations carries a number of financial instruments. It is management's opinion that the Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk assumed by the creditor that the borrower will fail to fully honour its financial obligations. Financial instruments that potentially subject the Nation to concentrations of credit risk consists principally of cash, accounts receivable and advances to related parties. The maximum credit risk exposure is \$17,224,622 (2022 - \$4,566,029). Management believes that the credit risk is low in regards to cash as balances are held with a chartered financial institution and low for accounts receivable and advances to related parties as management provides allowances for potentially uncollectible amounts.

Risk management

The Nation does not have formal risk management policies in place.

Liquidity Risk

Liquidity risk is the risk that the Nation will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Nation enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Nation's future net cash flows for the possibility of negative net cash flow. The Nation and its entities manage liquidity risk by maintaining liquid assets. The current liabilities of the Nation and its entities are expected to be settled and mature within one year of the year-end date.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Nation is exposed to interest rate risk primarily due to the debt as it is subject to floating rates.

24. Comparative figures

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

Kwadacha Nation

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2023

	<i>Land</i>	<i>Buildings</i>	<i>Automotive</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	856,440	47,357,918	2,706,071	2,132,817	21,379,400	74,432,646
Acquisition of tangible capital assets	-	2,067,357	2,110,499	13,892	269,446	4,461,194
Transfers of work-in-progress completed	-	-	-	-	7,246	7,246
Disposal of tangible capital assets	-	-	(28,000)	-	-	(28,000)
Balance, end of year	856,440	49,425,275	4,788,570	2,146,709	21,656,092	78,873,086
Accumulated amortization						
Balance, beginning of year	-	17,964,104	1,580,698	1,268,124	4,938,965	25,751,891
Annual amortization	-	1,425,725	696,197	177,057	664,268	2,963,247
Accumulated amortization on disposals	-	-	(6,300)	-	-	(6,300)
Balance, end of year	-	19,389,829	2,270,595	1,445,181	5,603,233	28,708,838
Net book value of tangible capital assets	856,440	30,035,446	2,517,975	701,528	16,052,859	50,164,248
Net book value of tangible capital assets 2022	856,440	29,393,814	1,125,373	864,693	16,440,434	48,680,754

Kwadacha Nation

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2023

	<i>Subtotal</i>	<i>Work-in-Progress</i>	2023	2022
Cost				
Balance, beginning of year	74,432,646	7,246	74,439,892	72,769,155
Acquisition of tangible capital assets	4,461,194	3,475,611	7,936,805	1,725,737
Transfers of work-in-progress completed	7,246	(7,246)	-	-
Disposal of tangible capital assets	(28,000)	-	(28,000)	(55,000)
Balance, end of year	78,873,086	3,475,611	82,348,697	74,439,892
Accumulated amortization				
Balance, beginning of year	25,751,891	-	25,751,891	23,074,721
Annual amortization	2,963,247	-	2,963,247	2,685,420
Accumulated amortization on disposals	(6,300)	-	(6,300)	(8,250)
Balance, end of year	28,708,838	-	28,708,838	25,751,891
Net book value of tangible capital assets	50,164,248	3,475,611	53,639,859	48,688,001
Net book value of tangible capital assets 2022	48,680,754	7,247	48,688,001	

Kwadacha Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2023

	2023	2022
Consolidated expenses by object		
Wages and benefits	3,802,719	3,362,852
Kwadacha Education Society disbursements	3,631,813	3,748,800
Cost of goods sold - Kwadacha Community Store	2,932,102	2,848,109
Contracted services	2,652,984	2,151,763
Patient travel	1,019,430	877,290
Charter	1,011,282	926,802
Supplies	650,978	512,577
Basic needs	628,629	488,037
Travel	607,404	388,541
Professional services	580,414	549,471
Repairs and maintenance	566,527	400,251
Utilities and telephone	486,198	452,236
Elders' costs of living assistance	339,400	366,200
Insurance	280,934	199,068
Freight	267,395	270,561
Basic shelter	252,839	222,923
Office	239,240	185,097
Honoraria	210,039	230,183
Fuel	208,308	81,586
Interest on debt	192,615	203,265
Disbursements	182,654	167,466
Management fees	164,547	1,145,966
Premises - Prince George	94,624	96,326
Nation member assistance	84,301	76,108
Premise - Fort Ware	78,000	78,000
Bereavement	60,214	52,396
Training and workshops	38,330	21,534
Equipment rental	36,022	27,660
Special needs	34,128	75,424
Bank charges and interest	33,023	45,741
Accommodations	23,443	18,240
Bad debts	21,191	46,767
Fees and dues	16,394	7,298
Guardian Financial Assistance	11,051	17,986
Inspections	9,102	-
Recruitment and moving	7,200	-
Activities	5,406	8,052
Vehicle	2,400	-
Donations	576	1,000
Elders COL recovery	-	(2,800)
Purchases - Nation Member Trust	-	11,837
Administration recovery	(363,933)	(162,000)
Amortization	2,963,247	2,685,420
	24,063,170	22,884,033

Kwadacha Nation
Administration
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	1,038,507	1,494,778
BC Hydro Trust Funds Contribution	1,000,000	-
Other revenue	969,776	311,372
Province of British Columbia	199,263	-
Interest	58,001	7,469
First Nations Health Authority	-	192,552
	3,265,547	2,006,171
Expenses		
Wages and benefits	1,217,768	1,541,782
Professional services	544,576	456,430
Travel	286,808	91,625
Office	209,811	144,474
Utilities and telephone	74,044	71,295
Supplies	71,347	161,234
Contracted services	53,450	52,695
Premises - Prince George	45,652	45,623
Premise - Fort Ware	42,000	42,000
Interest on debt	40,177	31,735
Repairs and maintenance	36,086	32,682
Insurance	31,011	18,604
Charter Expense	21,527	6,823
Bank charges and interest	20,702	26,330
Honoraria	15,713	23,259
Fees and dues	15,210	2,444
Equipment rental	15,008	8,331
Freight	10,188	6,866
Recruitment and moving	7,200	-
Fuel	4,292	-
Nation member assistance	3,157	6,572
Training and workshops	1,610	4,653
Donations	576	1,000
Bad debts	-	32,662
Administration recovery	(1,246,879)	(283,642)
	1,521,034	2,525,477
Annual surplus (deficit) before transfers	1,744,513	(519,306)
Transfers between programs	583,130	300,000
Annual surplus (deficit)	2,327,643	(219,306)

Kwadacha Nation
Education and Training
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	3,430,548	3,437,263
First Peoples' Heritage Language and Culture Council	272,472	-
	3,703,020	3,437,263
Expenses		
Kwadacha Education Society disbursements	3,430,548	3,437,263
Annual surplus	272,472	-

Kwadacha Nation
Income Assistance
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	1,022,626	1,163,046
Other revenue	20,800	-
	1,043,426	1,163,046
Expenses		
Basic needs	628,629	488,037
Wages and benefits	272,297	111,817
Basic shelter	252,839	222,923
Special needs	34,128	75,424
Administration	23,462	-
Guardian Financial Assistance	11,051	17,986
Supplies	8,255	13,302
Office	7,354	2,100
Travel	7,004	3,095
Honoraria	1,770	2,041
Repairs and maintenance	171	-
Freight	-	538
Utilities and telephone	-	1,200
Contracted services	-	6,433
	1,246,960	944,896
Annual surplus (deficit)	(203,534)	218,150

Kwadacha Nation
Operations and Maintenance
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	1,739,292	2,274,402
Other revenue	110,401	116,575
New Relationship Trust	49,760	-
Interest	2,833	-
	1,902,286	2,390,977
Expenses		
Contracted services	738,014	1,217,700
Wages and benefits	291,303	218,461
Repairs and maintenance	202,839	71,061
Fuel	99,194	20,729
Supplies	61,249	55,664
Freight	35,622	12,793
Insurance	29,918	20,587
Equipment rental	19,064	16,482
Travel	9,146	84,179
Utilities and telephone	8,517	7,693
Vehicle	2,400	-
Honoraria	310	-
Fees and dues	163	435
Training and workshops	-	418
Professional services	-	5,600
	1,497,739	1,731,802
Annual surplus before transfers	404,547	659,175
Transfers between programs	426,409	-
Annual surplus	830,956	659,175

Kwadacha Nation
Capital
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	3,513,093	348,976
Other revenue	3,202,951	-
Province of British Columbia	1,293,050	-
Gain (loss) on disposal of tangible capital assets	(6,200)	78,250
	8,002,894	427,226
Expenses		
Supplies	36,888	-
Contracted services	8,109	141,082
Professional services	5,336	32,456
Wages and benefits	1,199	-
Premises - Prince George	-	9,600
Freight	-	15,593
Kwadacha Education Society disbursements	-	60,207
Office	-	56
Amortization	2,953,276	2,675,034
	3,004,808	2,934,028
Annual surplus (deficit) before transfers	4,998,086	(2,506,802)
Transfers between programs	2,041,591	-
Annual surplus (deficit)	7,039,677	(2,506,802)

Kwadacha Nation
Own Source
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	43,094	86,606
Kwadacha Community Store	3,476,580	3,373,097
Province of British Columbia	3,263,497	197,460
Other revenue	2,660,678	1,910,962
Earnings from investment in Nation partnerships and business entities	2,506,443	3,149,812
Rental income	716,553	714,026
Interest	791	261
Loss on portfolio investments	-	(96,157)
BC Hydro Trust Funds Contribution	-	83,215
Forgiveness (recovery) of related party loans	(37,130)	117,852
	12,630,506	9,537,134
Expenses		
Cost of goods sold - Kwadacha Community Store	2,932,102	2,848,109
Charter	989,755	919,979
Wages and benefits	967,507	767,652
Administration	643,189	28,200
Contracted services	603,401	312,166
Utilities and telephone	247,808	271,604
Supplies	232,975	67,814
Freight	213,280	214,502
Repairs and maintenance	191,130	167,442
Insurance	183,789	134,601
Disbursements	182,654	167,466
Management fees	88,600	1,061,313
Interest on debt	68,830	87,923
Fuel	56,472	43,609
Honoraria	46,250	27,500
Premises - Prince George	36,972	29,103
Travel	28,347	39,981
Bad debts	21,191	14,105
Bank charges and interest	12,321	19,411
Office	12,068	34,117
Inspections	9,102	-
Nation member assistance	8,140	3,006
Professional services	2,752	50,359
Fees and dues	970	4,320
Activities	277	-
Training and workshops	-	1,500
Amortization	9,971	10,386
	7,789,853	7,326,168
Annual surplus before transfers	4,840,653	2,210,966
Transfers between programs	(2,369,293)	-
Annual surplus	2,471,360	2,210,966

Kwadacha Nation
Health and Wellness
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	2,363,035	298,305
First Nations Health Authority	1,948,215	1,931,542
Other revenue	417,857	150,000
Province of British Columbia	390,406	425,749
Government of Canada	65,486	82,175
Rental income	2,450	-
	5,187,449	2,887,771
Expenses		
Contracted services	1,162,104	403,801
Patient travel	1,019,430	877,290
Wages and benefits	600,463	525,569
Travel	208,766	97,011
Administration	197,718	74,865
Kwadacha Education Society disbursements	151,265	201,330
Supplies	136,894	86,859
Honoraria	105,078	111,695
Utilities and telephone	73,272	42,534
Training and workshops	36,720	14,963
Premise - Fort Ware	36,000	36,000
Fuel	24,852	7,696
Accommodations	23,443	18,240
Repairs and maintenance	21,174	6,698
Insurance	19,104	13,848
Professional services	17,900	127
Premises - Prince George	12,000	12,000
Freight	5,502	13,679
Activities	2,400	7,918
Office	692	1,094
Fees and dues	-	50
Equipment rental	-	360
	3,854,777	2,553,627
Annual surplus before transfers	1,332,672	334,144
Transfers between programs	(481,841)	-
Annual surplus	850,831	334,144

Kwadacha Nation
Settlement Negotiations
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023	2022
Revenue		
BC Hydro Trust Funds Contribution	2,121,883	3,758,466
Interest	338,687	1,532,179
Province of British Columbia	30,000	-
Other revenue	13,155	9,369
	2,503,725	5,300,014
Expenses		
Wages and benefits	452,180	197,571
Elders' costs of living assistance	339,400	366,200
Repairs and maintenance	115,126	122,369
Supplies	103,372	127,704
Contracted services	87,906	17,885
Interest on long-term debt	83,607	83,607
Utilities and telephone	82,557	57,909
Management fees	75,947	84,653
Nation member assistance	73,005	66,530
Travel	67,334	72,649
Bereavement	60,214	52,396
Kwadacha Education Society disbursements	50,000	50,000
Honoraria	40,919	65,687
Fuel	23,499	9,552
Administration	18,577	18,577
Insurance	17,113	11,428
Professional services	9,850	4,500
Office	9,314	3,255
Freight	2,802	6,590
Activities	2,729	135
Equipment rental	1,950	2,488
Fees and dues	50	50
	1,717,451	1,421,735
Annual surplus before transfers	786,274	3,878,279
Transfers between programs	(199,996)	(300,000)
Annual surplus	586,278	3,578,279

Kwadacha Nation
Nation Member Trust
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023	2022
Revenue		
Nation members Trust	-	9,011
Expenses		
Elders COL recovery	-	(2,800)
Purchases - Nation Member Trust	-	11,837
	-	9,037
Annual surplus (deficit)	-	(26)