

**KITSELAS FIRST NATION  
FINANCIAL STATEMENTS**

**MARCH 31, 2022**

**KITSELAS FIRST NATION  
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MARCH 31, 2022**

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**KITSELAS FIRST NATION**  
**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**  
**YEAR ENDED MARCH 31, 2022**

The financial statements of the Kitselas First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards which includes certain amounts based on judgments and estimates. Management has chosen the most appropriate method to determine the judgments/estimates to ensure the financial statements are presented fairly, in all material respects.

The Kitselas First Nation 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 reliable and accurate and that assets are adequately safeguarded.

The Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Council meets regularly with management and is available to meet with the external auditor to satisfy themselves that each party is properly discharging their responsibilities. The Council also considers the engagement of the external auditor.

The financial statements have been audited by Carlyle Shepherd & Co. in accordance with Canadian generally accepted auditing standards on behalf of the Members. Carlyle Shepherd & Co. has full access to the Chief and Council.

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Councillor

  
\_\_\_\_\_  
Chief Administrative Officer

**INDEPENDENT AUDITOR'S REPORT**

**TO THE KITSELAS FIRST NATION**

**Opinion**

We have audited the financial statements of the Kitselas First Nation, which comprise the statement of financial position as at March 31, 2022 and the statements of financial activities, cash flows and changes in net financial assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Nation as at March 31, 2022 and the results of its operations and 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. We are independent of the Nation 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 Council for the Financial Statements**

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

In preparing the 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 conditions exist that do not allow for the going concern basis to be used.

Council is responsible for overseeing the Nation's financial reporting process.

**Auditor's Responsibility 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 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 financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 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 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 financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

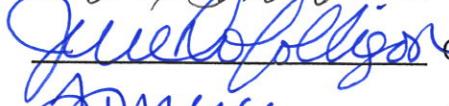
Terrace, BC  
July 29, 2022

*Carlyle Shepherd & Co.*

**KITSELAS FIRST NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**MARCH 31**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (note 3)	34,743,914	34,590,051
Marketable securities (notes 2 and 4)	7,372,052	6,197,256
Accounts receivable (note 5)	2,734,700	1,220,260
Ottawa Trust funds	4,357	4,370
	<u>44,855,023</u>	<u>42,011,937</u>
<b>LIABILITIES</b>		
Accounts payable and accruals (note 7)	2,570,581	1,414,380
Replacement reserve (note 3)	538,502	482,525
Long-term debt (note 9)	3,909,114	4,306,399
	<u>7,018,197</u>	<u>6,203,304</u>
<b>NET FINANCIAL ASSETS</b>		
	<u>37,836,826</u>	<u>35,808,633</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenditures	51,731	61,867
Investment in government business enterprises (note 6)	6,314,096	4,038,058
Loans to government business enterprise (note 8)	864,356	520,362
Tangible capital assets (notes 2 and 10)	14,750,159	13,634,964
Licences (note 2)	180,000	180,000
	<u>22,160,342</u>	<u>18,435,251</u>
	<u>59,997,168</u>	<u>54,243,884</u>
<b>NATION POSITION</b>		
Surplus (note 11)		
Unrestricted	40,559,122	37,856,256
Internally restricted	2,316,275	2,316,275
Equity in tangible capital assets (note 12)	9,938,962	9,508,563
Equity in investment in government business enterprises (note 6)	6,314,096	4,038,058
Equity in loan to government business enterprise (note 8)	864,356	520,362
Equity in Ottawa Trust funds (note 3)	4,357	4,370
<b>CONTINGENT LIABILITIES (note 13)</b>	<u>59,997,168</u>	<u>54,243,884</u>

APPROVED BY THE COUNCIL


Chief  
Councillor  
Chief Administrative Officer

**KITSELAS FIRST NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED MARCH 31**

	<b>Unaudited Budget</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>
	\$	\$	\$	\$
<b>REVENUE</b>				
ISC	6,937,787	6,937,787	4,424,136	
BC FN Gaming Revenue Sharing LP	430,844	245,344	430,844	
CMHC	218,872	279,462	218,872	
Department of Fisheries and Oceans	571,843	762,797	571,843	
First Nations Health Authority	1,189,387	1,189,387	1,530,797	
First Nations Education Steering Committee	-	363,668	184,507	
Income from government business enterprises	-	2,276,038	350,441	
Natural Resources Canada	128,160	165,500	128,160	
Proponent funding	1,500,000	662,979	1,396,006	
Province of British Columbia	2,040,505	2,389,289	2,040,505	
Government of Canada	-	137,000	-	
Rental	460,200	464,550	460,200	
Marketable securities	-	1,174,796	979,355	
The TFN Treaty Society	725,270	750,000	725,270	
Other	<u>1,000,000</u>	<u>1,674,385</u>	<u>2,499,803</u>	
	<u>15,202,868</u>	<u>19,472,982</u>	<u>15,940,739</u>	
<b>EXPENDITURE</b>				
Administration	2,775,930	3,277,396	1,628,358	
Capital projects	300,996	897,223	299,274	
Community health	1,215,336	1,433,721	1,247,025	
Economic development	92,686	607,471	273,447	
Education	1,458,166	1,925,189	1,772,845	
Housing rentals	991,564	844,967	900,553	
Land and resource management	1,665,272	1,924,452	1,612,503	
Municipal services	653,121	754,771	652,449	
Social development	548,533	528,204	1,086,080	
Treaty process	<u>844,543</u>	<u>1,526,304</u>	<u>659,020</u>	
	<u>10,546,147</u>	<u>13,719,698</u>	<u>10,131,554</u>	
<b>REVENUE OVER EXPENDITURE</b>	<b>4,656,721</b>	<b>5,753,284</b>	<b>5,809,185</b>	
<b>OPENING POSITION</b>	<b><u>54,243,884</u></b>	<b><u>54,243,884</u></b>	<b><u>48,434,699</u></b>	
<b>CLOSING POSITION</b>	<b><u>58,900,605</u></b>	<b><u>59,997,168</u></b>	<b><u>54,243,884</u></b>	

**KITSELAS FIRST NATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Revenue over expenditure	5,753,284	5,809,185
Amortization	763,542	761,464
Gain on marketable securities	-1,174,796	-979,355
Income from government business enterprises	-2,276,038	-350,441
Accounts receivable	-1,514,440	-491,044
Ottawa Trust funds	13	-20
Prepaid expenditures	10,136	24,213
Accounts payable and accruals	1,156,201	223,881
Deferred revenue	-	-95,102
	<hr/>	<hr/>
	2,717,902	4,902,781
<b>FINANCING ACTIVITIES</b>		
Long-term debt	-397,285	-389,185
Replacement reserve	55,977	7,198
Operating reserve fund	-	-454,008
	<hr/>	<hr/>
	-341,308	-835,995
<b>INVESTING ACTIVITIES</b>		
Loans to government business enterprise	-343,994	27,188
Contributions to government business enterprise	-	-1,046,823
Tangible capital asset additions	-1,878,737	-140,451
	<hr/>	<hr/>
	-2,222,731	-1,160,086
<b>CHANGE IN CASH</b>		
	153,863	2,906,700
<b>OPENING CASH BALANCE</b>		
	<hr/>	<hr/>
	34,590,051	31,683,351
<b>CLOSING CASH BALANCE</b>		
	<hr/>	<hr/>
	34,743,914	34,590,051

**KITSELAS FIRST NATION**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**YEAR ENDED MARCH 31**

	<b>2022</b>	<b>2021</b>
	\$	\$
Revenue over expenditure	5,753,284	5,809,185
Amortization	763,542	761,464
Prepaid expenditures	10,136	24,213
Income from government business enterprises	-2,276,038	-350,441
Loans to government business enterprise	-343,994	27,188
Contributions to government business enterprises	-	-1,046,823
Tangible capital asset additions	<u>-1,878,737</u>	<u>-140,451</u>
Change in net financial assets	2,028,193	5,084,335
Opening net financial assets	<u>35,808,633</u>	<u>30,724,298</u>
Closing net financial assets	<u>37,836,826</u>	<u>35,808,633</u>

# KITSELAS FIRST NATION

## NOTES

MARCH 31, 2022

### 1. NATURE OF ENTITY

Kitselas First Nation is a land code first nation government responsible for the governance, social, cultural, educational, land management and economic development activities on behalf of Kitselas citizens.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards, as established by the Public Sector Accounting Board ("PSAB"), and encompass the following policies:

#### a) Fund accounting

The First Nation maintains the following funds which are consolidated into the financial statements:

- Operating Fund reports the general activities of the First Nation.
- Capital Fund reports the property and equipment of the First Nation, together with related financing.
- Social Housing Fund reports the social housing assets, together with related activities.

#### b) Reporting entity

The First Nation's reporting entity includes the Kitselas First Nation community government and entities that are either controlled or owned by it. All controlled entities are fully consolidated on a line-by-line basis except for business enterprises.

##### i) Investment in government business enterprises

Business enterprises include government business enterprises (GBE) and government business partnerships (GBP) and are consolidated on a modified equity basis. Under the modified equity basis, the GBE's and GBP's accounting policies are not adjusted to conform with the First Nation, inter-organizational transactions and balances are not eliminated and the First Nation recognizes annual earnings or losses in its statement of financial activities with a corresponding increase or decrease in the investment. Any distributions from the GBEs or GBPs reduce the carrying value of the investment.

The First Nation's government business enterprise investments consist of the following:

Kitselas Development Corporation (general partner to KDLP)	100%
Kitselas Forest Products Limited (general partner to KFLP)	100%

# KITSELAS FIRST NATION

## NOTES

MARCH 31, 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Wai Wah Environmental GP Ltd. (general partner to WWELP)	100%
Kitselas Five Tier System Ltd. (general partner to KFTSLP)	100%
Kitselas Community Land GP Ltd. (general partner to KFTSLP)	100%
Kitselas Social Economic Development Corp. (dormant)	100%
All Nations Safety Services Inc. (dormant)	100%

The First Nation's government business partnerships consist of the following:

Kitselas Development Limited Partnership ("KDLP")	99.9%
Kitselas Forestry Limited Partnership ("KFLP")	99.9%
Wai Wah Environmental Limited Partnership ("WWELP")	99.9%
Kitselas Five Tier System Limited Partnership ("KFTSLP")	99.9%
Kitselas Community Land Limited Partnership ("KCLLP")	99.9%

#### ii) Trust funds

Trust funds and their related operations administered by Kitselas are included in these consolidated financial statements.

#### c) Marketable securities

Marketable securities, including bonds and common shares, are reported at market value.

#### d) Recognition of revenue and expenditures

Government grants and subsidy revenue are recognized as the First Nation becomes entitled to the funding under the applicable agreement. Funding from external parties restricted by agreement or legislation is reported as deferred revenue until used for the purposes specified.

Sales of goods and the provision of services are recognized in the period the goods or services are provided and the related proceeds receivable.

Expenditures are accounted for in the period when the goods and services are acquired and the liability is incurred.

#### e) Tangible capital assets

Tangible capital assets are reported at cost, including installation, legal, transportation, insurance and other direct costs, and are amortized using the declining balance method, for non-social housing assets, at the following annual rates:

# KITSELAS FIRST NATION

## NOTES

MARCH 31, 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Buildings	4%
Engineered structures	4%
Equipment	20%

For social housing, amortization on buildings is based on the annual principal reduction of the related mortgage.

Assets under construction are not amortized until the asset is available for use. When management considers tangible capital assets to be impaired, the cost is written down to net realizable value.

All intangible assets and items inherited by right of Kitselas such as land, forest, water, natural resources, are not recognized in the First Nation's financial statements.

#### f) Licences

Licences are reported at cost.

#### g) Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from these estimates.

Significant areas requiring management estimates include the collectability of accounts receivable, and useful lives of and future economic benefits associated with tangible capital assets. Management reviews these estimates annually and, where necessary, makes adjustments as required.

#### h) Budget data

The budget data presented in these consolidated financial statements have been derived from the budget approved by Kitselas First Nation Council.

#### i) Financial instruments

Financial assets and liabilities are reported at market value at the date of acquisition except for marketable securities which are reported at market value at year-end. It is management's opinion that the First Nation's financial instruments are not exposed to significant interest rate, liquidity, market or other price risks except for the marketable securities.

## KITSELAS FIRST NATION

### NOTES

MARCH 31, 2022

#### 3. CASH

The First Nation maintains its cash balances with the Royal Bank of Canada. Specific cash balances have been externally or internally restricted under operating agreements by federal authorities or policy.

Under the terms of agreement with Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited with \$66,900 annually. Use of these funds is restricted under the agreement and must be used for certain capital replacements or betterments in relation to the housing units. These funds, with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as approved by CMHC. At year-end, \$480,150 of the required \$538,502 is in a separate bank account.

Changes in the replacement reserve balances are as follows:

Opening balance	\$ 482,525
Current provision	66,900
Expenditure	<u>-10,923</u>
Closing balance	<u>\$ 538,502</u>

#### 4. MARKETABLE SECURITIES

	2022	2021
	\$	\$
Fixed income	2,683,439	2,678,370
Common shares	<u>4,688,613</u>	<u>3,518,886</u>
	<u>7,372,052</u>	<u>6,197,256</u>

#### 5. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
ISC	939,128	189,246
Other Federal	281,380	114,516
Housing rentals	1,444,915	1,353,463
Trade and other	1,919,590	1,228,454
Allowance for doubtful accounts	<u>-1,850,313</u>	<u>-1,665,419</u>
	<u>2,734,700</u>	<u>1,220,260</u>

# KITSELAS FIRST NATION

## NOTES

MARCH 31, 2022

### 6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

Financial information for the Nation's Limited Partnerships at December 31, 2021 is as follows:

	Kitselas Development LP	Kitselas Forestry LP	Wai Wah Environ- mental LP	Kitselas Five Tier System LP	Kitselas Community Land LP	Total
	\$	\$	\$	\$	\$	\$
Assets	4,147,903	4,204,336	575,394	1,245,444	855,403	11,028,480
Liabilities	2,746,243	1,084,778	260,456	427,405	195,502	4,714,384
Revenue	1,350,376	7,440,622	1,315,107	2,653,792	89,333	12,849,230
Net income	716,385	971,223	12,948	517,259	58,223	2,276,038

### 7. ACCOUNTS PAYABLE AND ACCRUALS

	2022	2021
	\$	\$
Governmental payables	47,887	48,569
Wages and benefits	248,657	232,805
Trade and other	<u>2,274,037</u>	<u>1,133,006</u>
	<u>2,570,581</u>	<u>1,414,380</u>

### 8. LOANS TO GOVERNMENT BUSINESS ENTERPRISE

Kitselas Development Limited Partnership;

\$5,967/month including interest at 3.65% per annum; \$ 539,356 unsecured.

Term loan, non-interest bearing; unsecured 325,000  
\$ 864,356

# KITSELAS FIRST NATION

## NOTES

MARCH 31, 2022

### 9. LONG-TERM DEBT

The mortgages are secured by buildings.

Royal Bank of Canada, mortgage, \$1,055/month including interest at 3.62% per annum	\$ 72,970
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All Nations Trust Company, mortgages

\$2,774/month including interest at 1.73% per annum	91,959
\$2,889/month including interest at 0.98% per annum	135,928
\$3,118/month including interest at 1.97% per annum	326,561
\$4,720/month including interest at 1.3% per annum	543,367
\$10,490/month including interest at 2.5% per annum	1,129,709
\$3,409/month including interest at 0.69% per annum	514,781
\$6,294/month including interest at 1.57% per annum	989,211

Daimler Truck Financial

\$4,573/month including interest at 4.64% per annum; secured by specific equipment	<u>104,628</u>
	<u>\$ 3,909,114</u>

Principal repayment during the next five years is as follows:

2023	\$ 404,524
2024	413,195
2025	360,488
2026	338,907
2027	<u>310,137</u>
	<u>\$ 1,827,251</u>

## KITSELAS FIRST NATION

## NOTES

MARCH 31, 2022

## 10. TANGIBLE CAPITAL ASSETS

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE		
	Opening Balance	Additions	Disposals	Opening Balance	Disposals	Annual Amortization	Closing Balance	Total 2022	Total 2021
Buildings	\$ 13,149,925	\$ 1,458,340	-\$ 14,608,265	\$ 4,597,845	-\$	\$ 338,668	\$ 4,936,513	\$ 9,671,752	\$ 8,552,080
Engineered structures	7,041,893	-\$	-\$ 7,041,893	2,491,091	-\$	-\$	182,032	2,673,123	4,368,769
Equipment	<u>1,889,390</u>	<u>420,397</u>	<u>67,368</u>	<u>2,242,419</u>	<u>1,357,307</u>	<u>67,368</u>	<u>242,842</u>	<u>1,532,781</u>	<u>709,638</u>
	<u>22,081,208</u>	<u>1,878,737</u>	<u>67,368</u>	<u>23,892,577</u>	<u>8,446,244</u>	<u>67,368</u>	<u>763,542</u>	<u>9,142,418</u>	<u>14,750,159</u>
									<u>13,634,964</u>

**KITSELAS FIRST NATION**

**NOTES**

**MARCH 31, 2022**

**11. SURPLUS (DEFICIT)**

	<b>2022</b>	<b>2021</b>
Unrestricted		
Administration	\$ 31,429,497	\$ 31,181,956
Capital projects	-11,123	-862,980
Community health	1,238,941	1,136,409
Economic development	1,079,888	1,796,558
Education	1,580,673	941,681
Housing rentals	-1,522,184	-1,417,321
Lands and resource management	6,059,166	4,893,347
Municipal services	-1,260,049	-1,057,380
Social development	738,175	315,776
Treaty process	<u>1,226,138</u>	<u>928,210</u>
	<u><u>\$ 40,559,122</u></u>	<u><u>\$ 37,856,256</u></u>
Internally restricted		
Community enhancement	\$ 222	\$ 222
Economic development	508,942	508,942
General	667,328	667,328
Lands	755,971	755,971
Workforce development	<u>383,812</u>	<u>383,812</u>
	<u><u>\$ 2,316,275</u></u>	<u><u>\$ 2,316,275</u></u>

**12. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b>2022</b>	<b>2021</b>
Opening balance	\$ 9,508,563	\$ 9,740,391
Contributions from operations	796,656	140,451
Long-term debt repayment	397,285	389,185
Amortization	<u>-763,542</u>	<u>-761,464</u>
Closing balance	<u><u>\$ 9,938,962</u></u>	<u><u>\$ 9,508,563</u></u>

# **KITSELAS FIRST NATION**

## **NOTES**

**MARCH 31, 2022**

### **13. CONTINGENT LIABILITY**

The First Nation has guaranteed a Royal Bank of Canada demand loan of \$520,000 for Kitselas Forestry Limited Partnership.

### **14. CONCENTRATION OF FINANCIAL RISKS**

#### **a) Credit risk**

Credit risk is the risk that a counterparty may default on a contractual obligation resulting in financial loss. There is a risk that certain accounts receivable, primarily social housing tenants, will not be able to settle their outstanding debt. Furthermore, cash inflows from government business enterprises is dependent on their liquidity.

#### **b) Liquidity risk**

Liquidity risk is the risk that the First Nation will not be able to meet its financial obligations as they become due. The First Nation regularly monitors its financial liabilities to determine whether they have sufficient cash resources to cover them.

The First Nation is also subject to non-financial covenants and restrictions in relation to long-term debt with which it continues to comply.

#### **c) Interest rate risk**

Interest rate risk is the risk that changes in interest rates could increase cash outflows on the First Nation's long-term debt. All long-term debt has a fixed interest rate, negotiated for a period of five years at each renewal.

#### **d) Market risk**

The First Nation's marketable securities in publicly-traded securities exposes the First Nation to price risk as equity investments are subject to price changes in an open market. The First Nation does not use derivative financial instruments to alter the effects of this risk.

## **KITSELAS FIRST NATION**

### **NOTES**

**MARCH 31, 2022**

#### **15. SEGMENT DISCLOSURE**

Kitselas First Nation is a local government that provides a wide range of services to its members. The First Nation operates and its activities are organized and reported by the following segments:

a) Administration

The administration department is responsible for corporate administration, finance, human resources, legislative services, managing major negotiations with proponents, training and employment services and elections.

b) Capital projects

The capital projects department is responsible for managing major capital projects.

c) Community health

The community health department manages all health and wellness programs.

d) Economic development

Economic development is responsible for administering and facilitating new business opportunities, liaison with Kitselas business enterprises and managing existing projects such as historical sites.

e) Education

The education department manages all education programs including facilitating secondary, university qualifying credit courses, post-secondary and operates an adult education facility in the community.

f) Housing rentals

The housing department manages the rental, collections and maintenance of all housing owned by the First Nation.

g) Land and resource management

Land and resource management is responsible for the management, development and planning of Kitselas land and resources.

# **KITSELAS FIRST NATION**

## **NOTES**

**MARCH 31, 2022**

### **15. SEGMENT DISCLOSURE (continued)**

#### **h) Municipal services**

The municipal services department is responsible for the repair and maintenance of the First Nation's community water system, roads, buildings, equipment and fire protection.

#### **i) Social development**

The social development department manages all social programs.

#### **j) Treaty process**

The Treaty department is responsible for representing the First Nation in Treaty negotiations with the Federal government through the TFN Treaty Society.

The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in note two. The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the year are as follows:

## KITSELA'S FIRST NATION

## NOTES

MARCH 31, 2022

## 15. SEGMENT DISCLOSURE (continued)

	Budget Total 2022 \$	Administration \$	Capital Projects \$	Community Health \$	Economic Development \$	Education \$	Housing Rentals \$	Municipal Services \$	Social Development \$	Treaty Process \$	Actual Total 2022 \$	Actual Total 2021 \$
<b>Revenue</b>												
ISC	6,937,787	722,616	1,016,140	-	29,828	2,112,286	-	595,666	440,017	923,267	1,097,967	6,937,787
BC FN Gaming Revenue Sharing LP	430,844	-	-	-	245,344	-	279,462	-	-	-	-	245,344
CMHC	218,872	-	-	-	-	-	-	762,787	-	-	-	218,872
Department of Fisheries and Oceans	571,843	-	-	1,189,387	-	-	-	-	-	-	-	571,843
First Nations Health Authority	1,189,387	-	-	-	-	-	-	-	-	-	-	1,189,387
First Nations Education Steering Committee	-	10,558	-	-	-	353,110	-	-	-	-	-	184,507
Income from government business enterprises	128,160	-	165,560	-	2,276,038	-	-	-	-	-	-	2,276,038
Natural Resources Canada	1,500,000	395,440	47,475	-	-	-	220,064	-	-	-	-	350,441
Proprietary funding	2,040,505	977,070	744,054	6,114	-	75,000	-	533,487	-	-	-	662,979
Province of British Columbia	5,000	-	-	-	-	-	132,000	-	-	-	-	1,396,006
Government of Canada	460,200	-	-	-	5,300	-	459,250	-	-	-	-	460,200
Rental	-	1,174,796	-	-	-	-	-	-	-	-	-	1,174,796
Marketable Securities	725,270	-	3,280	134,672	347,344	33,793	-	1,390	706,255	28,648	-	725,270
The TFN Treaty Society	1,000,000	416,353	-	-	-	-	-	-	-	1,150	-	1,000,000
Other	15,202,868	3,701,833	1,928,974	1,377,648	2,903,854	2,574,89	740,102	2,950,269	468,665	977,981	1,849,467	19,472,982
<b>Expenses</b>												
ISC recovery	-	45,398	-	-	-	-	-	-	-	11,999	-	57,397
Administration recovery	-950,000	1,049,852	196,364	-	-	-	-	9,754	132,227	-	-	-1,049,852
Amortization	761,464	86,529	98,179	2,254	-	-	91,452	-47,738	-	-	-	761,464
Bad debts	-	-	-	-	-	-	561,639	-	-	-	-	129,896
Benefits and programs	2,231,307	2,005,006	-	-	1,409,968	-	-	178,873	89,837	-	-	2,231,307
Contract services	2,159,423	417,582	551,325	289,443	194,310	2,300	-	-	-	834,763	-	2,159,423
Honoraria	84,650	63,100	-	2,700	6,933	16,875	-	81,715	4,702	48,622	135	600
Insurance	223,546	47,871	-	4,130	-	-	-	-	-	-	-	84,650
Loan to government business enterprise	-	1,984,140	275,730	143,437	356,195	325,000	158,607	434,668	187,867	169,274	269,407	325,000
Materials, supplies and other professional services	203,902	81,394	-	41,139	269,350	-	6,381	59,357	-	-	159,784	2,305,174
Rental	34,516	5,142	-	93,558	15,601	8,410	4,218	10,442	42,635	1,019	21,481	326,172
Telephone and utilities	208,606	63,917	2,958	7,183	660,002	619	6,073	423	13,167	6,439	3,386	159,769
Travel and workshops	65,912	105,336	-	-	23,869	204,882	163,503	656,588	247,144	41,952	27,071	820,121
Wages and benefits	3,238,681	1,032,054	3,139	-	-	-	-	-	-	-	-	65,912
10,546,147	3,277,396	897,223	1,433,721	-	607,471	1,925,189	844,967	1,924,452	754,771	528,204	1,526,304	13,719,698
Revenue over expenditure	4,656,721	424,437	1,031,751	-56,073	2,296,383	649,000	-104,865	1,025,817	-286,106	449,777	323,163	5,753,284
Transfers	-	-263,426	-	158,606	27,377	-180	-	-	-	-27,377	-25,234	-
Annual surplus (deficit)	4,656,721	161,011	1,031,751	102,553	2,323,760	648,820	-104,865	1,156,051	-286,106	422,400	297,929	5,753,284
												5,809,185

CARLYLE SHEPHERD &amp; CO.

CHARTERED PROFESSIONAL ACCOUNTANTS

