

Kitsumkalum Indian Band
Consolidated Financial Statements

March 31, 2022

Kitsumkalum Indian Band Contents

For the year ended March 31, 2022

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Management's Responsibility

To the Members of Kitsumkalum Indian Band:

The accompanying consolidated financial statements of Kitsumkalum Indian Band are the responsibility of management and have been approved by the Chief and Council.

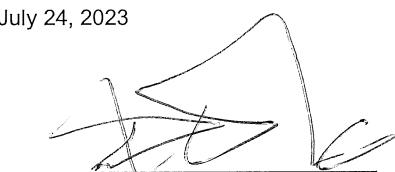
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate 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 the consolidated financial statements.

The Kitsumkalum Indian Band Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council fulfills these responsibilities by reviewing the consolidated financial information prepared by management and discussing relevant matters with management and the external auditor. Chief and Council is also responsible for recommending the appointment of the Band's external auditors.

MNP LLP is appointed by the Chief and Council on behalf of the members to audit the consolidated financial statements and report directly to them; their report follows. The external auditor has full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.

July 24, 2023



Band Manager

To the Members of Kitsumkalum Indian Band:

Qualified Opinion

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

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2022, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Kitsumkalum Indian Band did not prepare an approved budget for the year ended March 31, 2022. Canadian public sector accounting standards requires the approved budget to be presented in the consolidated statement of operations and accumulated surplus and changes in net financial assets. Our audit opinion on the consolidated financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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

Responsibilities of Management 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 the 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 Band's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Band'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.

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- 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 Band'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 Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Band 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.

Terrace, British Columbia

July 24, 2023

MNP LLP

Chartered Professional Accountants

MNP
LLP

Kitsumkalum Indian Band
Consolidated Statement of Financial Position
As at March 31, 2022

| | 2022 | 2021 |
|---|-------------------|-------------|
| Financial assets | | |
| Cash | 17,149,279 | 15,152,744 |
| Accounts receivable (Note 3) | 4,601,448 | 2,874,722 |
| Restricted cash (Note 4) | 3,641,104 | 3,751,977 |
| Inventory for resale (Note 5) | 171,177 | 214,527 |
| Funds held in trust (Note 6) | 1,777 | 1,748 |
| Portfolio investments (Note 7) | 3,980,922 | 3,654,443 |
| Kitsumkalum Port Economic Trust Funds (Note 8) | 578,387 | 549,722 |
| Investments in government business enterprises (Note 9) | 33,623,310 | 32,196,007 |
| Total financial assets | 63,747,404 | 58,395,890 |
| Financial liabilities | | |
| Accounts payable and accruals (Note 10) | 2,196,169 | 1,103,878 |
| Deferred revenue (Note 11) | 6,484,514 | 4,983,836 |
| Debt (Note 12) | 6,590,182 | 6,934,139 |
| Total financial liabilities | 15,270,865 | 13,021,853 |
| Net financial assets | 48,476,539 | 45,374,037 |
| Contingencies (Note 15) | | |
| Commitments (Note 16) | | |
| Non-financial assets | | |
| Tangible capital assets (Schedule 1) | 21,972,137 | 14,703,233 |
| Prepaid expenses | 149,982 | 141,556 |
| Intangible assets (Note 17) | 200,000 | - |
| Total non-financial assets | 22,322,119 | 14,844,789 |
| Accumulated surplus (Note 18) | 70,798,658 | 60,218,826 |

Approved on behalf of the Chief and Council:

 Deputy _____ Chief

 Dean House _____ Councilor

Kitsumkalum Indian Band
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

| | <i>Schedules</i> | 2022 | 2021 |
|---|------------------|-------------------|-------------|
| Revenue | | | |
| Indigenous Services Canada (Note 19) | | 8,842,997 | 6,201,317 |
| Province of British Columbia | | 3,247,138 | 10,118,024 |
| Other revenue | | 1,813,760 | 1,302,415 |
| First Nations Health Authority | | 1,010,290 | 1,050,588 |
| Department of Fisheries and Oceans Canada | | 640,391 | 553,423 |
| Transport Canada | | 79,015 | - |
| Economic activities | | 2,706,393 | 2,225,912 |
| Earnings from investments in government business enterprises (Note 9) | | 674,164 | 1,218,796 |
| Rental income | | 236,904 | 264,847 |
| Investment income | | 443,000 | 231,428 |
| Canada Mortgage and Housing Corporation | | 3,525,338 | 209,629 |
| | | 23,219,390 | 23,376,379 |
| Expenses (Schedule 2) | | | |
| Administration and Governance | 3 | 2,014,884 | 2,286,754 |
| Social Development | 4 | 563,276 | 626,459 |
| Public Works | 5 | 852,497 | 709,296 |
| Education | 6 | 2,340,011 | 2,339,258 |
| Consultations and Impact Benefits | 7 | 1,368,637 | 1,499,724 |
| Economic Development | 8 | 1,548,494 | 1,391,264 |
| Fisheries | 9 | 1,214,022 | 1,013,259 |
| Health Services | 10 | 1,002,728 | 831,674 |
| Capital Projects | 11 | 22,266 | 60,646 |
| Housing | 12 | 455,703 | 415,041 |
| Cultural/Title/Rights | 13 | 1,257,040 | 1,328,192 |
| Total expenses | | 12,639,558 | 12,501,567 |
| Annual surplus | | 10,579,832 | 10,874,812 |
| Accumulated surplus, beginning of year | | 60,218,826 | 49,344,014 |
| Accumulated surplus, end of year | | 70,798,658 | 60,218,826 |

Kitsumkalum Indian Band
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2022

| | 2022 | 2021 |
|--|-------------------|-------------|
| Annual surplus | 10,579,832 | 10,874,812 |
| Purchases of tangible capital assets | (7,905,533) | (1,062,022) |
| Amortization of tangible capital assets | 636,629 | 613,872 |
| Acquisition of prepaid expenses | (8,426) | - |
| Use of prepaid expenses | - | 12,390 |
| Increase in net financial assets | 3,302,502 | 10,439,052 |
| Net financial assets, beginning of year | 45,374,037 | 34,934,985 |
| Net financial assets, end of year | 48,676,539 | 45,374,037 |

Kitsumkalum Indian Band
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

| | 2022 | 2021 |
|--|--------------------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Annual surplus | 10,579,832 | 10,874,812 |
| Non-cash items | | |
| Amortization | 636,629 | 613,872 |
| Earnings from investments in government business enterprises | (674,164) | (1,218,796) |
| | 10,542,297 | 10,269,888 |
| Changes in working capital accounts | | |
| Accounts receivable | (1,726,726) | (2,341,587) |
| Funds held in trust | (29) | (1,748) |
| Kitsumkalum Port Economic Trust Funds | (28,665) | (24,395) |
| Accounts payable and accruals | 1,092,291 | (266,483) |
| Prepaid expenses | (8,426) | 12,390 |
| Deferred revenue | 1,500,678 | 4,868,843 |
| Transfer to (from) restricted cash | 110,873 | (655,690) |
| Decrease (increase) in inventory for resale | 43,350 | (25,893) |
| | 11,525,643 | 11,835,325 |
| Financing activities | | |
| Advances of debt | 56,122 | 2,143,667 |
| Repayment of debt | (400,079) | (320,476) |
| Increase in portfolio investments | (326,479) | (127,801) |
| Advances to government business enterprises | (753,139) | (7,197,702) |
| Distribution from government business enterprises | - | 250,000 |
| | (1,423,575) | (5,252,312) |
| Capital activities | | |
| Purchases of tangible capital assets | (7,905,533) | (1,062,022) |
| Purchases of intangible assets | (200,000) | - |
| | (8,105,533) | (1,062,022) |
| Increase in cash resources | 1,996,535 | 5,520,991 |
| Cash resources, beginning of year | 15,152,744 | 9,631,753 |
| Cash resources, end of year | 17,149,279 | 15,152,744 |

Kitsumkalum Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

1. Operations

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

2. Significant accounting policies

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

Reporting entity

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

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

- Kitsumkalum Treaty Administration
- Kitsumkalum Social Housing
- House of Sim-Oi-Ghets

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.

Kitsumkalum Indian Band business entities, owned or controlled by the Band's Council but not dependent on the Band 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 Band. Thus, the Band's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Kalum Ventures Ltd.
- Kalum Ventures Limited Partnership
- Kalum Quarry Limited Partnership
- Kitsumkalum Development Limited Partnership
- Kalum Gas Bar Limited Partnership
- Kitsumkalum Economic Development Group Ltd.
- Kalum Logistics Park Limited Partnership

Inactive Band business entities are not recorded.

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.

Kitsumkalum Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Cash

Cash includes 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.

Inventory for resale

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Portfolio investments

Marketable securities with an original maturity date of more than one year are reported as portfolio investments. Investments are recorded using the cost method. Provisions for declines in the market value of investments are recorded when they are considered to be other than temporary.

Tangible capital assets

Tangible capital assets are initially recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of contribution.

All intangible assets, historical artifacts, works of art and items inherited by the rights of the Band, such as reserve land, forests, water and mineral resources are not recognized in the Band's consolidated financial statements.

Tangible capital assets are amortized over their expected useful life using the straight-line method at the following rates.

Construction in progress is not amortized.

Amortization is provided on buildings purchased from loans insured by CMHC at a rate equal to the annual principal reduction of the loan.

| | Rate |
|-------------------------------------|----------------|
| Land improvements | 1 to 80 years |
| Buildings | 20 to 50 years |
| Social housing infrastructure | 20 to 25 years |
| Vehicle and boat equipment | 5 to 30 years |
| Furniture, equipment and technology | 3 to 30 years |
| Road infrastructure | 70 years |
| Sewer infrastructure | 25 to 80 years |
| Water infrastructure | 25 to 80 years |

Intangible assets

Inherited intangible assets are not recognized in the Band's financial statements in accordance with PS 1200 *Financial Statement Presentation*. Purchased intangibles are recognized in the Band's financial statements when they meet the definition of an asset.

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.

Kitsumkalum Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Funds held in trust

Funds held in trust on behalf of Band members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position. Trust moneys consist of:

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

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 Band is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2022.

At each financial reporting date, the Band 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 Band 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, 2022, no liability for contaminated sites exists.

Measurement uncertainty

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.

A liability for contaminated sites reflects management's best estimate of the amount required to remediate the contaminated sites. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation.

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

Net financial assets

The Band's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The net financial assets of the Band 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.

Kitsumkalum Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

Revenue recognition

- i) Government funding
The Band 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 Band recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.
- ii) Band Capital and Revenue Trust Funds
The Band 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) Canada Mortgage and Housing Corporation "CMHC"
CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.
- iv) Housing rental income
Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.
- v) Other revenue
Other revenue is recognized when performance is completed, amounts are measurable and collection can be reasonably assured.
- vi) Investment income
Investment income is recognized by the Band when earned.

Segments

The Band conducts its business through a number of reportable segments as described in Note 20. These operating segments are established by senior management to facilitate the achievement of the Band'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.

3. Accounts receivable

| | 2022 | 2021 |
|---------------------------------------|-----------|-----------|
| Federal contributions receivable | 3,412,632 | 2,392,573 |
| Members | 299,443 | 324,649 |
| Provincial contributions receivable | 784,879 | 50,000 |
| Other contributions receivable | 109,784 | 69,205 |
| GST recoverable | 144,997 | 116,153 |
| Trade and other receivables | 27,266 | 26,159 |
| | <hr/> | <hr/> |
| | 4,779,001 | 2,978,739 |
| Less: Allowance for doubtful accounts | 177,553 | 104,017 |
| | <hr/> | <hr/> |
| | 4,601,448 | 2,874,722 |

Kitsumkalum Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

4. Restricted cash

Under the terms of an agreement with Canada Mortgage and Housing Corporation ("CMHC"), the replacement reserve account is to be credited in the amount of \$45,990 (2021 - \$49,137) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, the replacement reserve was adequately funded.

Under the terms of an agreement with CMHC, excess revenue over expenditures for the Post 1996 phases may be retained in an operating reserve. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by CMHC from time to time. At year end, the operating reserve was adequately funded.

Under the terms of an agreement with the British Columbia Treaty Commission and the federal and provincial governments, the Band receives funding to prepare for and administer the treaty negotiations process. The treaty funds received must be held in a separate bank account and can only be used to pay for expenditures related to the treaty negotiations process.

Under the terms of an agreement with the British Columbia First Nations Gaming Revenue Sharing Limited Partnership, the Band receives funding to administer, manage and distribute funds under the second amended BCFN GRS LP Agreement. The gaming funds received can only be used to pay for eligible expenditures under the agreement.

Under the Land Title and Survey Authority Act, the Band receives royalties and interest on use of Band land.

Restricted cash consists of the following:

| | 2022 | 2021 |
|-----------------------------|------------------|-------------|
| Replacement reserve | 383,342 | 431,354 |
| Operating reserve | 97,816 | 155,581 |
| Treaty administration funds | 500,317 | 356,907 |
| Gaming funds | 603,132 | 753,415 |
| Land title funds | 2,056,497 | 2,054,720 |
| | 3,641,104 | 3,751,977 |

5. Inventory for resale

| | 2022 | 2021 |
|-----------------------------|-------------|-------------|
| Craft and grocery inventory | 171,177 | 214,527 |

Kitsumkalum Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

6. Funds held in trust

Revenue trust monies are transferred to the Band on the authorization of the Minister of Indigenous Services Canada, with the consent of the Band's Chief and Council.

| | 2022 | 2021 |
|----------------------------|-------------|-------------|
| Revenue Trust | | |
| Balance, beginning of year | 1,748 | - |
| Interest | 66 | 12 |
| Special (BC) | 1,727 | 1,736 |
| Transfers out | (1,764) | - |
| Balance, end of year | 1,777 | 1,748 |

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.

7. Portfolio investments

Portfolio investment securities include a diverse mix of equities, bonds, bank savings instruments, equity and index funds which are invested primarily in the North American market. The carrying value of the portfolio investment securities is based on the cost method whereby the cost of the security is adjusted to reflect investment income that is accruing and any permanent decline in market value.

Carrying values and market values of the Band's portfolio investments are as follows:

| | 2022 | 2021 |
|-------------------------|---------------|-------------|
| Carrying value | | |
| Internally restricted | 3,618,754 | 3,307,604 |
| Unrestricted | 362,168 | 346,839 |
| 3,980,922 | 3,654,443 | |
| Market value | | |
| Internally restricted | 4,596,596 | 4,269,807 |
| Unrestricted | 491,425 | 366,779 |
| 5,088,021 | 4,636,586 | |

8. Kitsumkalum Port Economic Trust Funds

The Band entered into the Port of Prince Rupert Container Terminal Project Agreement ("the Port Agreement") with Canada and the Prince Rupert Port Authority which contains terms and conditions of a settlement related to the completion of certain phases of the Prince Rupert Port expansion project. In accordance with the Port Agreement, the Band established a trust to which the moneys paid by Canada to the Band are to be managed, administered and paid out for economic development purposes for the benefit of the Band.

| | 2022 | 2021 |
|-------------------------------------|-------------|-------------|
| Balance, beginning of year | 549,722 | 525,327 |
| Investment income earned | 34,247 | 28,333 |
| Trust fund broker and other charges | (5,582) | (3,938) |
| Balance, end of year | 578,387 | 549,722 |

Kitsumkalum Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

9. Investments in government business enterprises

The Band has investments in the following entities:

| | <i>Investment cost</i> | <i>Loans / advances</i> | <i>Earnings (loss)</i> | <i>Distribution</i> | <i>2022 Total Investment</i> |
|---|------------------------|-------------------------|------------------------|---------------------|------------------------------|
| Wholly-owned Businesses: | | | | | |
| Kitsumkalum Economic Development Group Ltd. | 16,170,340 | 13,585 | (277,311) | - | 15,906,614 |
| Kalum Ventures Ltd. | (111) | - | - | - | (111) |
| | 16,170,229 | 13,585 | (277,311) | - | 15,906,503 |
| First Nation Business Partnerships: | | | | | |
| Kalum Quarry Limited Partnership - 99.9% | 5,778,544 | 98,976 | 691,294 | - | 6,568,814 |
| Kalum Gas Bar Limited Partnership - 99.9% | 4,684,400 | 16,474 | 18,357 | - | 4,719,231 |
| Kitsumkalum Development Limited Partnership - 99.9% | 1,728,361 | 32,193 | 104,711 | - | 1,865,265 |
| Kalum Ventures Limited Partnership - 99.9% | 1,984,473 | (598) | (165,798) | - | 1,818,077 |
| Kalum Logistics Park Limited Partnership - 99.9% | 1,850,000 | 592,509 | 302,911 | - | 2,745,420 |
| | 16,025,778 | 739,554 | 951,475 | - | 17,716,807 |
| | 32,196,007 | 753,139 | 674,164 | - | 33,623,310 |
| | <i>Investment cost</i> | <i>Loans / advances</i> | <i>Earnings (loss)</i> | <i>Distribution</i> | <i>2021 Total investment</i> |
| Wholly-owned Businesses: | | | | | |
| Kitsumkalum Economic Development Group Ltd. | 10,873,411 | 5,309,825 | (12,896) | - | 16,170,340 |
| Kalum Ventures Ltd. | (111) | - | - | - | (111) |
| | 10,873,300 | 5,309,825 | (12,896) | - | 16,170,229 |
| First Nation Business Partnerships: | | | | | |
| Kalum Quarry Limited Partnership - 99.9% | 6,213,136 | 28,694 | (463,286) | - | 5,778,544 |
| Kalum Gas Bar Limited Partnership - 99.9% | 4,849,099 | (8,426) | (156,273) | - | 4,684,400 |
| Kitsumkalum Development Limited Partnership - 99.9% | 1,796,127 | 17,641 | (85,407) | - | 1,728,361 |
| Kalum Ventures Limited Partnership - 99.9% | 297,847 | (32) | 1,936,658 | (250,000) | 1,984,473 |
| Kalum Logistics Park Limited Partnership - 99.9% | - | 1,850,000 | - | - | 1,850,000 |
| | 13,156,209 | 1,887,877 | 1,231,692 | (250,000) | 16,025,778 |
| | 24,029,509 | 7,197,702 | 1,218,796 | (250,000) | 32,196,007 |

Kitsumkalum Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

9. Investments in government business enterprises *(Continued from previous page)*

Summary financial information for each government business enterprise, accounted for using the modified equity method, for their respective year-end is as follows:

| | <i>Kalum Ventures Ltd. As at March 31, 2022 (Audited)</i> | <i>Kalum Ventures Limited Partnership As at March 31, 2022 (Audited)</i> | <i>Kalum Quarry Limited Partnership As at December 31, 2021 (Unaudited)</i> | <i>Kitsumkalum Development Limited Partnership As at December 31, 2021 (Unaudited)</i> |
|---------------------------------------|---|--|---|--|
| Assets | | | | |
| Cash | 21,424 | 433,806 | 60,465 | 3,136 |
| Accounts receivable | - | 475,056 | 485,675 | 126,420 |
| Inventory | - | - | 1,339,044 | - |
| Investments | - | - | - | 125,000 |
| Marketable securities | - | 2,002,000 | - | - |
| Prepaid expenses | 12,150 | 33,127 | 505,965 | 5,098 |
| Advances to Kitsumkalum Indian Band | - | - | - | 113,316 |
| Advances to related parties | 13,124 | - | 1,656,031 | 1,975,330 |
| Restricted assets | - | 368,077 | 401,500 | - |
| Other assets | - | - | - | - |
| Property, plant, and equipment | - | 88,546 | 6,463,611 | 147,255 |
| Total assets | 46,698 | 3,400,612 | 10,912,291 | 2,495,555 |
| Liabilities | | | | |
| Bank indebtedness | - | - | 950,000 | - |
| Accounts payable | 46,809 | 355,397 | 573,733 | 213,801 |
| Callable debt | - | - | 14,615 | - |
| Other liabilities | - | 1,213,206 | - | - |
| Obligations under capital lease | - | - | 549,704 | - |
| Deferred revenue | - | - | 1,449,782 | - |
| Advances from Kitsumkalum Indian Band | - | - | - | - |
| Advances from related parties | - | 13,124 | 4,432,916 | 301,963 |
| Total liabilities | 46,809 | 1,581,727 | 7,970,750 | 515,764 |
| Net assets | (111) | 1,818,885 | 2,941,541 | 1,979,791 |
| Total revenue | 422,887 | 4,449,560 | 7,193,091 | 609,184 |
| Total expenses | 422,887 | 4,615,358 | 6,501,797 | 504,473 |
| Net income (loss) | - | (165,798) | 691,294 | 104,711 |

Kitsumkalum Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

9. Investments in government business enterprises (Continued from previous page)

| | <i>Kalum Gas Bar Limited Partnership</i> <i>As at December 31, 2021 (Unaudited)</i> | <i>Kitsumkalum Economic Development Group Ltd.</i> <i>As at December 31, 2021 (Unaudited)</i> | <i>Kalum Logistics Park Limited Partnership</i> <i>As at December 31, 2021</i> |
|---------------------------------------|--|--|---|
| Assets | | | |
| Cash | 2,067,502 | 330,908 | 356,958 |
| Accounts receivable | 159,037 | 404,983 | 151,506 |
| Inventory | 190,633 | - | - |
| Investments | - | - | - |
| Marketable securities | - | - | - |
| Prepaid expenses | - | - | 95,862 |
| Advances to Kitsumkalum Indian Band | - | - | - |
| Advances to related parties | 390,490 | 45,597 | 266,367 |
| Restricted assets | - | - | - |
| Other assets | 351,395 | 15,856 | - |
| Property, plant, and equipment | 1,789,821 | 17,350,166 | 3,581,737 |
| Total assets | 4,948,878 | 18,147,510 | 4,452,430 |
| Liabilities | | | |
| Bank indebtedness | - | - | - |
| Accounts payable | 232,669 | 579,966 | 223,733 |
| Callable debt | - | 50,000 | - |
| Other liabilities | - | 21,111 | 40,950 |
| Obligations under capital lease | - | - | - |
| Deferred revenue | - | - | - |
| Advances from Kitsumkalum Indian Band | 22,252 | 16,319,342 | - |
| Advances from related parties | - | 1,589,820 | 3,884,705 |
| Total liabilities | 254,921 | 18,560,239 | 4,149,388 |
| Net assets | 4,693,957 | (412,729) | 303,042 |
| Total revenue | 6,459,798 | 2,303,504 | 880,979 |
| Total expenses | 6,441,441 | 2,580,815 | 578,068 |
| Net income (loss) | 18,357 | (277,311) | 302,911 |

The Band's investee's have a different year-end than March 31, 2022. The Band uses the investee's year-end financial statements to account for its investment in this investee. No significant events or transactions were noted from January 1, 2022 to March 31, 2022.

10. Accounts payable and accruals

| | 2022 | 2021 |
|--|------------------|------------------|
| Trade payables | 794,638 | 539,347 |
| Accrued salaries and employee benefits payable | 251,661 | 357,983 |
| Other accrued liabilities | 587,728 | 206,548 |
| Holdbacks payable | 562,142 | - |
| | 2,196,169 | 1,103,878 |

Kitsumkalum Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

11. 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>Amount spent</i> | <i>Balance, end of year</i> |
|--|---|-----------------------------------|---------------------|---------------------------------|
| Province of British Columbia - education funding | 101,976 | 487,607 | 443,301 | 146,282 |
| Indigenous Services Canada - ICMS #9-00128513 | 1,540,743 | 1,120,711 | 2,479,463 | 181,991 |
| Indigenous Services Canada - ICMS #9-00126477 | - | 6,187,660 | 211,118 | 5,976,542 |
| Indigenous Services Canada - ICMS #9-00126424 | - | 200,882 | 21,183 | 179,699 |
| CMHC - rapid housing funding | 3,333,859 | - | 3,333,859 | - |
| Social housing | 7,258 | - | 7,258 | - |
| | 4,983,836 | 7,996,860 | 6,496,182 | 6,484,514 |

12. Debt

| | 2022 | 2021 |
|---|------------------|------------------|
| Royal Bank of Canada; term loan repayable in monthly installments of \$10,210 per month, including interest at 2.94% per annum, maturing March 2024; secured by a general security agreement covering all Band assets. | 1,781,249 | 1,850,000 |
| All Nations Trust Company; repayable in monthly installments of \$10,323 per month including interest at 1.14% per annum, maturing June 2036; (Project 10); secured by Ministerial Guarantees from Indigenous Services Canada. | 1,637,563 | 1,742,221 |
| Royal Bank of Canada; demand loan repayable in monthly installments of \$11,708 per month, including interest at prime plus 1.35% per annum, maturing September 2021; secured by a general security agreement covering all Band assets. | 845,917 | 951,971 |
| All Nations Trust Company; repayable in monthly installments of \$4,061 per month including interest at 1.21% per annum, maturing May 2041; (Project 12); secured by Ministerial Guarantees from Indigenous Services Canada. | 829,272 | 871,878 |
| All Nations Trust Company; repayable in monthly installments of \$2,607 per month including interest at 0.68% per annum, maturing August 2045; (Project 13); secured by Ministerial Guarantees from Indigenous Services Canada. | 676,995 | 703,578 |
| All Nations Trust Company; repayable in monthly installments of \$2,945 per month including interest at 2.68% per annum, maturing October 2038; (Project 11); secured by Ministerial Guarantees from Indigenous Services Canada. | 473,240 | 495,640 |
| All Nations Trust Company; repayable in monthly installments of \$2,534 per month including interest at 1.97% per annum, maturing December 2032; (Project 9); secured by Ministerial Guarantees from Indigenous Services Canada. | 294,481 | 318,851 |
| Royal Bank of Canada; loan repayable in monthly installments of \$922 per month including interest at 5.69% per annum, maturing August 2027; secured by specific equipment. | 51,465 | - |
| | 6,590,182 | 6,934,139 |

Kitsumkalum Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

12. Debt *(Continued from previous page)*

RBC has a prime rate of 2.70% as at March 31, 2022 (2021 - 2.45%). As at the date of these financial statements, the bank's prime rate has increased 4.50% to 7.20%.

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

| | |
|-------------|------------------|
| 2023 | 2,854,992 |
| 2024 | 231,192 |
| 2025 | 234,629 |
| 2026 | 238,141 |
| 2027 | 241,730 |
| | |
| | 3,800,684 |

13. Pension plan

Kitsumkalum Indian Band provides a defined contribution plan for eligible members of its staff. The Band contributes 5% of the member's base salary which contributions are directed to the member's contribution account. Members are required to contribute a minimum of 5% of their salary. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. Kitsumkalum Indian Band contributed \$55,359 (2021 - \$44,787) during the year for retirement benefits. There have been no changes to the plan during the year.

14. Economic dependence

The Kitsumkalum Indian Band receives a significant portion of its revenue pursuant to funding agreements with Indigenous Services Canada and the Province of British Columbia. The nature and extent of this revenue is of such significance that Kitsumkalum Indian Band is economically dependent on this source of revenue, as guaranteed by these agreements.

15. Contingencies

- a) Kitsumkalum Indian Band has entered into contribution agreements with various federal and provincial government departments. Funding received under these contribution agreements may be subject to repayment if the Band fails to comply with the terms and conditions of the agreements.
- b) In addition, in the normal course of its operations, Kitsumkalum Indian Band becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense is recorded on Kitsumkalum Indian Band's consolidated financial statements.
- c) Kitsumkalum Indian Band is contingently liable for band member housing loans which it has guaranteed. In the event of borrower default, any deficiency is payable by the Band. The total contingent liability in loan guarantees related to these loans is \$711,663 (2021 - \$816,653). No amount is recorded in these consolidated financial statements related to these guarantees.

Kitsumkalum Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

16. Commitments

Kitsumkalum Indian Band is committed to vehicle and office equipment lease payments as follows:

| | |
|------|----------------------|
| 2023 | 39,594 |
| 2024 | <u>36,295</u> |
| | <u>75,889</u> |

17. Intangible assets

Intangible assets is comprised of a purchased woodlot license with a cost of \$200,000 (2021 - \$Nil) and accumulated amortization of \$Nil (2021 - \$Nil).

18. Accumulated surplus

| | 2022 | 2021 |
|--|-------------------|------------|
| Operating surplus | 21,310,458 | 19,666,790 |
| Invested in tangible capital assets | 15,381,955 | 7,769,094 |
| Trust funds held by federal government | 1,777 | - |
| Replacement and operating reserves | 481,158 | 586,935 |
| Investments in government business enterprises | 33,623,310 | 32,196,007 |
| | 70,798,658 | 60,218,826 |

19. Indigenous Services Canada funding reconciliation

| | 2022 | 2021 |
|---|-------------------|-------------|
| Revenue per confirmation | 13,669,402 | 7,729,229 |
| Change in deferred revenue | (4,797,489) | (1,540,743) |
| Recoveries in Social Development | (5,076) | (3,098) |
| Recoveries in Consultations and Impact Benefits | - | (23,995) |
| Recoveries in Public Works | - | (10,076) |
| Recoveries in Cultural/Title/Rights | (23,840) | - |
| | 8,842,997 | 6,151,317 |

Kitsumkalum Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

20. Segments

The Band receives revenue and incurs expenses from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by segments. Schedules 3-13 disclose the details of the Band's revenue and expenses by segment. The Band is organized into the following segments:

Administration and Governance

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

Social Development

Includes revenue and expenses relating to the social assistance of the members of Kitsumkalum Indian Band.

Public Works

Includes maintenance of infrastructure owned by the Band.

Education

Includes revenue and expenses related to education.

Consultations and Impact Benefits

Includes revenue and expenses related to consultations and impact benefit agreements between a project proponent and Kitsumkalum Indian Band.

Economic Development

Includes activities related to the growth of revenue producing projects with the Band.

Fisheries

Includes revenue and expenses related to the conservation and stewardship of the Band's fisheries.

Health Services

Includes activities related to the provision of health services within the Band.

Capital Projects

Includes revenue and expenses related to capital projects.

Housing

Includes revenue and expenses related to social housing programs carried on by the Band.

Cultural/Title/Rights

Includes revenue and expenses related to cultural and title rights negotiations.

Kitsumkalum Indian Band
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

| | <i>Land improvements</i> | <i>Buildings</i> | <i>Social housing infrastructure</i> | <i>Vehicle and boat equipment</i> | <i>Furniture equipment and technology</i> | <i>Road infrastructure</i> | Subtotal |
|--|------------------------------|------------------|--|---|---|--------------------------------|-------------------|
| Cost | | | | | | | |
| Balance, beginning of year | 1,317,454 | 5,647,425 | 7,294,577 | 1,588,816 | 826,927 | 2,015,796 | 18,690,995 |
| Acquisition of tangible capital assets | - | - | - | 172,594 | 71,028 | - | 243,622 |
| Construction-in-progress | 139,317 | - | - | - | - | - | 139,317 |
| Disposal of tangible capital assets | - | 574,998 | (574,998) | - | - | - | - |
| Balance, end of year | 1,456,771 | 6,222,423 | 6,719,579 | 1,761,410 | 897,955 | 2,015,796 | 19,073,934 |
| Accumulated amortization | | | | | | | |
| Balance, beginning of year | 101,718 | 1,933,554 | 1,942,593 | 1,078,508 | 696,180 | 829,404 | 6,581,957 |
| Annual amortization | 8,080 | 155,656 | 216,236 | 126,810 | 64,973 | 27,407 | 599,162 |
| Accumulated amortization on disposals | - | 138,826 | (138,826) | - | - | - | - |
| Balance, end of year | 109,798 | 2,228,036 | 2,020,003 | 1,205,318 | 761,153 | 856,811 | 7,181,119 |
| Net book value of tangible capital assets | 1,346,973 | 3,994,387 | 4,699,576 | 556,092 | 136,802 | 1,158,985 | 11,892,815 |
| 2021 Net book value of tangible capital assets | 1,215,736 | 3,713,871 | 5,351,984 | 510,308 | 130,747 | 1,186,392 | 12,109,038 |

Kitsumkalum Indian Band
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

| | <i>Subtotal</i> | <i>Sewer infrastructure</i> | <i>Water infrastructure</i> | <i>Construction in progress</i> | 2022 | 2021 |
|--|-------------------|-----------------------------|-----------------------------|---------------------------------|-------------------|-------------------|
| Cost | | | | | | |
| Balance, beginning of year | 18,690,995 | 1,191,325 | 2,351,119 | 1,467,414 | 23,700,853 | 22,638,831 |
| Acquisition of tangible capital assets | 243,622 | - | 60,000 | 7,601,911 | 7,905,533 | 1,062,022 |
| Construction-in-progress | 139,317 | - | - | (139,317) | - | - |
| Disposal of tangible capital assets | - | - | - | - | - | - |
| Balance, end of year | 19,073,934 | 1,191,325 | 2,411,119 | 8,930,008 | 31,606,386 | 23,700,853 |
| Accumulated amortization | | | | | | |
| Balance, beginning of year | 6,581,957 | 571,368 | 1,844,295 | - | 8,997,620 | 8,383,748 |
| Annual amortization | 599,162 | 23,838 | 13,629 | - | 636,629 | 613,872 |
| Accumulated amortization on disposals | - | - | - | - | - | - |
| Balance, end of year | 7,181,119 | 595,206 | 1,857,924 | - | 9,634,249 | 8,997,620 |
| Net book value of tangible capital assets | 11,892,815 | 596,119 | 553,195 | 8,930,008 | 21,972,137 | 14,703,233 |
| 2021 Net book value of tangible capital assets | 12,109,038 | 619,957 | 506,824 | 1,467,414 | 14,703,233 | |

Kitsumkalum Indian Band
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2022

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Consolidated expenses by object | | |
| Academic programs | 24,854 | 54,372 |
| Administration | 117,260 | 70,192 |
| Advertising | 23,331 | 26,658 |
| Amortization | 636,629 | 613,872 |
| Bad debts | 60,546 | 1,080 |
| Bank charges and interest | 62,917 | 60,025 |
| Consulting | 2,255,231 | 2,240,410 |
| Cultural enrichment | 117 | 120 |
| Fuel and mileage | 165,204 | 107,901 |
| Funeral | 22,000 | 18,000 |
| Furniture and equipment | 60,267 | 75,383 |
| Homemakers | 8,120 | 21,771 |
| Honourarium | 273,041 | 316,182 |
| Insurance | 173,760 | 234,879 |
| Interest on long-term debt | 50,888 | 225,326 |
| Living allowances | 160,625 | 280,441 |
| Lunch program | 34,138 | 12,948 |
| Professional fees | 302,009 | 370,940 |
| Program expense | - | 2,052 |
| Purchases | 1,119,914 | 874,303 |
| Rent | 255,846 | 264,115 |
| Repairs and maintenance | 206,487 | 175,613 |
| Salaries, wages and benefits | 4,461,667 | 4,302,328 |
| Social assistance | 444,118 | 502,406 |
| Supplies | 789,069 | 865,120 |
| Telephone | 73,189 | 63,938 |
| Training | 3,666 | 1,076 |
| Travel | 100,850 | 36,340 |
| Tuition | 638,945 | 574,446 |
| Utilities | 114,870 | 109,330 |
| | 12,639,558 | 12,501,567 |

Kitsumkalum Indian Band
Administration and Governance
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

| | 2022 | 2021 |
|------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 1,478,551 | 1,075,462 |
| Other revenue | 770 | 269,098 |
| Province of British Columbia | 633,856 | 1,038,288 |
| Economic activities | 255,525 | 137,460 |
| Investment income | 52,775 | 47,380 |
| | 2,421,477 | 2,567,688 |
| Expenses | | |
| Advertising | 14,299 | 8,056 |
| Amortization | 56,404 | 32,486 |
| Bad debts | 60,546 | 1,080 |
| Bank charges and interest | 16,612 | 21,056 |
| Consulting | 470,432 | 523,346 |
| Fuel and mileage | 49,838 | 8,647 |
| Funeral | 22,000 | 18,000 |
| Furniture and equipment | - | 6,505 |
| Homemakers | 3,300 | 1,615 |
| Honourarium | 244,130 | 233,606 |
| Insurance | 27,840 | 132,634 |
| Living allowances | - | 11,850 |
| Professional fees | 114,070 | 189,732 |
| Rent | 76,457 | 82,386 |
| Repairs and maintenance | 81 | 8,209 |
| Salaries, wages and benefits | 654,118 | 610,984 |
| Supplies | 184,869 | 383,449 |
| Telephone | 10,535 | 11,758 |
| Training | 998 | - |
| Travel | 4,574 | 1,355 |
| Utilities | 3,781 | - |
| | 2,014,884 | 2,286,754 |
| Annual surplus | 406,593 | 280,934 |

Kitsumkalum Indian Band
Social Development
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

| | 2022 | 2021 |
|------------------------------|----------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 850,155 | 875,403 |
| Expenses | | |
| Amortization | 4,006 | 5,384 |
| Consulting | 39,246 | 44,930 |
| Living allowances | 500 | - |
| Rent | 162 | 162 |
| Salaries, wages and benefits | 50,985 | 54,701 |
| Social assistance | 444,118 | 502,406 |
| Supplies | 24,259 | 18,176 |
| Travel | - | 700 |
| | 563,276 | 626,459 |
| Annual surplus | 286,879 | 248,944 |

Kitsumkalum Indian Band
Public Works
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

| | 2022 | 2021 |
|---------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 3,233,273 | 557,055 |
| Province of British Columbia | 99,657 | 44,895 |
| Economic activities | 11,410 | 6,000 |
| | 3,344,340 | 607,950 |
| Expenses | | |
| Amortization | 139,269 | 137,066 |
| Bank charges and interest | 7 | 8 |
| Consulting | 261,931 | 244,682 |
| Fuel and mileage | 18,826 | 13,698 |
| Furniture and equipment | 41,574 | 41,574 |
| Insurance | 15,663 | 11,818 |
| Rent | 13,714 | - |
| Repairs and maintenance | 39,212 | 28,331 |
| Salaries, wages and benefits | 227,659 | 160,621 |
| Supplies | 38,577 | 30,767 |
| Telephone | 8,693 | 7,081 |
| Travel | 11,699 | - |
| Utilities | 35,673 | 33,650 |
| | 852,497 | 709,296 |
| Annual surplus (deficit) | 2,491,843 | (101,346) |

Kitsumkalum Indian Band
Education
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

| | 2022 | 2021 |
|------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 2,496,880 | 2,792,550 |
| Province of British Columbia | 462,001 | 349,370 |
| Other revenue | 353,977 | 397,823 |
| | 3,312,858 | 3,539,743 |
| Expenses | | |
| Academic programs | 24,854 | 54,372 |
| Administration | - | 5,755 |
| Amortization | 18,831 | 30,747 |
| Bank charges and interest | 364 | 337 |
| Consulting | 67,665 | 17,468 |
| Cultural enrichment | 117 | 120 |
| Fuel and mileage | 11,942 | 3,106 |
| Furniture and equipment | 4,064 | 25,204 |
| Homemakers | - | 5,955 |
| Honourarium | 13,750 | 2,146 |
| Insurance | 6,871 | 7,523 |
| Living allowances | 153,625 | 186,891 |
| Lunch program | 34,138 | 12,948 |
| Professional fees | - | 25,174 |
| Rent | 27,562 | 17,562 |
| Repairs and maintenance | 19,744 | 20,772 |
| Salaries, wages and benefits | 1,194,360 | 1,262,133 |
| Supplies | 82,111 | 58,143 |
| Telephone | 20,094 | 17,452 |
| Training | 2,669 | 1,076 |
| Travel | 4,479 | 1,905 |
| Tuition | 638,115 | 569,454 |
| Utilities | 14,656 | 13,015 |
| | 2,340,011 | 2,339,258 |
| Annual surplus | 972,847 | 1,200,485 |

Kitsumkalum Indian Band
Consultations and Impact Benefits
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

| | 2022 | 2021 |
|---|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 280,508 | 328,735 |
| Other revenue | 572,811 | 274,498 |
| Department of Fisheries and Oceans Canada | 19,728 | 213,400 |
| Province of British Columbia | 915,106 | 7,649,646 |
| Transport Canada | 70,965 | - |
| Economic activities | 130,000 | 193,000 |
| | 1,989,118 | 8,659,279 |
| Expenses | | |
| Bank charges and interest | 17 | 34 |
| Consulting | 592,273 | 506,015 |
| Fuel and mileage | 3,180 | 33,978 |
| Furniture and equipment | - | 500 |
| Homemakers | - | 75 |
| Honourarium | - | 74,033 |
| Living allowances | 6,500 | 81,700 |
| Professional fees | 83,767 | 107,425 |
| Rent | 45,171 | 58,399 |
| Salaries, wages and benefits | 528,604 | 558,176 |
| Supplies | 87,910 | 60,965 |
| Telephone | 8,538 | 7,700 |
| Travel | 11,606 | 2,217 |
| Tuition | 829 | 4,992 |
| Utilities | 242 | 3,515 |
| | 1,368,637 | 1,499,724 |
| Annual surplus | 620,481 | 7,159,555 |

Kitsumkalum Indian Band
Economic Development
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

| | 2022 | 2021 |
|---|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 33,518 | 67,544 |
| Economic activities | 1,976,168 | 1,593,809 |
| Investment income | 390,226 | 184,048 |
| Earnings from investments in government business entities | 674,164 | 1,218,796 |
| | 3,074,076 | 3,064,197 |
| Expenses | | |
| Advertising | 9,032 | 8,702 |
| Amortization | 31,656 | 21,563 |
| Bank charges and interest | 44,173 | 36,693 |
| Consulting | 845 | 17,458 |
| Fuel and mileage | 9,120 | 398 |
| Honourarium | 1,000 | - |
| Insurance | 20,381 | - |
| Interest on long-term debt | - | 168,356 |
| Professional fees | 14,248 | 18,615 |
| Purchases | 1,119,914 | 874,303 |
| Repairs and maintenance | 11,526 | 13,173 |
| Salaries, wages and benefits | 230,956 | 185,470 |
| Supplies | 27,391 | 20,764 |
| Telephone | 3,765 | 3,405 |
| Utilities | 24,487 | 22,364 |
| | 1,548,494 | 1,391,264 |
| Annual surplus | 1,525,582 | 1,672,933 |

Kitsumkalum Indian Band
Fisheries
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

| | 2022 | 2021 |
|---|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | - | 97,350 |
| Other revenue | 295,833 | 99,180 |
| Department of Fisheries and Oceans Canada | 611,260 | 340,023 |
| Province of British Columbia | 276,227 | 127,801 |
| Economic activities | 286,448 | 290,644 |
| | 1,469,768 | 954,998 |
| Expenses | | |
| Amortization | 71,853 | 65,119 |
| Bank charges and interest | 258 | 444 |
| Consulting | 229,182 | 182,341 |
| Fuel and mileage | 60,552 | 43,386 |
| Furniture and equipment | 2,430 | - |
| Insurance | 29,324 | 46,954 |
| Interest on long-term debt | 1,797 | - |
| Rent | 43,813 | 63,716 |
| Repairs and maintenance | 59,619 | 49,117 |
| Salaries, wages and benefits | 565,460 | 523,339 |
| Supplies | 98,367 | 17,488 |
| Telephone | 10,213 | 9,025 |
| Travel | 41,154 | 12,330 |
| | 1,214,022 | 1,013,259 |
| Annual surplus (deficit) | 255,746 | (58,261) |

Kitsumkalum Indian Band
Health Services
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

| | 2022 | 2021 |
|--------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | - | 18,277 |
| Other revenue | 84,949 | 101,823 |
| Province of British Columbia | 10,291 | 13,024 |
| First Nations Health Authority | 1,010,290 | 1,050,588 |
| Economic activities | 46,842 | 5,000 |
| | 1,152,372 | 1,188,712 |
| Expenses | | |
| Administration | 53,260 | - |
| Amortization | 84,372 | 86,590 |
| Consulting | 50,234 | 51,925 |
| Fuel and mileage | 10,273 | 3,907 |
| Furniture and equipment | - | 1,600 |
| Homemakers | 3,460 | 950 |
| Honourarium | 11,490 | 1,900 |
| Insurance | 17,607 | 1,887 |
| Professional fees | - | 675 |
| Program expense | - | 2,052 |
| Rent | 8,576 | 2,571 |
| Repairs and maintenance | 12,464 | 31,442 |
| Salaries, wages and benefits | 544,213 | 481,454 |
| Supplies | 171,003 | 132,471 |
| Telephone | 11,350 | 7,517 |
| Travel | 10,084 | 10,200 |
| Utilities | 14,342 | 14,533 |
| | 1,002,728 | 831,674 |
| Annual surplus | 149,644 | 357,038 |

Kitsumkalum Indian Band
Capital Projects
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

| | 2022 | 2021 |
|------------------------------|----------------|-----------------|
| Revenue | | |
| Indigenous Services Canada | 21,183 | - |
| Expenses | | |
| Consulting | 21,269 | 57,181 |
| Fuel and mileage | 73 | 166 |
| Rent | 389 | 355 |
| Repairs and maintenance | 63 | - |
| Salaries, wages and benefits | 84 | 1,807 |
| Supplies | 388 | 1,137 |
| | 22,266 | 60,646 |
| Annual deficit | (1,083) | (60,646) |

Kitsumkalum Indian Band
Housing
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

| | 2022 | 2021 |
|---|------------------|-------------|
| Revenue | | |
| Other revenue (recovery) | - | (12,500) |
| Canada Mortgage and Housing Corporation | 3,525,338 | 209,629 |
| Rental income | 236,904 | 264,847 |
| | 3,762,242 | 461,976 |
| Expenses | | |
| Administration | 40,000 | 40,437 |
| Amortization | 216,236 | 219,697 |
| Consulting | - | 11,083 |
| Fuel and mileage | 880 | - |
| Insurance | 53,389 | 31,929 |
| Interest on long-term debt | 49,091 | 56,970 |
| Professional fees | 13,038 | 12,000 |
| Repairs and maintenance | 57,291 | 21,443 |
| Salaries, wages and benefits | 11,578 | - |
| Supplies | - | 7,282 |
| Utilities | 14,200 | 14,200 |
| | 455,703 | 415,041 |
| Annual surplus | 3,306,539 | 46,935 |

Kitsumkalum Indian Band
Cultural/Title/Rights
Schedule 13 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2022

| | 2022 | 2021 |
|---|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 448,929 | 388,941 |
| Other revenue | 505,421 | 172,492 |
| Department of Fisheries and Oceans Canada | 9,403 | - |
| Province of British Columbia | 850,000 | 895,000 |
| Transport Canada | 8,050 | - |
| | 1,821,803 | 1,456,433 |
| Expenses | | |
| Administration | 24,000 | 24,000 |
| Advertising | - | 9,900 |
| Amortization | 14,003 | 15,219 |
| Bank charges and interest | 1,485 | 1,453 |
| Consulting | 522,158 | 583,985 |
| Fuel and mileage | 519 | 615 |
| Furniture and equipment | 12,198 | - |
| Homemakers | 1,360 | 13,176 |
| Honourarium | 2,671 | 4,496 |
| Insurance | 2,685 | 2,134 |
| Professional fees | 76,886 | 17,319 |
| Rent | 40,001 | 38,964 |
| Repairs and maintenance | 6,486 | 3,126 |
| Salaries, wages and benefits | 453,650 | 463,642 |
| Supplies | 74,195 | 134,476 |
| Travel | 17,254 | 7,633 |
| Utilities | 7,489 | 8,054 |
| | 1,257,040 | 1,328,192 |
| Annual surplus | 564,763 | 128,241 |