

Kanaka Bar Indian Band
Consolidated Financial Statements
For the year ended March 31, 2024

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Consolidated Financial Statements
For the year ended March 31, 2024

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Kanaka Bar Indian Band (the "Group") are the responsibility of management and have been approved by the Chief and another Councillor of the Band.

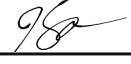
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Group maintains systems of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Group is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. BDO Canada LLP has full access to the Band.

Signed by:


Chief
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Signed by:


Councillor
5ED527F6376A4B0...



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Independent Auditor's Report

To the Chief and Council of Kanaka Bar Indian Band

Qualified Opinion

We have audited the consolidated financial statements of Kanaka Bar Indian Band and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of change in net financial assets, operations, and cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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 consolidated financial position of the Group as at March 31, 2024 and the consolidated results of its operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Effective April 1, 2022, the Group was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of April 1, 2022. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended March 31, 2024 and 2023, tangible capital assets and the asset retirement obligation as at March 31, 2024 and 2023, and accumulated surplus as at April 1 and March 31 for both the 2024 and 2023 years.

The financial statements for certain Government Business Enterprises or Government Business Partnerships owned or controlled by the Band have not been prepared under a standard financial reporting framework. Canadian public sector accounting standards require that a Government Business Enterprise prepare its financial statements in accordance with international financial reporting standards (IFRS). We have not been engaged to audit the differences that may arise under IFRS. Therefore, we are unable to determine the impact of this departure from Canadian public sector accounting standards on investments in Government Business Enterprises as at March 31, 2024 and 2023, Government Business Enterprises income and annual surplus (deficit) for the years ended March 31, 2024 and 2023, and the accumulated surplus as at April 1 and March 31 for both the 2024 and 2023 years.



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 Group 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.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 18 to the consolidated financial statements, which explains that certain comparative information presented for the year ended March 31, 2023 has been restated. The financial statements for the year ended March 31, 2023 (prior to the adjustments that were applied to restate certain comparative information explained in Note 18) were audited by another auditor who expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

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

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

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

Those charged with governance are responsible for overseeing the Consolidated Group'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 risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 Group's 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 Group 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.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
March 3, 2025

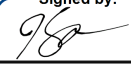
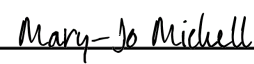
Kanaka Bar Indian Band

Consolidated Statement of Financial Position

March 31	2024	Restated 2023
Financial Assets		
Cash	\$10,447,961	\$ 8,375,639
Portfolio investments (Note 2)	416,764	606,354
Accounts receivable	565,898	1,303,612
Restricted cash (Note 3)	21,351	15,860
Long-term investments (Note 4)	11,330	11,330
Investment in Band controlled entities (Note 5)	3,825,030	3,311,320
Due from related parties (Note 6)	1,469,725	895,556
	<u>16,758,059</u>	<u>14,519,671</u>
Liabilities		
Accounts payable and accrued liabilities	2,044,182	2,892,308
Deferred revenue (Note 7)	2,066,528	1,257,980
Long-term debt (Note 8)	6,438,158	4,657,589
	<u>10,548,868</u>	<u>8,807,877</u>
Net Financial Assets	<u>6,209,191</u>	<u>5,711,794</u>
Non-Financial Assets		
Prepaid expenses	28,373	26,697
Tangible capital assets (Note 9)	23,567,095	20,851,158
	<u>23,595,468</u>	<u>20,877,855</u>
Accumulated Surplus (Note 10)	<u>\$ 29,804,659</u>	<u>\$ 26,589,649</u>

Contingencies (Note 11)

Approved on behalf of the Kanaka Bar Indian Band:

<p>Signed by:</p>  <p>2304457D72F74B5...</p>	Chief
<p>Signed by:</p>  <p>5ED527F6376A4B0...</p>	Councillor

Kanaka Bar Indian Band

Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2024	Restated 2023
Surplus for the year	\$ 3,215,010	\$ 6,238,871
Acquisition of tangible capital assets (Note 9)	(3,800,318)	(8,073,428)
Loss on disposal of tangible capital assets (Note 9)	-	137,911
Amortization of tangible capital assets (Note 9)	1,084,381	477,210
	<u>(2,715,937)</u>	<u>(7,458,307)</u>
Change in prepaid expenses	<u>(1,676)</u>	<u>(12,187)</u>
Increase in net financial assets	497,397	(1,231,623)
Net financial assets, beginning of year	<u>5,711,794</u>	<u>6,943,417</u>
Net financial assets, end of year	<u>\$ 6,209,191</u>	<u>\$ 5,711,794</u>

Kanaka Bar Indian Band Consolidated Statement of Operations

For the year ended March 31	2024	2023 Restated
Revenue		
Indigenous Services Canada	\$ 1,190,826	\$ 1,584,387
Province of British Columbia	2,288,242	1,878,610
First Nations Health Authority	438,098	419,705
Government of Canada	1,356,327	739,075
Funding revenue	1,145,121	433,955
BC Housing	12,889	2,939,747
Share of income from controlled entities	513,710	379,944
Donations	118,170	44,682
BC Hydro	14,184	111,684
Union of BC Municipalities	3,100	-
Interest income	536,053	274,916
KNS Store Sales	197,516	88,630
Canadian Mortgage and Housing Corporation	-	1,443,120
Pacific Economic Development Canada	471,000	2
Other revenue	884	11,002
Teck HVC Partnership	305,816	263,952
Rental income	60,750	14,284
Taxation	24,084	369,883
First Nations Drinking Water Settlement	3,394	500,000
Kanaka Bar Land and Resources Administration	-	24,500
Contribution from replacement reserve	-	93,217
	8,680,164	11,615,295
Expenses (Note 14)		
Culture	224,192	45,529
Economic Development	424,110	236,957
Education	265,763	284,723
Governance	1,189,338	1,056,084
Health	573,094	543,728
Social Development	302,488	174,810
Infrastructure	539,806	1,710,214
Capital	695,351	605,308
Land Resources	497,802	410,159
Social Housing	4,725	17,687
The Crossing Place	748,485	291,225
	5,465,154	5,376,424
Surplus for the year	3,215,010	6,238,871
Accumulated surplus, opening	26,589,649	20,350,778
Accumulated surplus, ending	\$29,804,659	\$ 26,589,649

Kanaka Bar Indian Band

Consolidated Statement of Cash Flows

For the year ended March 31	2024	Restated 2023
Cash flows from operating transactions		
Excess of revenue over expenses	\$ 3,215,010	\$ 6,238,871
Adjustments for items not affecting cash:		
Amortization of tangible capital assets	1,084,381	477,210
Equity income from government business enterprises	<u>(513,710)</u>	<u>(379,944)</u>
	3,785,681	6,336,137
Change in non-cash working capital:		
Accounts receivable	737,714	3,116,159
Prepaid expenses	(1,676)	(12,187)
Accounts payable and accruals	(848,126)	(2,938,617)
Deferred revenue	<u>808,548</u>	<u>(428,884)</u>
Cash flows from operating transactions	<u>696,460</u>	<u>(263,529)</u>
Capital transactions		
Acquisition of tangible capital assets	(3,800,318)	(8,073,428)
Loss on disposal of tangible capital assets	<u>-</u>	<u>137,911</u>
Cash flows from capital transactions	<u>(3,800,318)</u>	<u>(7,935,517)</u>
Investing transactions		
Proceeds from investments	200,051	-
Withdrawal from partnership	-	9,562
Restricted cash	(5,491)	62,824
Interest income	(10,461)	(68,694)
Change in replacement reserve	-	(88,005)
Repayment from (advances to) related parties	<u>(574,169)</u>	<u>(882,452)</u>
Cash flows from investing transactions	<u>(390,070)</u>	<u>(966,765)</u>
Financing transactions		
Proceeds from long-term debt	1,803,261	3,664,807
Repayment of long-term debt	<u>(22,692)</u>	<u>(10,086)</u>
Cash flows from financing transactions	<u>1,780,569</u>	<u>3,654,721</u>
Net increase in cash	2,072,322	825,047
Cash, beginning of year	<u>8,375,639</u>	<u>7,550,592</u>
Cash, end of year	<u>\$10,447,961</u>	<u>\$ 8,375,639</u>

Kanaka Bar Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

1. Basis of Presentation and Significant Accounting Policies

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as prescribed by the Public Sector Accounting Board.

The significant accounting policies are summarized as follows:

Reporting Entity Principles of Financial Reporting

The Kanaka Bar Indian Band reporting entity includes the Kanaka Bar Indian Band government and all related entities which are accountable to the Kanaka Bar Indian Band and are either owned or controlled by the Kanaka Bar Indian Band.

The Kanaka Bar Indian Band consolidates Social Housing operations as Kanaka Bar Indian Band administers services to provide social housing to the Groups members.

The Kanaka Bar Indian Band consolidates The Crossing Place Housing Society as it has been assessed as an other government organization.

All controlled entities are consolidated in the Kanaka Bar Indian Band's financial statements according to the Kanaka Bar Indian Band's percentage ownership except for entities that meet the definition of a government business enterprises or a government business partnerships, which are included in the consolidated financial statements on a modified equity basis. Under this method, the Kanaka Bar Indian Band's investment in the business enterprises and its net income and other changes in equity are recorded in proportion to its percentage ownership. No adjustment is made to conform the accounting policies of the government business enterprises or partnerships to those of the Kanaka Bar Indian Band. Inter-organizational transactions and balances are not eliminated, except for any profit or loss on transactions of assets that remain within the consolidated First Nation entity.

The following organizations and partnerships are owned or controlled by the Kanaka Bar Indian Band and which are not dependent on the Group for their continuing operations, are included in the consolidated financial statements using the modified equity method:

- Kanaka Bar Land and Resources Limited Partnership
- Kanaka Bar Land and Resources Inc.
- Kanaka Bar Employment Services (KBES) LLP

Cash and Cash Equivalents

Cash equivalents include cash on hand and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Kanaka Bar Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

1. Basis of Presentation and Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to determining the allowance for doubtful accounts, the useful lives of non-financial assets for amortization, liability for contaminated sites, and provision for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the consolidated financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, design, construction, development, improvement or betterment of the tangible capital assets, including installing the asset at the location and in the condition necessary for its intended use. The cost of a tangible capital asset includes the purchase price of the asset and other acquisition costs. The cost of a constructed asset include direct construction or development costs and overhead costs directly attributable to the construction or development activity.

Amortization is provided from the point of time that the asset is put into use, on a straight-line basis over their estimated useful lives as follows:

Kanaka Bar Indian Band:

Buildings	25 years
Automotive	5 years
Computer equipment	5 years
Equipment	5 years
Roads	100 years
Domestic water system	15 years
Heat pumps	15 years
Solar Arrays	20 years

The Crossing Place Housing Society:

Buildings and infrastructure	35 years
Furniture and equipment	5 years

Kanaka Bar Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

1. Basis of Presentation and Significant Accounting Policies (continued)

Tangible Capital Assets (continued)

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

The Kanaka Bar Indian Band reviews the useful lives and the carrying values of its tangible capital assets at least annually or more frequently if events or changes in circumstances indicate that the assets might be impaired, by reference to the assets' contribution to the Kanaka Bar Indian Band's ability to provide services. When assets no longer have any long-term service potential, the assets are considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceeds their fair value, which is estimated as the expected service potential of the assets.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt except in unusual circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

The difference between net proceeds on disposal of a tangible capital asset and the net book value of the asset is accounted for as a revenue or expense in the statement of operations.

Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined by a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except, to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized when the fee is earned or service performed.

Taxation revenues are recognized when authorized by Council, and the taxable event has occurred.

Ottawa Trust Funds

The Kanaka Bar Indian Band uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized as revenue of the Group upon authorized withdrawal from the Ottawa Trust Funds.

Deferred Revenue

Funds received for a specific purpose which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statements of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purposes.

Kanaka Bar Indian Band
Notes to Consolidated Financial Statements

March 31, 2024

1. Basis of Presentation and Significant Accounting Policies (continued)

Non-Financial Assets

Non- financial assets are not available to discharge existing liabilities and are held for use in the provision of services or consumed in normal operations. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Financial Instruments

Cash, restricted cash and equity instruments quoted in an active market are measured at fair value. The Group has elected to measure other specific financial instruments at fair value, to correspond with how they are evaluated and managed. These financial instruments include a GIC and Mutual funds as disclosed in Note 2.

All other financial assets and financial liabilities are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position as at March 31, 2024.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

Kanaka Bar Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

2. Portfolio Investments

	2024	2023
BMO Select GIC, matured in the year	\$ -	\$ 200,051
BMO Growth GIC, earning interest of 18.00% to maturity, maturing April 2024	200,051	200,051
BMO Blue Chip GIC, earning interest of 15.66% to maturity, maturing April 2025	149,028	149,028
BMO Select Balanced Portfolio	67,685	57,224
	<u>\$ 416,764</u>	<u>\$ 606,354</u>

The BMO Select Balanced Portfolio has a book cost of \$61,164 (2023 - 60,896).

3. Restricted Cash

	2024	2023
Ottawa Trust Funds	<u>\$ 21,351</u>	<u>\$ 15,860</u>

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.

4. Long-term Investments

	2024	2023
All Nations Trust Company, at cost:		
11,220 Common shares, par value \$1.00	\$ 11,220	\$ 11,220
BC First Nations Gaming Revenue Sharing Limited Partnership	110	110
	<u>\$ 11,330</u>	<u>\$ 11,330</u>

Kanaka Bar Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

5. Investment in Band Controlled Entities

Commercial enterprises are those organizations that meet the definition of government business enterprises or government business partnerships as described by the Public Sector Accounting Board of the CPA Canada. Government business enterprises and partnerships have the power to contract in their own name, have financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as third principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received outside the Band government.

	2024	2023
Kanaka Bar Land and Resources Limited Partnership (99.99%):		
Units, at cost	\$ 100	\$ 100
Accumulated equity in earnings	3,816,285	3,290,744
	<u>\$ 3,816,385</u>	<u>\$ 3,290,844</u>
Kanaka Bar Land and Resources Inc. (100%):		
Units, at cost	\$ 1	\$ 1
Accumulated equity in earnings	195	146
	<u>\$ 196</u>	<u>\$ 147</u>
Kanaka Bar Employment Services (KBES) LP (99.99%):		
Units, at cost	\$ 67,504	\$ 67,504
Accumulated partner's deficit	(59,055)	(47,175)
	<u>\$ 8,449</u>	<u>\$ 20,329</u>
	<u>\$ 3,825,030</u>	<u>\$ 3,311,320</u>

Kanaka Bar Indian Band
Notes to Consolidated Financial Statements

March 31, 2024

5. Investment in Band Controlled Entities (Continued)

	Kanaka Bar Land and Resources Limited Partnership	Kanaka Bar Land and Resources Inc.	Kanaka Bar Employment Services LP	2024 Total	2023 Total
Cash	\$ 16,458	\$ -	\$ -	\$ 16,458	\$ 29,380
Accounts receivable	2,927	-	-	2,927	11,886
Due from related parties	22,330	-	-	22,330	20,331
Due from shareholder	-	1	-	1	1
Capital assets	-	-	16,275	16,275	25,160
Investments in subsidiaries	3,801,303	333	-	3,801,636	3,248,707
Total Assets	3,843,018	334	16,275	3,859,627	3,335,465
Accounts payable	20,714	136	2	20,852	18,696
Due to related parties	5,600	2	4,834	10,436	5,086
Total liabilities	26,314	138	4,836	31,288	23,782
Share capital	100	1	67,504	67,605	67,605
Equity	3,816,604	195	(59,055)	3,757,744	3,244,078
Total Equity	3,816,704	196	8,449	3,825,349	3,311,683
Total liabilities and equity	\$ 3,843,018	\$ 334	\$ 13,285	\$ 3,856,637	\$ 3,335,465
Revenue	\$ 66,509	\$ -	\$ -	\$ 66,509	\$ 141,920
Net Income from subsidiaries	552,879	49	-	552,928	374,508
Interest income	1,188	-	-	1,188	594
Total revenue	620,576	49	-	620,625	517,022
Expenses	94,982	-	11,881	106,863	137,005
Net income (loss)	\$ 525,594	\$ 49	\$ (11,881)	\$ 513,762	\$ 380,017

Kanaka Bar Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

6. Due (to) from Related Parties

	2024	2023
Kanaka Bar Employment Services LLP	\$ 159,432	\$ 48,423
Kanaka Bar Land & Resources LP	(22,330)	(20,330)
Kanaka Land & Holdings LP	-	214
Kanaka Land & Holdings Ltd.	903,134	867,149
Kwoiek Creek Resources Inc.	422,969	-
Siwash Watershed Resources Inc.	4,020	100
Siwash Watershed Resources LP	2,500	-
	<u>\$ 1,469,725</u>	<u>\$ 895,556</u>

The amounts advanced to related parties are non-interest bearing, unsecured and have no specified terms of repayment.

Kanaka Bar Indian Band
Notes to Consolidated Financial Statements

March 31, 2024

7. Deferred Revenue

Deferred revenue represents amounts received that relate to a subsequent period. A breakdown of deferred revenue is as follows:

	2023	Recognized Revenue	Funding Received	2024
ISC contributions:				
First Nation Adapt	\$ 90,789	\$ -	\$ -	\$ 90,789
UN Declaration Rights Indigenous	41,271	(41,271)	-	-
COVID 19 - Band Offices	14,115	(368)	-	13,747
Water System	68,420	(68,420)	-	-
ACRS Road Top-Up	75,145	-	-	75,145
Fund for Infrastructure Planning	25,000	-	-	25,000
Pit House project	103,427	(40,025)	-	63,402
Aboriginal entrepreneurship program	230,088	-	-	230,088
Q2AF-001 Service Delivery	19,792	(132)	-	19,660
Low Income Family	31,547	-	-	31,547
In Home Care	56,750	(1,783)	-	54,967
Q2C3-001 CFS Prevention	-	-	40,805	40,805
QA1E-001 Project Administration	-	-	49,381	49,381
Q3XM-001 Capacity/Innovation	-	-	66,500	66,500
QA1V-001 FNCS On-Res O&M	-	-	92,312	92,312
Q29W Basic needs	-	-	64,341	64,341
Q2A6-001 Special needs	-	-	6,589	6,589
Q2AF-002 Service Delivery	-	-	22,913	22,913
Q2C0 Operations - CFS	-	-	6,864	6,864
Q2PK CFS- Emergency	-	-	1,247	1,247
Q2PP CFS-Poverty	-	-	3,734	3,734
	756,344	(151,999)	354,686	959,031
Other Contributions:				
Province of BC- Land and Economic development	471,636	(471,636)	-	-
Province of BC- MCFS	30,000	(30,000)	-	-
FPCC- Pathways to Language	-	-	32,552	32,552
Province of BC- Kwoiek Creek	-	-	58,352	58,352
Province of BC- Eco Diversification	-	-	26,077	26,077
FNESC- Capacity Dev	-	-	18,986	18,986
FNESC- Student learning	-	-	67,996	67,996
UMBCM- Spring 2023 CEPF	-	-	850,494	850,494
Alacrity Foundation of BC	-	-	53,040	53,040
	501,636	(501,636)	1,107,497	1,107,497
	\$ 1,257,980	\$ (653,635)	\$ 1,462,183	\$ 2,066,528

Kanaka Bar Indian Band

Notes to Consolidated Financial Statements

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8. Long Term Debt

	2024	2023
<u>Kanaka Bar Indian Band:</u>		
Bank of Montreal term loan, repayable on demand provided until demand is made by BMO, repayable in monthly installments of \$3,472, including interest at 3.74% per annum, terms maturing October 31, 2024.	\$ 970,090	\$ 992,782
<u>The Crossing Place Housing Society:</u>		
BC Housing construction loan, repayable in monthly payments over 35 years, at and interest rate of 4.57% upon the commencement date of the mortgage.	5,468,068	3,664,807
Total	\$ 6,438,158	\$ 4,657,589

9. Tangible Capital Assets

	2024	2023
<u>Kanaka Bar Indian Band:</u>		
Land	\$ 163,516	\$ 163,516
Buildings	5,468,063	4,846,174
Automotive	372,863	273,448
Computer equipment	31,070	21,307
Equipment	463,435	266,106
Roads	1,242,810	238,804
Domestic Water System	1,749,903	1,978,155
Heat Pumps	336,272	351,039
Solar Arrays	358,786	298,904
	\$ 10,186,718	\$ 8,437,453
<u>The Crossing Place Housing Society:</u>		
Buildings and infrastructure	13,344,566	12,413,705
Furniture and equipment	35,811	-
	\$ 13,380,377	\$ 12,413,705
	\$ 23,567,095	\$ 20,851,158

The net book value of assets under construction and not yet being amortized at year end is \$2,467,973 (2023 - \$13,100,642).

The tangible capital assets have not been assessed for asset retirement obligations as required by PS 3280 Asset Retirement Obligations. The assets listed may be understated by the amounts of any existing asset retirement obligations.

Kanaka Bar Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

9. Tangible Capital Assets (Continued)

	Kanaka Bar Indian Band											The Crossing Place Housing Society		Totals	
	Land	Buildings	Automotive	Computer Equipment	Equipment	Roads	Domestic Water System	Software	Ice Rink	Heatpumps	Solar Arrays	Building and infrastructure	Furniture and equipment	2024	2023
Cost, beginning of year	\$ 163,516	\$ 5,772,196	\$ 546,623	\$ 70,687	\$ 541,883	\$ 398,041	\$ 3,642,182	\$ 17,500	\$ 7,518	\$ 366,826	\$ 298,905	\$12,413,705	\$ -	\$ 24,239,582	\$ 16,523,986
Additions	-	839,489	196,964	20,878	295,262	1,007,681	14,561	-	-	9,900	59,881	1,310,938	44,764	3,800,318	8,073,428
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(357,832)
Cost, end of year	163,516	6,611,685	743,587	91,565	837,145	1,405,722	3,656,743	17,500	7,518	376,726	358,786	13,724,643	44,764	28,039,900	24,239,582
Accumulated amortization, beginning of year	-	926,021	273,175	49,380	275,777	159,237	1,664,028	17,500	7,518	15,788	-	-	-	3,388,424	3,131,135
Amortization	-	217,601	97,549	11,115	97,933	3,675	242,812	-	-	24,666	-	380,077	8,953	1,084,381	477,210
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(219,921)
Accumulated amortization, end of year	-	1,143,622	370,724	60,495	373,710	162,912	1,906,840	17,500	7,518	40,454	-	380,077	8,953	4,472,805	3,388,424
Net carrying amount, end of year	\$ 163,516	\$ 5,468,063	\$ 372,863	\$ 31,070	\$ 463,435	\$ 1,242,810	\$ 1,749,903	\$ -	\$ -	\$ 336,272	\$ 358,786	\$13,344,566	\$ 35,811	\$ 23,567,095	\$ 20,851,158

Kanaka Bar Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

10. Accumulated Surplus

	2024	2023
Unrestricted surplus	\$ 9,132,543	\$ 7,862,262
Contributed surplus	-	126,303
Equity in tangible capital assets	10,140,167	8,390,903
Equity in trust funds	21,351	15,860
Equity in investments	3,836,359	3,322,649
Equity in The Crossing Place Housing Society	6,674,239	6,871,672
	<u>\$ 29,804,659</u>	<u>\$ 26,589,649</u>

11. Contingencies

a) Funding agreement:

The Group receives a portion of its funding under a contribution authority with ISC which, if unexpended, may be refundable to ISC. Further, amounts which are over expensed may be reimbursed by ISC to the Group. No amounts have been recorded in the financial statements as refundable or reimbursable.

b) Pension Plan:

The Group and its employees contribute to a defined contribution pension plan. There is no obligation for past service or periods in which an employee was not employed. Total contributions to the plan during the year were \$13,696 (2023 - \$12,948).

c) Guarantee:

The Group is contingently liable (with Kwoiek Creek Resources Ltd.) as the covenantor of a term loan for Kwoiek Creek Resources Limited Partnership. The Group will be required to perform under the guarantee in the event that Kwoiek Creek Resources Limited Partnership is not able to make scheduled payments of interest and principal as they become due. The Group's maximum potential liability under the guarantee is \$3,100,000.

Kanaka Bar Indian Band
Notes to Consolidated Financial Statements

March 31, 2024

12. Financial Instruments

Financial Instrument Fair Value Measurement

Fair value is determined by the current market price of the guaranteed investment certificates and mutual fund portfolios. Financial instruments that are measured at fair value are grouped into Levels 1 to 3. The levels reflect the significance of the inputs used in the making the fair value measurements, as described below:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Mutual fund portfolios are classified at Level 1 and guaranteed investment certificates are classified at Level 2.

Financial Instrument Risk Management

The Group is exposed to credit risk, liquidity risk, market and interest rate risk from its financial instruments. The Group's objectives, policies and processes for managing those risks and the methods used to measure them are described below. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements. There have not been any changes from the prior year in the Group's exposure to above risks or the policies, procedures and methods it uses to manage and measure the risks.

Credit Risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group is exposed to a credit risk by its customers. However, because the majority of revenues is from government agencies, credit risk concentration is reduced to the minimum. The organization's maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable as presented on the statement of financial position.

Kanaka Bar Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

12. Financial Instruments (continued)

Liquidity risk:

The organization manages its liquidity risk by monitoring cash activities and expected outflows through budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash flows arise. It is management's opinion that the Group is not exposed to significant liquidity risk arising from its financial instruments.

Market and Interest Rate Risk:

Market risk is the risk that changes in market prices, such as interest rates, will affect the Group's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on investments. The Group is exposed to interest rate risk through its portfolio investments and long-term debt.

Portfolio investments are deemed to be low risk and are not subject to significant changes in market prices or interest rates. Long-term debt has fixed rates; therefore interest expense will decrease with principal repayment of the mortgage and interest risk is reduced to the minimum.

13. Related Party Transactions

During the year, the Group entered into the following transactions with related parties:

Kanaka Bar Indian Band:

- a) Paid Kanaka Bar Land and Resources LP \$nil (2023 - \$60,000) in management fees.
- b) Paid Kanaka Bar Employment Services Ltd. \$58,645 (2023 - \$7,917) in rental fees and \$345,173 (2023 - \$212,339) in contracted services.
- c) Paid Kanaka Land and Holding LP \$20,400 (2023 - \$2,112) in office rent and \$46,576 (2023 - \$85,994) in contracted services.

The Crossing Place Housing Society:

- a) Paid Kanaka Bar Land and Resources LP \$66,509 (2023 - nil) in management fees.
- b) Paid Kanaka Bar Employment Services Ltd. \$11,259 (2023 - nil) in repairs and maintenance services

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

Kanaka Bar Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

14. Expenses by Object

	2024	2023
Administration	\$ 43,954	\$ 76,894
Advertising and promotion	90	2,331
Amortization	1,084,381	477,210
Appropriations to reserves	-	3,071
Bad debt writeoffs (recoveries)	(2,535)	5,490
Bank charges and interest	10,055	18,164
Community support	111,392	69,995
Consulting fees	160,630	433,905
Contracted services	1,453,250	1,902,009
Education	230,137	210,419
Honoraria	169,521	140,260
Insurance	106,697	17,930
Interest on long-term debt	202,995	117,271
Loss on disposal of tangible capital assets	-	137,911
Materials and supplies	219,773	335,555
Meetings and conferences	34,504	12,176
Office and miscellaneous	99,286	120,277
Professional fees	302,261	195,488
Property taxes	1,695	905
Rental charges	19,919	22,477
Repairs and maintenance	15,465	-
Social assistance	84,233	102,224
Training	10,802	43,170
Travel	48,187	45,773
Utilities	82,765	51,990
Vehicle	15,732	7,270
Wages and benefits	959,965	826,259
	<u>\$ 5,465,154</u>	<u>\$ 5,376,424</u>

Kanaka Bar Indian Band
Notes to Consolidated Financial Statements

March 31, 2024

15. Fiscal Plan

Canadian public sector accounting standards requires that the Band's budget be presented in the financial statements. As the Group currently does not prepare a budget, no budgeted figures have been presented as otherwise required.

16. Comparative Information

Certain prior year information in the comparative figures have been reclassified to conform to the current year presentation.

Kanaka Bar Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

17. Segmented Information

The Band provides a range of programs and services to its members. For the purposes of segment disclosure, these services are grouped and reported under services areas/departments that are responsible for providing such services, as follows below.

Culture

This service area provides for the support of expressing, preserving, developing and promoting its cultural heritage of the Band.

Economic Development

This service area provides for the development of economic opportunities to the Members.

Education

This service area supports the members through the establishment and operation of Band education centres and programs. It also provides services for students at the elementary/secondary and post-secondary level, including instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

Governance

This service area supports the development of stable, legitimate and accountable community governments. It also provides overall support of the Band including advisory services relating to financial management, band government, economic development, community services and technical services.

Health

This service area is responsible for the management and operation of the on-reserve Health Clinic. They help provide access to services to the Kanaka community members.

Social Development

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

Infrastructure

This service area supports the construction, operation and basic maintenance of community facilities and services such as water and sewage, roads, electrification, schools and fire protection. It is also responsible for ensuring that the facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Capital

This service area provides for the development of new capital projects.

Lands and Resources

This service area includes exploration of resources and development of resources for Members.

Social Housing

This service area is responsible for the administration and management of Social Housing units.

The Crossing Place Housing Society

This service area is responsible for the administration and management of the Crossing Place Housing Society.

Kanaka Bar Indian Band
Notes to Consolidated Financial Statements

March 31, 2024

17. Segmented Information (continued)

<u>2024</u>	Economic					Social			Lands &		The Crossing	
	Culture	Development	Education	Governance	Health	Development	Infrastructure	Capital	Resources	Social Housing	Place	Total
Revenue												
ISC	\$ 91,909	\$ 40,024	\$ 134,277	\$ 252,393	\$ 41,887	\$ 284,170	\$ 376,723	\$ -	\$ (30,557)	\$ -	\$ -	\$ 1,190,826
Other	108,307	2,302,264	38,663	1,929,392	636,701	-	130,110	-	1,788,764	4,087	551,050	7,489,338
Total	200,216	2,342,288	172,940	2,181,785	678,588	284,170	506,833	-	1,758,207	4,087	551,050	8,680,164
Expenses												
Wages & benefits	69,355	-	-	269,824	286,767	189,001	9	-	145,009	-	-	959,965
Purchases	154,837	424,110	265,763	919,514	286,327	113,487	539,797	-	352,793	4,725	359,455	3,420,808
Amortization	-	-	-	-	-	-	-	695,351	-	-	389,030	1,084,381
Total	224,192	424,110	265,763	1,189,338	573,094	302,488	539,806	695,351	497,802	4,725	748,485	5,465,154
Surplus (deficit)	\$ (23,976)	\$ 1,918,178	\$ (92,823)	\$ 992,447	\$ 105,494	\$ (18,318)	\$ (32,973)	\$ (695,351)	\$ 1,260,405	\$ (638)	\$ (197,435)	\$ 3,215,010

Kanaka Bar Indian Band
Notes to Consolidated Financial Statements

March 31, 2024

17. Segmented Information (Continued)

<u>2023</u>	Culture	Economic Development	Education	Governance	Health	Social Development	Infrastructure	Capital	Lands & Resources	Social Housing	The Crossing Place	Total
Revenue												
ISC	\$ 114,569	\$ 27,626	\$ 60,706	\$ 159,130	\$ 80,779	\$ 256,961	\$ 823,443	\$ -	\$ 61,173	\$ -	\$ -	\$ 1,584,387
Other	2,500	2,158,647	113,305	1,705,469	599,615	-	453,149	-	598,090	17,687	4,382,446	10,030,908
Total	117,069	2,186,273	174,011	1,864,599	680,394	256,961	1,276,592	-	659,263	17,687	4,382,446	11,615,295
Expenses												
Wages & benefits	13,143	49,633	-	420,536	185,249	55,413	-	-	102,285	-	-	826,259
Purchases	32,386	187,324	284,723	635,548	358,479	119,397	1,710,214	137,911	307,874	7,874	291,225	4,072,955
Amortization	-	-	-	-	-	-	-	467,397	-	9,813	-	477,210
Total	45,529	236,957	284,723	1,056,084	543,728	174,810	1,710,214	605,308	410,159	17,687	291,225	5,376,424
Surplus (deficit)	\$ 71,540	\$ 1,949,316	\$ (110,712)	\$ 808,515	\$ 136,666	\$ 82,151	\$ (433,622)	\$ (605,308)	\$ 249,104	\$ -	\$ 4,091,221	\$ 6,238,871

Kanaka Bar Indian Band

Notes to Consolidated Financial Statements

March 31, 2024

18. Restated Comparative Information

During the year, it was determined that The Crossing Place Housing Society is a Government Not-For-Profit Organization and thus it should have been consolidated into the financial results of the Group in the prior year. This has an effect of understating assets, liabilities, revenues, expenses and accumulated surplus for the year ended March 31, 2023. As a result, adjustments were required to restate these areas.

The impact of the restatements are as follows:

	2023 Reported	Prior Period Adjustments	Restated
Financial Assets	\$ 13,935,329	\$ 584,342	\$ 14,519,671
Liabilities	2,679,772	6,128,105	8,807,877
Net Financial Assets	11,255,557	(5,543,763)	5,711,794
Non Financial Assets	8,462,418	12,415,437	20,877,855
Revenue	7,232,851	4,382,444	11,615,295
Expenses	5,085,199	291,225	5,376,424
Surplus for the year	2,147,652	4,091,219	6,238,871
Accumulated surplus, beginning of year	17,570,323	2,780,455	20,350,778
Accumulated surplus, end of year	19,717,975	6,871,674	26,589,649