

Consolidated Financial Statements of

**KITIGAN ZIBI ANISHINABEG
FIRST NATION**

Year ended March 31, 2023

KITIGAN ZIBI ANISHINABEG FIRST NATION

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of Kitigan Zibi Anishinabeg First Nation as at and for the year ended March 31, 2023 are the responsibility of management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements.

Kitigan Zibi Anishinabeg First Nation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Kitigan Zibi Anishinabeg First Nation Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by Kitigan Zibi Anishinabeg First Nation Council. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements of the Kitigan Zibi Anishinabeg First Nation. The independent auditors have full and free access to financial management of Kitigan Zibi Anishinabeg First Nation.

On behalf of Kitigan Zibi Anishinabeg First Nation Council:



Dylan Whiteduck
Chief

November 30, 2023



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Canada
Telephone 613 212 5764
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INDEPENDENT AUDITOR'S REPORT

To the Chief and Councillors of Kitigan Zibi Anishinabeg First Nation

Opinion

We have audited the consolidated financial statements of Kitigan Zibi Anishinabeg First Nation (the First Nation), which comprise:

- the consolidated statement of financial position as at March 31, 2023
- the consolidated statement of operations for the year then ended
- the consolidated statement of accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies and explanatory information

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

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

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



Emphasis of Matter - Restatement of Financial Statements

We draw attention to Note 3(a) to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2022 has been restated.

Note 3(a) explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information

Our opinion is not modified in respect to this matter.

Other Matter - Restatement of Financial Statements

As part of our audit of the financial statements for the year ended March 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended March 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

Our opinion is not modified in respect to this matter.

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

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

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

November 30, 2023

KITIGAN ZIBI ANISHINABEG FIRST NATION

Consolidated Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
	(Restated - note 3)	
Financial assets:		
Cash (note 4)	\$ 53,891,868	\$ 30,724,024
Restricted cash - due to Community Members (note 4)	3,259,072	3,445,501
Investments (note 5)	12,501,078	12,501,078
Accounts receivable (note 6)	3,030,268	5,258,516
Trust funds held by federal government (note 7)	6,386,910	6,657,389
Due from government and other government organizations (note 8)	22,432,860	7,969,745
Economic development loans receivable (note 9)	317,571	259,908
Revolving loans receivable (note 10)	2,293,037	2,227,740
<u>Investments in government business enterprises (note 11)</u>	<u>413,245</u>	<u>430,152</u>
Total financial assets	104,525,909	69,474,053
Financial liabilities:		
Accounts payable and accrued liabilities	3,403,249	1,752,700
Due to Community Members (note 4)	3,259,072	3,445,501
Replacement reserve (note 5)	286,586	271,486
Due to government and other government organizations	132,003	58,409
Deferred revenue (note 12)	46,057,795	11,114,620
Long-term debt (note 13)	566,930	624,594
Employee benefit obligations (note 14)	1,395,930	1,402,877
<u>Asset retirement obligations (note 20)</u>	<u>398,820</u>	<u>398,820</u>
Total liabilities	55,500,385	19,069,007
Net financial assets	49,025,524	50,405,046
Non-financial assets:		
Tangible capital assets (schedule A)	18,051,052	20,151,612
<u>Inventories held for use</u>	<u>334,290</u>	<u>334,290</u>
	18,385,342	20,485,902
Contingencies (note 17)		
Accumulated surplus (note 15)	\$ 67,410,866	\$ 70,890,948

See accompanying notes to consolidated financial statements.

On behalf of the Kitigan Zibi Anishinabeg First Nation Council:

Councillor

Councillor

Alie Beaudoin

Councillor

Councillor

J. Chidlow

Councillor

Councillor

KITIGAN ZIBI ANISHINABEG FIRST NATION

Consolidated Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	2023 Budget	2023 Actual	2022 Actual
	(Unaudited - note 19)	(Restated - note 3)	
Revenue:			
Indigenous Services Canada	\$ 48,678,472	\$ 25,779,839	\$ 23,025,682
First Nation Education Council	818,041	818,039	1,277,267
Solicitor General of Canada	817,684	817,684	747,231
Ministère des Finances du Québec	754,786	754,786	689,750
Assembly of First Nations Québec-Labrador	710,062	710,062	1,008,578
Ministère de la Famille	490,116	490,116	317,339
Canada Mortgage and Housing Corporation	-	78,181	67,599
Interest on short-term deposits and loans	-	1,390,626	119,570
Annual distribution from Trust (note 18)	2,561,471	2,561,471	4,018,555
Other revenues (schedule B)	-	12,645,759	8,233,484
Revolving loans fund	-	81,090	114,244
Net loss from government business enterprises (note 11)	-	(16,907)	(29,332)
Band fund	-	(270,479)	(639,558)
Internal revenues eliminated	-	(3,279,746)	(180,136)
	54,830,632	42,560,521	38,770,273
Expenses:			
Government operations (schedule C)	2,763,120	8,891,735	5,836,718
Education (schedule G)	8,006,870	9,726,901	7,513,947
Social services (schedule J)	5,225,861	6,660,571	5,464,668
Sundry (schedule K)	1,249,217	12,727,760	5,581,145
Health (schedule H)	1,380,723	3,858,967	2,918,168
Policing (schedule L)	1,538,869	2,018,431	1,534,398
Employment programs (schedule E)	-	768,220	1,005,647
Public works (schedule I)	-	1,028,796	895,097
Community services (schedule F)	3,887,819	324,095	872,508
Economic development (schedule D)	-	741,144	758,146
Amortization of capital assets (schedule A)	-	2,549,437	2,624,596
Revolving loans fund	-	24,292	31,283
Internal charges eliminated	-	(3,279,746)	(180,136)
	24,052,479	46,040,603	34,856,185
Annual surplus (deficit)	\$ 30,778,153	\$ (3,480,082)	\$ 3,914,088

See accompanying notes to consolidated financial statements.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Consolidated Statement of Accumulated Surplus

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
		(Restated - note 3)
Accumulated surplus, beginning of year, as previously restated	\$ 70,890,948	\$ 67,327,269
Adjustment on adoption of asset retirement obligations (note 3)	-	(350,409)
Accumulated surplus, beginning of year, as restated	70,890,948	66,976,860
Annual surplus (deficit)	(3,480,082)	3,914,088
Accumulated surplus, end of year	\$ 67,410,866	\$ 70,890,948

See accompanying notes to consolidated financial statements.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2023, with comparative information for 2022

	2023 Budget	2023 Actual	2022 Actual
	(Unaudited - note 19)		(Restated - note 3)
Net financial assets, beginning of year, as previously stated	\$ 50,405,046	\$ 50,405,046	\$ 45,474,272
Adjustment on adoption of asset retirement obligations standard	-	-	(398,820)
Net financial assets, beginning of year, as stated	50,405,046	50,405,046	45,075,452
Annual surplus (deficit)	30,778,153	(3,480,082)	3,914,088
Purchases of tangible capital assets	-	(448,877)	(1,209,090)
Amortization of tangible capital assets	2,500,000	2,549,437	2,624,596
Change in net financial assets	33,278,153	(1,379,522)	5,329,594
Net financial assets, end of year	\$ 83,683,199	\$ 49,025,524	\$ 50,405,046

KITIGAN ZIBI ANISHINABEG FIRST NATION

Consolidated Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
	(Restated - note 3)	
Cash provided by (used in):		
Operations:		
Annual surplus (deficit)	\$ (3,480,082)	\$ 3,914,088
Items not involving cash:		
Amortization of tangible capital assets	2,549,437	2,624,596
Net loss from government business enterprises	16,907	29,332
Changes in non-cash operating working capital:		
Accounts receivable	2,228,248	2,115,227
Deferred revenue	34,943,175	7,312,234
Accounts payable and accrued liabilities	1,650,549	(382,958)
Employee benefit obligations	(6,947)	25,460
Replacement reserve	15,100	14,996
Due to/from government and other government organizations	(14,389,521)	(3,450,369)
	23,526,866	12,202,606
Financing:		
Repayment of long-term debt	(57,664)	(57,093)
Investing:		
Purchase of tangible capital assets	(448,877)	(1,209,090)
Change in trust funds held by federal government	270,479	639,558
Change in revolving loans during the year	(65,297)	94,836
Change in economic development loans	(57,663)	(13,907)
	(301,358)	(488,603)
Increase in cash	23,167,844	11,656,910
Cash, beginning of year	30,724,024	19,067,114
Cash, end of year	\$ 53,891,868	\$ 30,724,024

See accompanying notes to consolidated financial statements.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2023

Nature of operations:

These consolidated financial statements reflect the financial position and operations of Kitigan Zibi Anishinabeg First Nation ("KZA") which is a First Nation government led by the elected Chief and Council. KZA provides a large variety of public services to the members of the Kitigan Zibi Anishinabeg community, including health, employment, economic development, community, social, public works, policing and other government services.

1. Funding from Government of Canada:

KZA receives 55% (2022 - 62%) of its revenue from Indigenous Services Canada and other agencies of the Government of Canada. The ability of KZA to continue its operations relies on the Government of Canada's funding.

2. Significant accounting policies:

(a) Basis of accounting:

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of Canada ("PSAB"), and as required by Indigenous Services Canada ("ISC").

Significant accounting policies adopted by KZA are described below, starting at Note 2(b).

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(b) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the KZA reporting entity, which includes organizations, committees and local boards accountable for the administration of their financial affairs and resources to KZA as follows.

(i) Departments:

The following departments are included in these financial statements:

KZA Administration Sector
KZA Band Council
KZA Education Sector and School
KZA Health and Social Services
KZA Pakinawatik
KZA Police Department
KZA Wasozon Daycare

All inter entity balances have been eliminated on consolidation, however in order to present the results of operations for each specific department, transactions between departments have not been eliminated on an individual line item basis, but are recorded as internal charges eliminated.

(c) Basis of presentation:

Revenues 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.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(d) Segmented information:

KZA conducts its operations through functional segments. These operating segments are established by senior management to facilitate the achievement of KZA's long term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the significant accounting policies.

Segment disclosure is provided in schedules C to L to these consolidated financial statements.

(e) Revenue recognition:

Government transfers

Government transfers are recognized as revenue when the transfer is authorized and all eligibility criteria, if any, have been met, and a reasonable estimate of the amount can be made. 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, revenue is recognized as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

Externally restricted revenues are recognized in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, externally restricted inflows are recorded as deferred revenues.

Annual distribution from Trust

Revenue related to the distribution of funds from a trust is recognized when received or receivable.

Investment income

Interest is recognized on the accrual basis as it is earned. Dividends are recognized when declared.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(e) Revenue recognition (continued):

Rental income

Rental income is recognized on a straight line basis over the term of the lease.

Other income

Revenue is recognized when a price is agreed and all significant contractual obligations have been satisfied, and collectibility is reasonably assured.

(f) Financial instruments:

KZA's financial instruments consists of and are measured as follows:

Cash	fair value
Cash - due to community members	fair value
Investments	cost
Accounts receivable	amortized cost
Trust funds held by government	fair value
Accounts payable and accrued liabilities	amortized cost
Due to community members	amortized cost
Due to government and other government organizations	amortized cost
Long-term debt	amortized cost

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain or loss is reversed from the statement of remeasurement gains and losses.

A statement of remeasurement gains and losses is not presented in these financial statements as KZA does not have financial instruments with unrealized changes in fair value requiring remeasurement.

(g) Loans receivable:

Loans are recorded at principal amounts, less any allowance for anticipated losses, plus accrued interest. Interest revenue is accrued on loans receivable to the extent it is deemed collectable.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(h) Non-financial assets:

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

(i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Tangible capital assets are amortized annually using the straight-line basis over their estimated useful lives as follows:

Asset	Rate
Buildings	25 years
Social housing	25 years
Skating rink	25 years
Playgrounds	25 years
Parking lots and roads	20 years
Water and sewer system	20 years
Sugarbush hydro line	15 years
Fiber optic project	10 years
Gravel pit	10 years
Equipment	10 years
Sugarbush equipment	5 years
Automotive equipment	4 to 10 years
Computer hardware	3 years

In the year of acquisition, 50% of the normal amortization is recorded.

Assets under construction are not amortized until the asset is available to be put into service. Land is not amortized as it has an indefinite useful life.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(h) Non-financial assets (continued):

(i) Tangible capital assets (continued):

Tangible capital assets are written down when conditions indicate that they no longer contribute to KZA's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

(ii) Inventories held for use:

Inventories are measured at the lower of cost and replacement value. Cost is determined using the average cost method. Those inventories are recognized as an expense when consumed.

(ii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in these financial statements.

(iv) Works of art, cultural and historical assets:

Certain assets which have historical or cultural value, including work of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

(i) Use of estimates:

In preparing the consolidated financial statements for KZA, management is required 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 revenues and expenses during the period. Estimates include the useful lives of tangible capital assets and the allowance for doubtful accounts related to accounts receivables and loans receivable. Management believes that these estimates are appropriate. However, actual results could differ from these estimates. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the year in which they become known.

In addition, KZA's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(j) Prior year funding adjustments:

KZA has entered into accountable contribution agreements with government funding agencies. All such programs are subject to verification and adjustments by the funder. Adjustments made under funding arrangements relating to prior years are charged to operations in the year in which the adjustments are communicated to KZA by the funder.

(k) Pension plan:

The KZA contributes to a multiemployer pension plan and a money purchase plan. The multiemployer pension plan is a defined benefit plan and the money purchase plan is a defined contribution plan. However, the multiemployer plan is accounted for as a defined contribution plan since sufficient information is not available for the plan as the plan's benefits are capitalized in a pension fund for all its participants. The employee contributes between 6.80% and 9.50% of their salary while the employer contributes 1.82 to 2.00 times the contribution of the employee. The expense for the fiscal year is \$911,767 (2022 - \$860,019).

(l) Asset retirement obligations:

A liability for the removal of asbestos in several of the buildings owned by KZA has been recognized based on estimated future expenses on closure of the site and post-closure care. Under the modified retrospective method, the assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

The recognition of a liability resulted in an accompanying increase to the respective capital assets. Both the building and building service equipment are following the amortization accounting policies outlined in Note 2(h)(i).

(m) Foreign currency:

Transactions involving foreign currencies are converted to Canadian dollar equivalents using rates of exchange in effect at the time of the transactions.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

3. Implementation of new accounting standards:

(a) PS 3280 Asset Retirement Obligations:

On April 1, 2021, KZA adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

On April 1, 2021, KZA recognized an asset retirement obligation relating to several buildings owned by KZA that contain asbestos. The buildings were originally purchased between 1924 and 1988 and the liability was measured as of the date of purchase of the buildings, when the liability was assumed. The buildings had an expected useful life between 20 and 50 years, and the estimate has not been changed since acquisition.

In accordance with the provisions of this new accounting standard, KZA recorded the following adjustments at April 1, 2021 and for the year ended March 31, 2022:

(i) Asbestos obligation capitalized to tangible capital assets:

An increase of the opening tangible capital assets cost of \$398,820 and accumulated amortization of \$350,409 resulting in an increase in opening net book value of \$48,411.

An increase in amortization expense of \$2,619.

(ii) Asset retirement obligation liability:

A total liability of \$398,820 was recorded for asset retirement obligations.

(iii) Opening net assets:

A decrease to opening accumulated surplus of \$350,409, as a result of the recognition of the liability and increases in cost and accumulated amortization of tangible capital assets.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

3. Implementation of new accounting standards (continued):

(b) PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation:

On April 1, 2022, KZA adopted Public Sector Accounting Standards PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation. These standards were adopted prospectively from the date of adoption. These new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

The implementation of these standards did not require KZA to reflect any adjustments in these financial statements other than the additional disclosure of financial risks provided in Note 16.

4. Cash:

	2023	2022
Operating	\$ 53,265,406	\$ 30,720,394
Policing	626,462	3,630
	53,891,868	30,724,024
Restricted cash - due to Community Members	3,259,072	3,445,501
Total cash	\$ 57,150,940	\$ 34,169,525

The Cash – due to Community Members represents the balance remaining to be paid directly to qualifying Community Members under the Settlement Agreement with the Government of Canada (note 18).

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

5. Investments:

Investments consist of various guaranteed investment certificates with maturity dates ranging from February 2024 to February 2027. These investments guarantee only the original principal amount and have an unknown interest rate as the interest rate is calculated based on the performance of the market over the fixed term of the guaranteed investment certificate. These investments are recorded at their principal amount.

(a) Replacement reserve:

Under the terms of an agreement with Canada Mortgage and Housing Corporation, KZA First Nation must set aside funds for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the replacement reserve. The replacement reserve required at year end is \$286,586 (2022 - \$271,486). This replacement reserve is covered by KZA's investments.

6. Accounts receivable:

	2023	2022
Rent	\$ 44,130	\$ 31,705
Wood sales	27,272	13,043
Salary advances	20,591	28,913
Annual distributions from Trust (note 18)	-	4,018,555
Other	4,561,128	2,718,717
	4,653,121	6,810,933
Less: allowance for doubtful accounts	(1,622,853)	(1,552,417)
	<hr/> \$ 3,030,268	<hr/> \$ 5,258,516

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

7. Trust funds held by federal government:

	March 31, 2022	Additions 2023	Withdrawals 2023	March 31, 2023
General - Revenue Fund	\$ 353,904	\$ 17,986	\$ -	\$ 371,890
Land claims settlements -				
Revenue Fund	3,624,658	81,535	370,000	3,336,193
General - Capital Fund	843,758	-	-	843,758
Land claims settlements -				
Capital Fund	1,835,069	-	-	1,835,069
	\$ 6,657,389	\$ 99,521	\$ 370,000	\$ 6,386,910

The Trust Funds 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. The management of these funds is primarily governed by Section 63 to 69 of the *Indian Act*.

8. Due from government and other government organizations:

	2023	2022
Indigenous Services Canada	\$ 15,517,793	\$ 4,302,955
Canada Mortgage and Housing Corporation	32,680	44,380
Government of Quebec	5,029,279	910,390
Other government organizations	1,853,108	2,712,020
	\$ 22,432,860	\$ 7,969,745

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

9. Economic development loans receivable:

	2023	2022
Loans receivable at March 31	\$ 401,635	\$ 368,269
Allowance for loan impairment	(84,064)	(108,361)
	<hr/> \$ 317,571	<hr/> \$ 259,908

The loans, secured by mortgages on land or equipment and maturing from 2024 to 2025, bear interest at rates varying between 4.2% and 5.5%.

10. Revolving loans receivable:

	2023	2022
Loans receivable at March 31st	\$ 2,858,676	\$ 2,712,289
Allowance for loan impairment	(565,639)	(484,549)
	<hr/> \$ 2,293,037	<hr/> \$ 2,227,740

The loans, secured by mortgages on land and/or building and maturing from 2023 to 2044, bear interest rates varying between 3.00% and 8.34%.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

11. Investments in government business enterprises:

KZA owns 100% of the common shares of 3183092 Canada Inc. - Pasahigan Home Center and 4106679 Canada Inc. holding of Mitigog Forestry Enterprises Inc.

3183092 Canada Inc. is a holding company that manages investments.

4106679 Canada Inc. is a holding company that manages investments and owns 100% of Mitigog Forestry Enterprises Inc. that harvests timber for sale to local mills.

The equity interest held by KZA in these entities is as follows:

	2023	2022
3183092 Canada Inc.	\$ 148,537	\$ 150,183
4106679 Canada Inc.	264,708	279,969
	<hr/> \$ 413,245	<hr/> \$ 430,152

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

11. Investments in government business enterprises (continued):

	2023	2022
3183092 Canada Inc. - Pasahigan Home Centre		
Assets:		
Cash	\$ 35,759	\$ 36,466
Term deposits	75,850	76,047
Accounts receivable	320	1,023
Advances to shareholders	36,987	37,295
Investments	32,885	25,413
Total assets	\$ 181,801	\$ 176,244
Liabilities:		
Accounts payable and accrued liabilities	\$ 15,522	\$ 9,319
Advances from shareholders	16,742	16,742
Shareholders' equity:		
Share capital	457,000	457,000
Deficit	(308,463)	(306,817)
	148,537	150,183
Total liabilities and shareholders' equity	\$ 180,801	\$ 176,244
Revenue:		
Interest income	\$ 442	\$ 264
Dividends	1,278	1,342
Changes in fair value of quoted shares	(1,516)	(7,472)
	204	(5,866)
Expenses:		
Professional fees	1,850	6,219
Net loss	\$ (1,646)	\$ (12,085)

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

11. Investments in government business enterprises (continued):

	2023	2022
4106679 Canada Ltd. - Consolidated, includes activities from Mitigog Forestry Enterprises Inc.		
Assets:		
Cash	\$ 1,783	\$ 5,926
Term deposits	200,582	200,192
Accounts receivable	149	2,149
Land, at cost	105,372	105,372
Total assets	\$ 307,886	\$ 313,639
Liabilities:		
Accounts payable and accrued liabilities	\$ 43,178	\$ 33,660
Shareholders' equity:		
Share capital	1	1
Retained earnings	264,707	279,968
	264,708	279,969
Total liabilities and shareholders' equity	\$ 307,886	\$ 313,629
Revenue:		
Interest income	\$ 550	\$ 648
Expenses:		
Professional fees	14,446	16,030
Taxes and permits	1,360	1,611
Interest and bank charges	5	254
	15,811	17,895
Net loss	\$ (15,261)	\$ (17,247)

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

12. Deferred revenue:

Deferred revenues represent contributions received during the year but not yet spent. These deferred revenues should be used to cover capital and other expenses of the subsequent year. Changes in deferred contributions are as follows:

	March 31, 2022	Funding received	Revenue recognized	March 31, 2023
Federal government:				
Indigenous Services				
Canada	\$ 10,800,508	\$ 48,791,831	\$ 23,851,401	\$ 35,740,938
ISC - 2024 Funding received 2023	-	5,113,712	-	5,113,712
Other:				
First Nation Education Council	273,944	-	-	273,944
Unearned fees	40,168	-	23,258	16,910
Policing Infrastructure Project	-	5,263,700	351,409	4,912,291
	314,112	5,263,700	374,667	5,203,145
Total deferred revenue at year end				
	\$ 11,114,620	\$ 59,169,243	\$ 24,226,068	\$ 46,057,795

On March 31, 2023, KZA received \$5,113,712 in funding relating to the 2024 fiscal year from Indigenous Services Canada.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

13. Long-term debt:

	2023	2022
Canada Mortgage and Housing Corporation - loan, payable by monthly instalments of \$3,053, including interest calculated at the rate of 0.68% amortized on a period of 10 years, renewable August 1, 2025 and maturing February 1, 2030	\$ 247,430	\$ 282,252
Canada Mortgage and Housing Corporation - loan payable by monthly instalments of \$1,294, including interest calculated at the rate of 1.75%, amortized on a period of 20 years, renewable October 1, 2024 and maturing October 1, 2039	223,441	234,961
Canada Mortgage and Housing Corporation - loan, payable by monthly instalments of \$1,054, including interest calculated at the rate of 1.30% amortized on a period of 9 years and 11 months, renewable April 1, 2026 and maturing March 1, 2031	96,059	107,381
	<hr/> \$ 566,930	<hr/> \$ 624,594

Long-term debt repayments to be made over the next four years are as follows:

2024	\$ 58,233
2025	258,647
2026	188,850
2027	61,200
	<hr/> \$ 566,930

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

14. Employee benefit obligations:

	2023	2022
Vacation and overtime	\$ 789,376	\$ 892,438
Post-employment benefits	606,554	510,439
	<hr/> \$ 1,395,930	<hr/> \$ 1,402,877

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Post-employment benefits

The post-employment benefits refers to the payments to the pension plan and severance pay payable at year-end.

15. Accumulated surplus:

	2023	2022
Revolving loans fund	\$ 4,257,570	\$ 4,194,902
Appropriated fund balance	22,011,203	21,186,378
Unappropriated fund balance	17,256,636	19,293,929
Investment in tangible capital assets	17,085,302	19,128,198
Equity in trust funds	6,386,910	6,657,389
Enterprise fund (note 11)	413,245	430,152
	<hr/> \$ 67,410,866	<hr/> \$ 70,890,948

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

16. Financial risks and concentration of risk:

KZA has the following financial risks arising from its financial instruments. It is management's opinion that KZA generally is not exposed to significant credit, market or liquidity risks arising from its instruments. KZA's processes for monitoring and mitigating these risks have not changed in the year.

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. KZA is exposed to this risk relating to its cash, investments, and receivables. KZA holds its cash and investment accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. Receivables are primarily due from government funding agencies and members of the KZA community. Allowances for doubtful accounts are disclosed in Notes 6, 9 and 10. KZA measures its exposure to credit risk based on how long the amounts have been outstanding.

(b) Liquidity risk:

Liquidity risk is the risk that the KZA will not be able to meet all cash outflow obligations on a timely basis or reasonable cost. KZA mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining sufficient cash resources.

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors including:

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. KZA is subject to interest rate risk on its cash, investments, long-term debt and certain receivables.

(ii) Currency and other price risk:

KZA is not exposed to significant currency or other price risks as it does not hold financial instruments in foreign currency or investments traded in an active market.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

17. Contingencies:

The nature of KZA's activities is such that there is litigation pending or in process at any time. With respect to claims at March 31, 2023, management and Council are of the opinion that there is a strong defense against these claims and is defending the claims. At this time, it is not possible to determine the outcome of these claims. Accordingly, no provision for losses have been reflected in the accounts of KZA on these matters. Council does not anticipate that the impact of these claims, if any, will be material to KZA's financial position.

18. Kitigan Zibi Anishinabeg Trust:

The Kitigan Zibi Anishinabeg Trust (the "Trust") was established on May 29, 2019, with Peace Hills Trust acting as Trustee. The purpose of the Trust is to receive the settlement funds of the land claims global settlement and invest those funds on behalf of the Members of Kitigan Zibi Anishinabeg. Kitigan Zibi Anishinabeg may also transfer other funds to the Trust under the same terms of the Trust Agreement. The Trust Property and investment income earned thereon are to be maintained and used within certain parameters established in the Trust Agreement.

The Settlement Agreement with the Government of Canada was ratified by a vote of the members of Kitigan Zibi Anishinabeg held on January 5, 2019 for an amount of \$116,801,811. Of this amount, \$528,151 was used to settle loans from Indigenous Services Canada and \$38,273,660 was set aside for distribution directly to qualifying members of Kitigan Zibi Anishinabeg (\$13,403 Per Capita Distribution). The remaining balance of \$78,000,000 was deposited in the Trust as Trust Property.

On August 2, 2022, Kitigan Zibi Anishinabeg contributed \$1,928,438 to the Trust as Trust Property for amounts received for the settlement of the Reconstruction of Highway 11 in 1960 specific land claim. In the year, Kitigan Zibi Anishinabeg contributed \$4,018,555 to the Trust as Trust Property from amounts received from past distributions. These transferred amounts are recorded as sundry expenses.

The beneficiary of the Trust is the Kitigan Zibi Anishinabeg First Nation, including all Members of Kitigan Zibi Anishinabeg on a collective and undivided basis.

The Funds held in Trust are restricted in use to future required Per Capital Distributions; and to providing repayable funds up to \$3,000,000 for emergencies, funds up to \$5,000,000 for land purchases, and authorized loans or guarantees; under defined requirements in the Trust Agreement for Member consultation, approval and/or communication.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

18. Kitigan Zibi Anishinabeg Trust (continued):

The annual income from the Trust as determined by the Trustee is irrevocably payable in its entirety to, or as directed by, KZA as at December 31 of each fiscal year. In the year, KZA recognized \$2,561,471 (2022 - \$4,018,555) of revenue for the annual distribution from the Trust. Under the Trust Agreement, these distributions are to be used by KZA in support of aboriginal and treaty rights, education, health, housing, language and culture, economic and community development, the environment and other initiatives; and under defined requirements in the Trust Agreement for Member consultation and communication.

The Trust Property held by the Trust is not recorded in these financial statements as KZA does not have on-going direct control of and access to these assets under the Trust Agreement.

19. Budgeted figures:

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates prepared by management and approved Council.

20. Asset retirement obligations:

KZA owns and operates buildings that are known to have asbestos, which represents a health hazard upon demolition of the buildings and there is a legal requirement to eventually remove or remediate. Following the adoption of PS 3280 Asset Retirement Obligations effective April 1, 2021, KZA recognized obligations of \$398,820 relating to the removal and post-removal care of the asbestos in these buildings.

The asset retirement obligations are determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material and any other soil contaminants in accordance with current legislation. The timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability.

The asset retirement obligations at March 31, 2023 are \$398,820 (2022 - \$398,820).

21. Comparative information:

Certain comparative information has been reclassified to conform to the presentation adopted for the current year.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

22. Expenses by object:

	2023	2022
Salaries	\$ 12,975,986	\$ 11,272,055
MERCs and benefits	1,732,597	1,603,320
Administration / office expenses	865,450	842,785
Advertising and community information	92,560	124,988
Bank charges, fees and contingency fund	67,533	304,420
Building, equipment and facilities maintenance	427,023	248,626
Amortization of tangible capital assets	2,549,437	2,624,596
Donations and sponsorship	94,048	61,321
Equipment furniture and expense	255,067	203,880
Insurance	423,506	176,723
Communications	1,599,274	1,179,501
Membership / subscription fees	116,798	125,744
Community services	10,866,304	6,666,829
Program and other expenses	1,885,978	1,440,654
Rental fees and expenses	285,555	247,299
Training, conferences and meetings	929,289	812,756
Travel and fuel expenses	756,908	513,073
Utilities	343,045	328,494
Vehicle maintenance and repairs	228,124	248,886
Allowances to members	5,513,183	4,722,539
Communications	103,350	106,978
Community services	268,973	245,742
Permits and licenses	55,854	61,352
Revolving loans funds - bad debts	347,263	361,332
Legal fees	565,959	481,145
Revolving loans fund	24,292	31,283
Contributions to the Trust (note 18)	5,946,993	-
	49,320,349	35,036,321
Internal changes eliminated	(3,279,746)	(180,136)
	<hr/> \$ 46,040,603	<hr/> \$ 34,856,185

KITIGAN ZIBI ANISHINABEG FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

23. Segmented information:

KZA is a diversified governmental institution that provides a wide range of services to its Members, including government operations, economic development, employment, community services, education, health, public works, social services, sundry and policing programs.

For management reporting purposes, KZA's operations and activities are organized and reported by these service areas. Programs within these service areas are established for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

The accompanying schedules detail the revenue and expenses related to the services delivered by KZA.

The accounting policies used in these schedules are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies.

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule A - Consolidated Schedule of Tangible Capital Assets

Year ended March 31, 2023

	Land	34 Lot Project	Buildings	Social Housing	Skating rink	Subtotal
Cost						
Balance, beginning						
of year	\$ 979,456	\$ 3,203,938	\$ 16,713,076	\$ 3,878,088	\$ 200,681	\$ 24,975,239
Acquisition of tangible capital assets	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-
Adjustment on adoption of asset retirement obligation standard	-	-	-	-	-	-
Balance, end of year						
year	\$ 979,456	\$ 3,203,938	\$ 16,713,076	\$ 3,878,088	\$ 200,681	\$ 24,975,239
Accumulated amortization						
Balance, beginning						
of year	\$ -	\$ 256,316	\$ 13,769,773	\$ 2,318,222	\$ 76,258	\$ 16,420,569
Annual amortization	-	128,158	357,210	149,847	8,027	643,242
Accumulated amortization on disposals	-	-	-	-	-	-
Adjustment on adoption of asset retirement obligation standard	-	-	-	-	-	-
Balance, end of year						
year	\$ -	\$ 384,474	\$ 14,126,983	\$ 2,468,069	\$ 84,285	\$ 17,063,811
Net book value of tangible capital assets	\$ 979,456	\$ 2,819,464	\$ 2,586,093	\$ 1,410,019	\$ 116,396	\$ 7,911,428

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule A - Consolidated Schedule of Tangible Capital Assets (continued)

Year ended March 31, 2023

	Subtotal	Playgrounds	Parking lots and roads	Water and sewer system	Sugarbush hydro line	Subtotal
Cost						
Balance, beginning						
of year	\$ 24,975,239	\$ 107,375	\$ 3,164,172	\$ 25,625,939	\$ 92,826	\$ 53,965,551
Acquisition of tangible capital assets	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-
Adjustment on adoption of asset retirement obligation standard	-	-	-	-	-	-
Balance, end of year	\$ 24,975,239	\$ 107,375	\$ 3,164,172	\$ 25,625,939	\$ 92,826	\$ 53,965,551
Accumulated amortization						
Balance, beginning						
of year	\$ 16,420,569	\$ 101,021	\$ 2,586,634	\$ 16,876,637	\$ 92,826	\$ 36,077,687
Annual amortization	643,242	410	128,412	1,103,591	-	1,875,655
Accumulated amortization on disposals	-	-	-	-	-	-
Adjustment on adoption of asset retirement obligation standard	-	-	-	-	-	-
Balance, end of year	\$ 17,063,811	\$ 101,431	\$ 2,715,046	\$ 17,980,228	\$ 92,826	\$ 37,953,342
Net book value of tangible capital assets	\$ 7,911,428	\$ 5,944	\$ 449,126	\$ 7,645,711	-	\$ 16,012,209

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule A - Consolidated Schedule of Tangible Capital Assets (continued)

Year ended March 31, 2023

	Subtotal	Fibre optic project	Gravel pit	Equipment	Sugarbush equipment	Subtotal
Cost						
Balance, beginning						
of year	\$ 53,965,551	\$ 15,000	\$ 30,000	\$ 2,377,501	\$ 125,209	\$ 56,513,261
Acquisition of tangible capital assets	-	-	-	99,712	-	99,712
Disposal of tangible capital assets	-	-	-	-	-	-
Adjustment on adoption of asset retirement obligation standard	-	-	-	-	-	-
Balance, end of year	\$ 53,965,551	\$ 15,000	\$ 30,000	\$ 2,477,213	\$ 125,209	\$ 56,612,973
Accumulated amortization						
Balance, beginning						
of year	\$ 36,077,687	\$ 15,000	\$ 30,000	\$ 1,905,267	\$ 124,192	\$ 38,152,146
Annual amortization	1,875,655	-	-	94,294	1,017	1,970,966
Accumulated amortization on disposals	-	-	-	-	-	-
Adjustment on adoption of asset retirement obligation standard	-	-	-	-	-	-
Balance, end of year	\$ 37,953,342	\$ 15,000	\$ 30,000	\$ 1,999,561	\$ 125,209	\$ 40,123,112
Net book value of tangible capital assets	\$ 16,012,209	\$ -	\$ -	\$ 477,652	\$ -	\$ 16,489,861

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule A - Consolidated Schedule of Tangible Capital Assets (continued)

Year ended March 31, 2023

	Subtotal	Automotive equipment	Computer hardware	2023	2022
Cost					
Balance, beginning of year	\$ 56,513,261	\$ 5,570,465	\$ 638,095	\$ 62,721,821	\$ 61,113,911
Acquisition of tangible capital assets	99,712	338,978	10,187	448,877	1,209,090
Disposal of tangible capital assets	-	(50,382)	-	(50,382)	-
Adjustment on adoption of asset retirement obligation standard	-	-	-	-	398,820
Balance, end of year	\$ 56,612,973	\$ 5,859,061	\$ 648,282	\$ 63,120,316	\$ 62,721,821
Accumulated amortization					
Balance, beginning of year	\$ 38,152,146	\$ 3,996,048	\$ 422,015	\$ 42,570,209	\$ 39,595,204
Annual amortization	1,970,966	463,573	114,898	2,549,437	2,624,596
Accumulated amortization on disposals	-	(50,382)	-	(50,382)	-
Adjustment on adoption of asset retirement obligation standard	-	-	-	-	350,409
Balance, end of year	\$ 40,123,112	\$ 4,409,239	\$ 536,913	\$ 45,069,264	\$ 42,570,209
Net book value of tangible capital assets					
	\$ 16,489,861	\$ 1,449,822	\$ 111,369	\$ 18,051,052	\$ 20,151,612

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule B - Other Revenues

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Administration rentals, fees and internal charges	\$ 1,259,727	\$ 1,149,583
Barriere Lake Band	-	140,261
Bingo	269,076	159,817
C.K.W.E. Radio	49,922	158,210
Canadian Nuclear Safety Commission	158,308	-
City of Ottawa	43,000	57,000
Community Foundations of Canada	30,000	-
Daycare parent contribution	101,923	76,841
Donations	13,558	14,000
Drinking water settlement	500,000	-
Dwayne Dumont Trucking	1,220,721	832,683
Environment Canada	228,634	368,612
Equipment rental	257,529	142,656
FNQLHSSC	173,345	492,704
Fundraising	85,368	495
GST and PST reimbursement	24,317	14,274
Gain on sale of tangible capital assets	15,350	-
Gym fees	3,250	-
Individual contributions	1,103,499	619,408
Insurance claim and insurance revenue	79,667	66,195
Lunch money	12,448	34,389
MFFP participation funds	160,000	140,000
MRC	745	77,585
Ministère de la justice - traffic tickets	12,900	12,086
N.A.C.E.C.	-	40,207
N.C.C.	10,000	6,000
Other revenues	972,035	865,660
Quebec en forme	-	52,000
Rent	515,241	439,426
Resolute	2,364,053	691,441
Restorative justice	128,000	98,000
RexForet	467,702	448,936
RIMNET	44,763	-
SAA	1,195,000	160,000
Sales of maple syrup	141,901	139,618
Sales of timber	469,219	121,236
Sales of sand/crushed stone	401,599	168,965
Sopfeu	86,919	398,792
Western Quebec	46,040	46,404
	<hr/> \$ 12,645,759	<hr/> \$ 8,233,484

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule C - Government Operations

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Indigenous Services Canada	\$ 5,888,165	\$ 3,501,068
Other revenues	2,773,568	1,605,050
Canada Mortgage and Housing Corporation	15,771	10,000
	<hr/> 8,677,504	<hr/> 5,116,118
Expenses:		
Salaries	2,142,102	2,305,615
MERCs and benefits	392,550	396,374
Administration / office expenses	226,301	266,315
Advertising and community information	11,282	34,153
Bank charges, fees and contingency fund	44,360	7,685
Building, equipment and facilities maintenance	21,967	17,945
Donations and sponsorship	15,220	12,993
Equipment furniture and expense	48,081	32,535
Insurance	236,688	12,460
Materials and supplies	123,069	158,254
Membership / subscription fees	53,554	45,499
Professional fees, services and honoraria	4,194,311	1,689,066
Program and other expenses	196,280	203,194
Rental fees and expenses	52,140	59,861
Training, conferences and meetings	6,969	14,356
Travel and fuel expenses	147,679	82,384
Utilities	15,777	17,672
Vehicle maintenance and repairs	10,394	6,599
Allowances	922,606	385,030
Communications	13,194	20,985
Community services	1,200	1,949
Permits and licenses	16,011	8,225
Legal fees	-	57,569
	<hr/> 8,891,735	<hr/> 5,836,718
	<hr/> \$ (214,231)	<hr/> \$ (720,600)

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule D - Economic Development

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Indigenous Services Canada	\$ 309,748	\$ 535,086
Other revenues	258,364	142,745
Interest on short-term deposits and loans	19,718	31,281
	587,830	709,112
Expenses:		
Salaries	282,533	198,852
MERCs and benefits	26,662	20,958
Administration / office expenses	136	177
Advertising and community information	893	324
Building, equipment and facilities maintenance	4,342	3,944
Donations and sponsorship	-	222
Equipment furniture and expense	4,830	2,574
Insurance	220	237
Materials and supplies	1,164	675
Membership / subscription fees	450	105
Professional fees, services and honoraria	2,123	4,058
Program and other expenses	397,219	503,285
Rental fees and expenses	14,540	19,710
Training, conferences and meetings	45	-
Travel and fuel expenses	5,654	2,720
Utilities	291	305
Vehicle maintenance and repairs	42	-
	741,144	758,146
	\$ (153,314)	\$ (49,034)

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule E - Employment Programs

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Other revenues	\$ 2,327	\$ 15,767
First Nation Education Council	-	406,135
Assembly of First Nations Québec-Labrador	710,062	1,008,578
	712,389	1,430,480
Expenses:		
Salaries	239,546	459,833
MERCs and benefits	20,593	55,060
Administration / office expenses	38,175	31,712
Advertising and community information	8,966	12,420
Building, equipment and facilities maintenance	-	821
Equipment furniture and expense	2,687	3,626
Materials and supplies	57,983	110,077
Membership / subscription fees	3,573	218
Professional fees, services and honoraria	72,184	38,039
Program and other expenses	7,122	4,800
Rental fees and expenses	2,501	11,105
Training, conferences and meetings	168,801	55,358
Travel and fuel expenses	477	7,657
Utilities	-	30
Allowances	145,252	169,111
Communications	360	180
Transportation (commercial)	-	45,600
	768,220	1,005,647
	\$ (55,831)	\$ 424,833

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule F - Community Services

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Indigenous Services Canada	\$ -	\$ 892,125
Other revenues	535,284	15,250
	535,284	907,375
Expenses:		
Salaries	55,862	26,521
MERCs and benefits	3,030	2,258
Administration / office expenses	8,913	55
Advertising and community information	729	-
Building, equipment and facilities maintenance	6,144	4,881
Donations and sponsorship	36,315	17,297
Equipment furniture and expense	310	-
Insurance	4,144	3,407
Materials and supplies	454	1,800
Membership / subscription fees	15,192	15,164
Professional fees, services and honoraria	183,182	780,525
Program and other expenses	2,918	1,074
Rental fees and expenses	955	-
Training, conferences and meetings	400	66
Travel and fuel expenses	1,400	-
Utilities	4,147	19,460
	324,095	872,508
	\$ 211,189	\$ 34,867

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule G - Education

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Indigenous Services Canada	\$ 7,704,288	\$ 6,158,463
Other revenues	497,403	676,962
First Nation Education Council	794,177	860,878
Ministère de la Famille	490,116	317,339
	9,485,984	8,013,642
Expenses:		
Salaries	4,618,017	3,227,171
MERCs and benefits	609,871	500,753
Administration / office expenses	278,921	215,531
Advertising and community information	20,931	25,524
Bank charges, fees and contingency fund	39,455	264,815
Building, equipment and facilities maintenance	168,558	45,802
Donations and sponsorship	6,635	10,244
Equipment furniture and expense	70,173	88,962
Insurance	75,313	59,520
Materials and supplies	627,887	401,720
Membership / subscription fees	9,195	24,155
Professional fees, services and honoraria	611,376	246,998
Program and other expenses	300,871	160,906
Rental fees and expenses	7,785	1,735
Training, conferences and meetings	688,670	694,901
Travel and fuel expenses	123,394	48,578
Utilities	141,382	139,686
Vehicle maintenance and repairs	14,194	18,557
Allowances	997,516	1,026,856
Communications	15,712	16,808
Community services	504	1,008
Permits and licenses	3,494	4,869
Transportation (commercial)	297,047	288,848
	9,726,901	7,513,947
	\$ (240,917)	\$ 499,695

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule H - Health

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Indigenous Services Canada	\$ 3,543,779	\$ 3,892,436
Other revenues	78,959	21,713
	<hr/> 3,622,738	<hr/> 3,914,149
Expenses:		
Salaries	1,511,828	1,502,097
MERCs and benefits	159,059	164,682
Administration / office expenses	101,298	95,710
Advertising and community information	38,949	28,549
Bank charges, fees and contingency fund	(428)	(147)
Building, equipment and facilities maintenance	71,410	24,787
Donations and sponsorship	14,576	11,644
Equipment furniture and expense	45,364	30,977
Insurance	23,678	20,984
Materials and supplies	461,753	118,436
Membership / subscription fees	10,895	15,237
Professional fees, services and honoraria	627,403	305,911
Program and other expenses	315,923	219,442
Rental fees and expenses	21,182	36,609
Training, conferences and meetings	39,038	17,610
Travel and fuel expenses	259,929	192,116
Utilities	38,445	33,043
Vehicle maintenance and repairs	47,224	41,253
Allowances	1,200	-
Communications	16,955	14,585
Community services	88	87
Permits and licenses	12,732	18,512
Transportation (commercial)	40,466	26,044
	<hr/> 3,858,967	<hr/> 2,918,168
	<hr/> \$ (236,229)	<hr/> \$ 995,981

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule I - Public Works

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Indigenous Services Canada	\$ 1,061,979	\$ 1,596,138
Other revenues	745	77,585
	1,062,724	1,673,723
Expenses:		
Salaries	244,052	266,976
MERCs and benefits	19,483	19,362
Administration / office expenses	2,668	3,311
Advertising and community information	699	458
Building, equipment and facilities maintenance	58,197	17,254
Equipment furniture and expense	5,642	5,651
Insurance	3,003	2,588
Materials and supplies	49,162	61,332
Membership / subscription fees	121	-
Professional fees, services and honoraria	392,806	299,068
Program and other expenses	570	719
Rental fees and expenses	1,379	1,023
Training, conferences and meetings	-	3,316
Travel and fuel expenses	14,045	9,630
Utilities	49,658	44,450
Vehicle maintenance and repairs	21,688	4,814
Communications	9,168	7,806
Community services	154,179	146,249
Permits and licenses	2,276	1,090
	1,028,796	895,097
	 \$ 33,928	 \$ 778,626

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule J - Social Services

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Indigenous Services Canada	\$ 6,118,373	\$ 6,328,838
Other revenues	350	290,941
	6,118,723	6,619,779
Expenses:		
Salaries	1,767,620	1,392,930
MERCs and benefits	209,820	192,736
Administration / office expenses	86,362	85,517
Advertising and community information	5,351	6,210
Bank charges, fees and contingency fund	(11,111)	8,260
Building, equipment and facilities maintenance	56,216	40,947
Donations and sponsorship	-	271
Equipment furniture and expense	11,298	8,350
Insurance	12,506	8,805
Materials and supplies	60,142	79,996
Membership / subscription fees	312	4,525
Professional fees, services and honoraria	768,488	808,401
Program and other expenses	286,110	125,322
Rental fees and expenses	109,670	110,478
Training, conferences and meetings	9,886	7,828
Travel and fuel expenses	24,474	16,132
Utilities	31,047	30,028
Vehicle maintenance and repairs	422	1,240
Allowances	3,202,586	2,513,342
Communications	16,613	15,483
Community services	2,500	6,155
Permits and licenses	509	872
Transportation (commercial)	9,750	840
	6,660,571	5,464,668
	\$ (541,848)	\$ 1,155,111

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule K - Sundry

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Indigenous Services Canada	\$ 1,153,508	\$ 121,528
Other revenues	8,022,541	5,063,767
Interest on short-term deposits and loans	1,370,908	88,289
Canada Mortgage and Housing Corporation	62,410	57,599
First Nation Education Council	23,862	10,254
Annual distribution from Trust Fund	<u>2,561,471</u>	<u>4,018,555</u>
	13,194,700	9,359,992
Expenses:		
Salaries	1,050,219	975,081
MERCs and benefits	95,892	96,859
Administration / office expenses	63,389	39,546
Advertising and community information	4,598	15,415
Bank charges, fees and contingency fund	(6,960)	18,637
Building, equipment and facilities maintenance	37,083	88,542
Donations and sponsorship	16,204	4,828
Equipment furniture and expense	12,744	11,443
Insurance	59,945	61,870
Materials and supplies	151,477	124,472
Membership / subscription fees	6,323	3,415
Professional fees, services and honoraria	3,615,792	2,448,049
Program and other expenses	364,937	220,375
Rental fees and expenses	75,042	6,778
Training, conferences and meetings	2,066	7,241
Travel and fuel expenses	110,132	92,353
Utilities	55,737	37,438
Vehicle maintenance and repairs	110,031	145,919
Allowances	244,023	628,200
Communications	19,923	19,837
Community services	110,503	90,272
Permits and licenses	15,711	20,999
Legal fees	565,956	423,576
Contributions to the Trust (note 18)	<u>5,946,993</u>	-
	12,727,760	5,581,145
	<hr/>	<hr/>
	\$ 466,940	\$ 3,778,847

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule L - Policing

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Other revenues	\$ 538,313	\$ 159,226
Solicitor General of Canada	817,684	747,231
Ministère des Finances du Québec	754,786	689,750
	2,110,783	1,596,207
Expenses:		
Salaries	1,064,208	916,979
MERCs and benefits	195,636	154,278
Administration / office expenses	59,287	104,906
Advertising and community information	162	1,936
Bank charges, fees and contingency fund	2,217	5,170
Building, equipment and facilities maintenance	3,106	3,702
Donations and sponsorship	5,097	3,822
Equipment furniture and expense	53,939	19,762
Insurance	8,009	6,853
Materials and supplies	66,184	122,739
Membership / subscription fees	17,183	17,426
Professional fees, services and honoraria	398,638	46,714
Program and other expenses	14,028	1,538
Rental fees and expenses	362	-
Training, conferences and meetings	13,415	12,080
Travel and fuel expenses	69,725	61,505
Utilities	6,561	6,383
Vehicle maintenance and repairs	24,128	30,505
Communications	11,425	11,293
Community services	-	22
Permits and licenses	5,121	6,785
	2,018,431	1,534,398
	\$ 92,352	\$ 61,809

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule M - Funding Reconciliation (Unaudited)

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
ISC Revenue per Financial Statements	\$ 25,779,839	\$ 23,025,682
Add (less):		
Specific Claims Settlement	(2,041,797)	-
Adjustment of prior year - refundable contributions		
Review of financial report	-	(95,578)
Deferred revenue prior year	(10,800,508)	(3,501,470)
Deferred revenue current year	35,740,938	10,800,508
	22,898,633	7,203,460
 ISC Revenue per funding confirmation received	 \$ 48,678,472	 \$ 30,229,142

KITIGAN ZIBI ANISHINABEG FIRST NATION

Schedule N - Appropriated Surplus (Unaudited)

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Registration and membership	\$ 9,358	\$ 43,957
Band support funding	-	88,001
Economic development	749,788	289,123
Community Infrastructure	3,290,779	529,452
Indian government support - COVID-19	-	1,225,656
Land Management R.L.A.P.	77,497	80,084
Survey project	-	5,130
Pre-employment support	646,730	373,767
Waste management plan	75,545	7,935
Plans for new band office	-	67,610
Professional and institutional development	172,167	116,670
Education	7,706,991	10,145,776
Daycare 60+ months	678,989	-
Child care aid (Wazoson)	-	669,206
Assisted Living	56,954	578,036
Social assistance	1,431,355	1,101,796
Enhance prevention	4,034,449	3,576,558
Waseya house - Special project	333,462	1,264,279
Health transfer surplus spending	1,634,187	-
Health flexible funding	1,112,952	1,023,342
	<hr/> \$ 22,011,203	<hr/> \$ 21,186,378