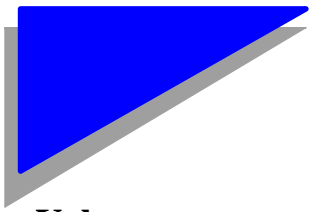


Vohora LLP
CPAs & Business Advisors

KITSELAS FIRST NATION
FINANCIAL STATEMENTS
MARCH 31, 2024



Vohora LLP
CPAs & Business Advisors

KITSELAS FIRST NATION
INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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KITSELAS FIRST NATION
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
YEAR ENDED MARCH 31, 2024

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


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

The Kitselas First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is reliable and accurate and that assets are adequately safeguarded.

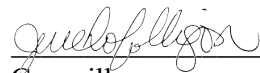
The Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

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

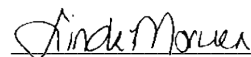
The financial statements have been audited by Vohora LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. Vohora LLP has full access to the Chief and Council.



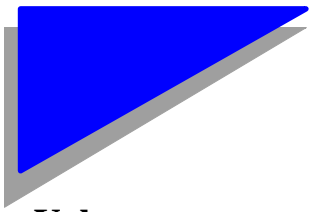
Chief Councillor



Councillor



Chief Administrative Officer



Vohora LLP
CPAs & Business Advisors

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INDEPENDENT AUDITOR'S REPORT

To the Members of Kitselas First Nation

Report on the Financial Statements

Opinion

We have audited the financial statements of Kitselas First Nation (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2024, and the statements of financial activities, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 report. We are independent of the First Nation in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

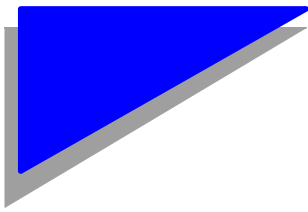
INDEPENDENT AUDITOR'S REPORT *(continued)*

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 these 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 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.



Vohora LLP
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INDEPENDENT AUDITOR'S REPORT *(continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Terrace, BC
October 15, 2024

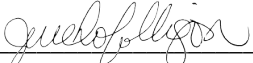
Vohora LLP
Chartered Professional Accountants

KITSELAS FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2024

	2024	2023
	\$	\$
FINANCIAL ASSETS		
Cash (note 3)	26,663,257	34,759,848
Marketable securities (notes 2 and 4)	8,187,430	7,123,324
Accounts receivable (note 5)	3,203,658	4,930,054
Ottawa Trust funds	2,832	4,400
	<u>38,057,177</u>	<u>46,817,626</u>
LIABILITIES		
Accounts payable and accruals (note 7)	5,674,463	5,758,224
Replacement reserve (note 3)	899,622	1,004,451
Deferred revenue (note 8)	376,494	-
Long-term debt (note 9)	7,155,283	5,947,586
	<u>14,105,862</u>	<u>12,710,261</u>
NET FINANCIAL ASSETS	<u>23,951,315</u>	<u>34,107,365</u>
NON-FINANCIAL ASSETS		
Prepaid expenditures	106,832	66,888
Investment in government business enterprises (note 6)	7,796,049	6,613,739
Loans to government business enterprise	-	884,375
Tangible capital assets (notes 2 and 10)	44,826,797	23,267,342
Licences (note 2)	180,000	180,000
	<u>52,909,678</u>	<u>31,012,344</u>
	<u>76,860,993</u>	<u>65,119,709</u>
NATION POSITION		
Surplus (note 11)		
Unrestricted	42,908,516	39,814,031
Internally restricted	2,000,808	2,000,808
Equity in tangible capital assets (note 12)	24,152,788	15,802,356
Equity in investment in government business enterprises (note 6)	7,796,049	6,613,739
Equity in loan to government business enterprise	-	884,375
Equity in Ottawa Trust funds	2,832	4,400
	<u>76,860,993</u>	<u>65,119,709</u>
CONTINGENT LIABILITIES (note 13)	<u>76,860,993</u>	<u>65,119,709</u>

APPROVED BY THE COUNCIL

 Chief Councillor

 Councillor

 Chief Administrative Officer

KITSELAS FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

March 31, 2024

	Unaudited Budget 2024 \$	2024 \$	2023 \$
REVENUE			
ISC	5,014,001	5,014,001	5,189,463
BC FN Gaming Revenue Sharing LP	579,503	540,512	579,503
CMHC	220,977	372,964	3,220,977
Department of Fisheries and Oceans	671,377	1,078,982	671,377
First Nations Health Authority	1,791,920	1,791,920	1,551,817
First Nations Education Steering Committee	321,615	317,796	321,615
Income from government business enterprises	-	1,182,310	965,810
Proponent funding	899,088	620,700	899,088
Province of British Columbia	1,095,814	8,175,110	1,095,814
Government of Canada	87,140	-	87,140
Rental	477,792	565,810	477,792
Marketable securities (loss)	-	1,064,106	(248,435)
The TFN Treaty Society	790,000	760,000	790,000
Other	2,646,572	3,503,894	2,646,572
	<u>14,595,799</u>	<u>24,988,105</u>	<u>18,248,533</u>
EXPENDITURE			
Administration	1,434,850	1,664,101	1,184,850
Capital projects	3,316,119	696,904	1,320,469
Community health	1,642,770	1,626,005	1,642,770
Economic development	120,584	208,555	120,584
Education	1,984,501	2,206,904	1,984,501
Housing rentals	777,857	943,610	777,857
Land and resource management	2,293,424	2,503,860	2,241,856
Municipal services	783,484	773,641	783,484
Social development	740,111	641,422	740,111
Treaty process	1,683,362	1,981,819	1,683,362
	<u>14,777,062</u>	<u>13,246,821</u>	<u>12,479,844</u>
REVENUE OVER EXPENDITURE	(181,263)	11,741,284	5,768,689
OPENING POSITION	<u>65,119,709</u>	<u>65,119,709</u>	<u>59,351,020</u>
CLOSING POSITION	<u>64,938,446</u>	<u>76,860,993</u>	<u>65,119,709</u>

KITSELAS FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS

March 31, 2024

	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Revenue over expenditure	11,741,284	5,768,689
Amortization	762,486	767,251
Gain (loss) on marketable securities	(1,064,106)	248,728
Income from government business enterprises	(1,182,310)	(945,791)
Accounts receivable	1,726,396	(2,195,354)
Ottawa Trust funds	1,568	(43)
Prepaid expenditures	(39,944)	(15,157)
Accounts payable and accruals	(83,761)	3,187,643
Deferred revenue	376,494	-
	<u>12,238,107</u>	<u>6,815,966</u>
FINANCING ACTIVITIES		
Long-term debt	1,207,697	1,294,418
Replacement reserve	(104,829)	465,949
	<u>1,102,868</u>	<u>1,760,367</u>
INVESTING ACTIVITIES		
Loans to government business enterprise	884,375	(20,019)
Tangible capital asset additions	(22,321,941)	(8,540,380)
	<u>(21,437,566)</u>	<u>(8,560,399)</u>
CHANGE IN CASH	(8,096,591)	15,934
OPENING CASH BALANCE	<u>34,759,848</u>	<u>34,743,914</u>
CLOSING CASH BALANCE	<u>26,663,257</u>	<u>34,759,848</u>

KITSELAS FIRST NATION

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

March 31, 2024

	2024	2023
	\$	\$
Revenue over expenditure	11,741,284	5,768,689
Amortization	762,486	767,251
Prepaid expenditures	(39,944)	(15,157)
Income from government business enterprises	(1,182,310)	(945,791)
Loans to government business enterprise	884,375	(20,019)
Tangible capital asset additions	<u>(22,321,941)</u>	<u>(8,540,380)</u>
Change in net financial assets	(10,156,050)	(2,985,407)
Opening net financial assets	<u>34,107,365</u>	<u>37,092,772</u>
Closing net financial assets	<u>23,951,315</u>	<u>34,107,365</u>

KITSELAS FIRST NATION

NOTES

MARCH 31, 2024

1. NATURE OF ENTITY

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) Fund accounting

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

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

b) Reporting entity

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

i) Investment in government business enterprises

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

KITSELAS FIRST NATION

NOTES

MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

ii) Trust funds

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

c) Marketable securities

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

d) Recognition of revenue and expenditures

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

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

KITSELAS FIRST NATION

NOTES

MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

e) Tangible capital assets

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

Buildings	4%
Engineered structures	4%
Equipment	20%

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

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

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

f) Licences

Licences are reported at cost.

g) Use of estimates

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

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

KITSELAS FIRST NATION

NOTES

MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Budget data

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

i) Financial instruments

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

3. CASH

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

Under the terms of agreement with Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited with \$74,375 annually. Use of these funds is restricted under the agreement and must be used for certain capital replacements or betterments in relation to the housing units. These funds, with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as approved by CMHC. At year-end, \$512,655 of the required \$899,622 is in a separate bank account.

Changes in the replacement reserve balances are as follows:

Opening balance	\$ 1,004,451
Current provision	74,375
Expenditure	<u>(179,204)</u>
Closing balance	<u>\$ 899,622</u>

KITSELAS FIRST NATION

NOTES

MARCH 31, 2024

4. MARKETABLE SECURITIES

	2024	2023
	\$	\$
Fixed income	2,908,547	2,764,849
Common shares	<u>5,278,883</u>	<u>4,358,475</u>
	<u>8,187,430</u>	<u>7,123,324</u>

5. ACCOUNTS RECEIVABLE

	2024	2023
	\$	\$
ISC	-	302,542
Other Federal	143,069	213,768
Housing rentals	1,513,961	1,494,212
Trade and other	3,213,063	4,940,719
Allowance for doubtful accounts	<u>(1,666,435)</u>	<u>(2,021,187)</u>
	<u>3,203,658</u>	<u>4,930,054</u>

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

Financial information for the Nation's Limited Partnerships at December 31, 2023 is as follows:

	Kitselas Development LP	Kitselas Forestry LP	Wai Wah Environ- mental LP	Kitselas Five Tier System LP	Kitselas Community Land LP	Total
	\$	\$	\$	\$	\$	\$
Assets	5,749,897	3,972,359	683,160	2,356,450	4,771,808	17,533,674
Liabilities	2,330,878	855,208	206,937	2,251,686	4,092,916	9,737,625
Revenue	2,677,622	1,147,161	1,509,865	4,200,741	217,693	9,753,082
Net income	1,618,138	(574,186)	57,840	102,894	(22,376)	1,182,310

KITSELAS FIRST NATION

NOTES

MARCH 31, 2024

7. ACCOUNTS PAYABLE AND ACCRUALS

	2024	2023
	\$	\$
ISC	14,077	-
Governmental payables	27,449	69,631
Wages and benefits	221,670	134,426
Trade and other	<u>5,411,267</u>	<u>5,554,167</u>
	<u>5,674,463</u>	<u>5,758,224</u>

8. DEFERRED REVENUE

	2024	2023
	\$	\$
New Relationships Trust	128,665	-
Province of BC	<u>247,829</u>	<u>-</u>
	<u>376,494</u>	<u>-</u>

9. LONG-TERM DEBT

The mortgages are secured by buildings.

Royal Bank of Canada, mortgage, \$1,055/month including interest at 3.62% per annum \$ 52,217

British Columbia Housing Management Commission, interest free loan authorized up to \$3,208,239, no fixed terms of repayment 2,439,705

KITSELAS FIRST NATION

NOTES

MARCH 31, 2024

9. LONG-TERM DEBT (continued)

All Nations Trust Company, mortgages

\$2,774/month including interest at 1.73% per annum	27,508
\$2,889/month including interest at 0.98% per annum	68,629
\$3,353/month including interest at 3.70% per annum	265,990
\$5,132/month including interest at 3.04% per annum	449,231
\$11,055/month including interest at 3.74% per annum	933,378
\$3,409/month including interest at 0.69% per annum	439,569
\$6,294/month including interest at 1.57% per annum	867,331
\$8,408/month including interest at 3.74% per annum	<u>1,611,725</u>
	<u>\$ 7,155,283</u>

Principal repayment during the next five years is as follows:

2025	\$ 397,885
2026	375,532
2027	351,038
2028	367,723
2029	<u>359,831</u>
	<u>\$ 1,853,219</u>

The British Columbia Housing Management Commission loan will be transferred to Kitselas Housing Society, together with the 40 unit housing asset, once the project has been completed. See note 10.

KITSELAS FIRST NATION

NOTES

MARCH 31, 2024

10. TANGIBLE CAPITAL ASSETS

	COST			ACCUMULATED AMORTIZATION				NET BOOK VALUE		
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Disposals	Annual Amortization	Closing Balance	Total 2024	Total 2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings	23,881,259	22,049,876	-	45,931,135	5,461,451	-	457,244	5,918,695	40,012,440	18,419,808
Engineered structures	7,041,893	-	-	7,041,893	2,847,874	-	161,980	3,009,854	4,032,039	4,194,019
Equipment	2,253,859	272,065	-	2,525,924	1,600,344	-	143,262	1,743,606	782,318	653,515
	<u>33,177,011</u>	<u>22,321,941</u>	<u>-</u>	<u>55,498,952</u>	<u>9,909,669</u>	<u>-</u>	<u>762,486</u>	<u>10,672,155</u>	<u>44,826,797</u>	<u>23,267,342</u>

Buildings include work in progress of \$30,658,283. \$20,511,860 of the work in progress is the construction of a 40 unit housing project in Gitau. Once the project has been completed, the asset, and the associated long-term debt, will be transferred to Kitselas Housing Society. See note 9.

KITSELAS FIRST NATION

NOTES

MARCH 31, 2024

11. SURPLUS (DEFICIT)

	2024	2023
Unrestricted		
Administration	\$ 26,055,305	\$ 30,060,994
Capital projects	(848,919)	(668,256)
Community health	2,257,144	1,810,264
Economic development	3,447,846	2,214,603
Education	2,112,475	1,921,806
Housing rentals	(1,167,318)	(1,230,564)
Lands and resource management	6,503,138	6,034,401
Municipal services	(1,044,742)	(1,763,284)
Social development	699,217	667,227
Treaty process	4,894,370	766,840
	<u>\$42,908,516</u>	<u>\$ 39,814,031</u>
Internally restricted		
Community enhancement	\$ 222	\$ 222
Economic development	508,942	508,942
General	667,328	667,328
Lands	440,504	440,504
Workforce development	383,212	383,812
	<u>\$ 2,000,808</u>	<u>\$ 2,000,808</u>

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024	2023
Opening balance	\$ 15,802,356	\$ 9,938,962
Contributions from operations	8,678,570	6,229,412
Long-term debt repayment	434,347	401,233
Amortization	<u>(762,486)</u>	<u>(767,251)</u>
Closing balance	<u>\$ 24,152,788</u>	<u>\$ 15,802,356</u>

KITSELAS FIRST NATION

NOTES

MARCH 31, 2024

13. CONTINGENT LIABILITIES

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

14. CONCENTRATION OF FINANCIAL RISKS

a) Credit risk

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

b) Liquidity risk

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

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

c) Interest rate risk

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

d) Market risk

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

KITSELAS FIRST NATION

NOTES

MARCH 31, 2024

15. SEGMENT DISCLOSURE

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

a) Administration

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

b) Capital projects

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

c) Community health

The community health department manages all health and wellness programs.

d) Economic development

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

e) Education

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

f) Housing rentals

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

KITSELAS FIRST NATION

NOTES

MARCH 31, 2024

15. SEGMENT DISCLOSURE (continued)

g) Land and resource management

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

h) Municipal services

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

i) Social development

The social development department manages all social programs.

j) Treaty process

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

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

KITSELAS FIRST NATION

NOTES

MARCH 31, 2024

15. SEGMENT DISCLOSURE (continued)

	Budget Total 2024 \$	Administration \$	Capital Projects \$	Community Health \$	Economic Development \$	Education \$	Housing Rentals \$	Land and Resource Management \$	Municipal Services \$	Social Development \$	Treaty Process \$	Actual Total 2024 \$	Actual Total 2023 \$
Revenue													
ISC	5,014,001	566,786	190,667	324,732	46,121	2,052,960	44,687	442,092	285,930	724,057	335,969	5,014,001	5,189,463
BC FN Gaming Revenue Sharing LP	579,503	-	-	-	540,512	-	-	-	-	-	-	540,512	579,503
CMHC	220,977	-	-	-	-	-	372,964	-	-	-	-	372,964	3,220,977
Department of Fisheries and Oceans	671,377	-	-	-	-	-	-	1,078,982	-	-	-	1,078,982	671,377
First Nations Health Authority	1,791,920	-	-	1,692,370	-	-	-	99,550	-	-	-	1,791,920	1,551,817
First Nations Education Steering Committee	321,615	-	-	-	-	317,796	-	-	-	-	-	317,796	321,615
Income from government business enterprises	-	-	-	-	1,182,310	-	-	-	-	-	-	1,182,310	965,810
Proponent funding	899,088	364,391	-	15,000	-	-	-	241,309	-	-	-	620,700	899,088
Province of British Columbia	1,095,814	667,087	1,870,931	-	-	-	-	607,092	-	30,000	5,000,000	8,175,110	1,095,814
Government of Canada	87,140	-	-	-	-	-	-	-	-	-	-	-	87,140
Rental	477,792	21,250	-	-	-	-	544,075	-	485	-	-	565,810	477,792
Marketable Securities (loss)	-	1,064,106	-	-	-	-	-	-	-	-	-	1,064,106	(248,435)
The TFN Treaty Society	790,000	-	-	-	-	-	-	-	-	-	760,000	760,000	790,000
Other	2,646,572	954,343	490,483	219,002	700	29,472	39,573	935,304	820,164	1,473	13,380	3,503,894	2,646,572
	<u>14,595,799</u>	<u>3,637,963</u>	<u>2,552,081</u>	<u>2,251,104</u>	<u>1,769,643</u>	<u>2,400,228</u>	<u>1,001,299</u>	<u>3,404,329</u>	<u>1,106,579</u>	<u>755,530</u>	<u>6,109,349</u>	<u>24,988,105</u>	<u>18,248,533</u>
Expenses													
Administration recovery	-	(754,187)	-	-	-	-	-	-	-	-	-	(754,187)	(772,441)
Amortization	767,251	79,881	181,275	-	-	-	370,258	9,005	122,067	-	-	762,486	767,251
Bad debts	-	(5,755)	-	-	-	-	17,449	-	-	-	-	11,694	170,873
Benefits and programs	1,876,022	231,449	-	6,282	-	1,349,278	-	-	-	467,279	-	2,054,288	1,876,022
Contract services	5,359,728	349,421	170,873	119,711	13,837	70,671	181	1,290,864	101,806	684	1,112,063	3,230,111	3,664,078
Honoraria	55,905	55,325	-	1,200	-	3,800	-	300	-	-	2,350	62,975	55,905
Insurance	235,017	38,143	-	3,827	5,196	5,649	200,211	5,543	36,550	-	-	295,119	235,017
Materials, supplies and other	2,059,275	428,876	316,586	393,913	101,381	417,990	214,100	307,256	61,136	32,283	201,148	2,474,669	2,059,275
Professional services	431,718	62,193	-	328	-	-	6,381	55,604	-	-	68,827	193,333	431,718
Rental	72,748	12,236	-	34,631	-	1,911	-	109	-	-	28,699	77,586	72,748
Telephone and utilities	236,293	55,181	22,189	109,184	9,245	9,969	816	31,074	23,978	937	14,201	276,774	236,293
Travel and workshops	489,087	197,763	5,981	70,070	1,294	60,304	29,041	39,149	7,795	30,261	153,547	595,205	489,087
Wages and benefits	3,194,018	913,575	-	886,859	77,602	287,332	105,173	764,956	420,309	109,978	400,984	3,966,768	3,194,018
	<u>14,777,062</u>	<u>1,664,101</u>	<u>696,904</u>	<u>1,626,005</u>	<u>208,555</u>	<u>2,206,904</u>	<u>943,610</u>	<u>2,503,860</u>	<u>773,641</u>	<u>641,422</u>	<u>1,981,819</u>	<u>13,246,821</u>	<u>12,479,844</u>
Revenue over expenditure	(181,263)	1,973,862	1,855,177	625,099	1,561,088	193,324	57,689	900,469	332,938	114,108	4,127,530	11,741,284	5,768,689
Transfers	-	(6,061,004)	6,182,952	(71,991)	(558)	7,909	11,999	(304,250)	317,062	(82,119)	-	-	-
Annual surplus (deficit)	<u>(181,263)</u>	<u>(4,087,142)</u>	<u>8,038,129</u>	<u>553,108</u>	<u>1,560,530</u>	<u>201,233</u>	<u>69,688</u>	<u>596,219</u>	<u>650,000</u>	<u>31,989</u>	<u>4,127,530</u>	<u>11,741,284</u>	<u>5,768,689</u>