

Kanaka Bar Indian Band  
Consolidated Financial Statements  
For the year ended March 31, 2025

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For the year ended March 31, 2025

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Tel: 250 763 6700  
Fax: 250 763 4457  
Toll-free: 1 800 928 3307  
www.bdo.ca

BDO Canada LLP  
1631 Dickson Avenue, Suite 400  
Kelowna, BC, V1Y 0B5

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## Management's Responsibility for Financial Reporting

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

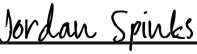
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist,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

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

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

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

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

Signed by:  
  
\_\_\_\_\_  
Chief @A0570ECC0044D6...

Signed by:  
  
\_\_\_\_\_  
Councillor E999BB55F76E448...



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## Independent Auditor's Report

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To the Chief and Council of Kanaka Bar Indian Band

### Qualified Opinion

We have audited the consolidated financial statements of Kanaka Bar Indian Band and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of change in net financial assets, operations, and cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and the consolidated results of its operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

Effective April 1, 2022, the Group was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of April 1, 2022. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended March 31, 2025 and 2024, tangible capital assets and the asset retirement obligation as at March 31, 2025 and 2024, and accumulated surplus as at April 1 and March 31 for both the 2025 and 2024 years.

The financial statements for certain Government Business Enterprises or Government Business Partnerships owned or controlled by the Band have not been prepared under a standard financial reporting framework. Canadian public sector accounting standards require that a Government Business Enterprise prepare its financial statements in accordance with international financial reporting standards (IFRS). We have not been engaged to audit the differences that may arise under IFRS. Therefore, we are unable to determine the impact of this departure from Canadian public sector accounting standards on investments in Government Business Enterprises as at March 31, 2025 and 2024, Government Business Enterprises income and annual surplus (deficit) for the years ended March 31, 2025 and 2024, and the accumulated surplus as at April 1 and March 31 for both the 2025 and 2024 years.



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

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

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

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

Those charged with governance are responsible for overseeing the Consolidated Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

*BDO Canada LLP*

Chartered Professional Accountants

Kelowna, British Columbia  
November 17, 2025

Kanaka Bar Indian Band  
Consolidated Statement of Financial Position

March 31	2025	2024
<b>Financial Assets</b>		
Cash (Note 2)	\$ 9,851,645	\$ 10,447,961
Portfolio investments (Note 2)	222,762	416,764
Accounts receivable	2,665,033	565,898
Restricted cash (Note 3)	51,694	21,351
Long-term investments (Note 4)	11,330	11,330
Investment in Band controlled entities (Note 5)	4,755,460	3,825,030
Due from related parties (Note 6)	1,484,001	1,469,725
	<u>19,041,925</u>	<u>16,758,059</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,233,238	2,044,182
Deferred revenue (Note 7)	3,326,971	2,066,528
Long-term debt (Note 8)	6,601,875	6,438,158
	<u>11,162,084</u>	<u>10,548,868</u>
<b>Net Financial Assets</b>	<u>7,879,841</u>	<u>6,209,191</u>
<b>Non-Financial Assets</b>		
Prepaid expenses	4,553	28,373
Tangible capital assets (Note 9)	24,608,133	23,567,095
	<u>24,612,686</u>	<u>23,595,468</u>
<b>Accumulated Surplus (Note 10)</b>	<u>\$ 32,492,527</u>	<u>\$ 29,804,659</u>

Contingencies (Note 11)

Approved on behalf of the Kanaka Bar Indian Band:

<p>Signed by:</p> <p><i>Jordan Spinks</i></p> <hr/> <p>0A0570ECC0044D6...</p>	Chief
<p>Signed by:</p> <p><i>Crystal Harper</i></p> <hr/> <p>E959BB55F76E448...</p>	Councillor

Kanaka Bar Indian Band  
Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2025	2024
Surplus for the year	\$ 2,687,868	\$ 3,215,010
Acquisition of tangible capital assets (Note 9)	(2,266,985)	(3,800,318)
Amortization of tangible capital assets (Note 9)	1,225,946	1,084,381
	<u>(1,041,038)</u>	<u>(2,715,937)</u>
Change in prepaid expenses	<u>23,820</u>	<u>(1,676)</u>
Increase in net financial assets	1,670,650	497,397
Net financial assets, beginning of year	<u>6,209,191</u>	<u>5,711,794</u>
Net financial assets, end of year	<u>\$ 7,879,841</u>	<u>\$ 6,209,191</u>

Kanaka Bar Indian Band  
Consolidated Statement of Operations

For the year ended March 31	2025	2024
<b>Revenue</b>		
Indigenous Services Canada	\$ 1,252,435	\$ 1,190,826
Province of British Columbia	533,303	2,288,242
First Nations Health Authority	437,442	438,098
Government of Canada	1,054,916	1,356,327
Funding revenue	1,239,861	1,145,121
BC Housing	2,311	12,889
Share of income from controlled entities	930,430	513,710
Donations	9,900	118,170
BC Hydro	53,908	14,184
Union of BC Municipalities	1,501,721	3,100
Interest income	528,530	536,053
KNS Store Sales	94,707	197,516
Pacific Economic Development Canada	-	471,000
Other revenue	658,989	884
Teck HVC Partnership	138,488	305,816
Rental income	222,860	60,750
Taxation	398,328	24,084
First Nations Drinking Water Settlement	1,597	3,394
	<u>9,059,726</u>	<u>8,680,164</u>
<b>Expenses (Note 14)</b>		
Culture	292,284	224,192
Economic Development	552,132	424,110
Education	244,085	265,763
Governance	1,176,898	1,189,338
Health	524,272	573,094
Social Development	199,888	302,488
Infrastructure	593,003	539,806
Capital	836,522	695,351
Land Resources	1,191,895	497,802
Social Housing	145	4,725
The Crossing Place	760,734	748,485
	<u>6,371,858</u>	<u>5,465,154</u>
Surplus for the year	2,687,868	3,215,010
Accumulated surplus, opening	<u>29,804,659</u>	<u>26,589,649</u>
Accumulated surplus, ending	<u>\$32,492,527</u>	<u>\$ 29,804,659</u>

Kanaka Bar Indian Band  
Consolidated Statement of Cash Flows

For the year ended March 31	2025	2024
Cash flows from operating transactions		
Excess of revenue over expenses	\$ 2,687,868	\$ 3,215,010
Adjustments for items not affecting cash:		
Amortization of tangible capital assets	1,225,946	1,084,381
Equity income from government business enterprises	<u>(930,430)</u>	<u>(513,710)</u>
	2,983,384	3,785,681
Change in non-cash working capital:		
Accounts receivable	(2,099,135)	737,714
Prepaid expenses	23,820	(1,676)
Accounts payable and accruals	(810,944)	(848,126)
Deferred revenue	<u>1,260,443</u>	<u>808,548</u>
Cash flows from operating transactions	<u>(1,625,816)</u>	<u>696,460</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(2,266,985)</u>	<u>(3,800,318)</u>
Investing transactions		
Proceeds from investments	-	200,051
Withdrawal from investments	(194,002)	-
Restricted cash	(30,343)	(5,491)
Interest income	(7,523)	(10,461)
Repayment from (advances to) related parties	<u>381,252</u>	<u>(574,169)</u>
Cash flows from investing transactions	<u>149,384</u>	<u>(390,070)</u>
Financing transactions		
Proceeds from long-term debt	199,824	1,803,261
Repayment of long-term debt	<u>(36,107)</u>	<u>(22,692)</u>
Cash flows from financing transactions	<u>163,717</u>	<u>1,780,569</u>
Net increase (decrease) in cash	(596,316)	2,072,322
Cash, beginning of year	<u>10,447,961</u>	<u>8,375,639</u>
Cash, end of year	<u>\$ 9,851,645</u>	<u>\$ 10,447,961</u>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

March 31, 2025

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## 1. Basis of Presentation and Significant Accounting Policies

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

The significant accounting policies are summarized as follows:

### Reporting Entity Principles of Financial Reporting

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

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

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

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

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

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

### Cash and Cash Equivalents

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

March 31, 2025

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

Use of Estimates

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

Tangible Capital Assets

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

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

Kanaka Bar Indian Band:

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

The Crossing Place Housing Society:

Buildings and infrastructure	35 years
Furniture and equipment	5 years

March 31, 2025

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

Tangible Capital Assets (continued)

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

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

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

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

Revenue Recognition

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

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

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

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

Own source revenues derived from such sources as housing rents, resource based revenues and interest income are reported when received or receivable and collection is reasonably assured.

Ottawa Trust Funds

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

Deferred Revenue

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

March 31, 2025

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

Non-Financial Assets

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

Financial Instruments

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

All other financial assets and financial liabilities are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position as at March 31, 2025.

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

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

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

Kanaka Bar Indian Band  
Notes to Consolidated Financial Statements

March 31, 2025

2. Cash and Portfolio Investments

	2025	2024
BMO Growth GIC, earning interest of 18.00% to maturity, maturing April 2025	\$ -	\$ 200,051
BMO Blue Chip GIC, earning interest of 15.66% to maturity, maturing April 2025	149,028	149,028
BMO Select Balanced Portfolio	73,734	67,685
	\$ 222,762	\$ 416,764

The BMO Select Balanced Portfolio has a book cost of \$64,742 (2024 - 61,164).

Included in the Cash balance of \$9,851,645 (2024 - \$10,447,961) is the 7th Generation fund representing \$5,579,235 (2024 - \$5,088,155) of the overall balance.

3. Restricted Cash

	2025	2024
Ottawa Trust Funds	\$ 26,998	\$ 21,351
Replacement reserve - TCP	24,696	-
	\$ 51,694	\$ 21,351

Ottawa Trust Funds

The Ottawa Trust Accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

4. Long-term Investments

	2025	2024
All Nations Trust Company, at cost: 11,220 Common shares, par value \$1.00	\$ 11,220	\$ 11,220
BC First Nations Gaming Revenue Sharing Limited Partnership	110	110
	\$ 11,330	\$ 11,330

Kanaka Bar Indian Band  
Notes to Consolidated Financial Statements

March 31, 2025

5. Investment in Band Controlled Entities

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

	2025	2024
Kanaka Bar Land and Resources Limited Partnership (99.99%):		
Units, at cost	\$ 100	\$ 100
Accumulated equity in earnings	4,769,700	3,816,285
	\$ 4,769,800	\$ 3,816,385
Kanaka Bar Land and Resources Inc. (100%):		
Units, at cost	\$ 1	\$ 1
Accumulated equity in earnings	(13,674)	195
	\$ (13,673)	\$ 196
Kanaka Bar Employment Services (KBES) LP (99.99%):		
Units, at cost	\$ 67,504	\$ 67,504
Accumulated partner's deficit	(68,171)	(59,055)
	\$ (667)	\$ 8,449
	\$ 4,755,460	\$ 3,825,030

Kanaka Bar Indian Band  
Notes to Consolidated Financial Statements

March 31, 2025

5. Investment in Band Controlled Entities (Continued)

	Kanaka Bar Land and Resources Limited Partnership	Kanaka Bar Land and Resources Inc.	Kanaka Bar Employment Services LP	2025 Total	2024 Total
Cash	\$ 24,629	\$ -	\$ -	\$ 24,629	\$ 16,458
Accounts receivable	1,194	-	-	1,194	2,927
Due from related parties	7,123	-	-	7,123	22,330
Due from shareholder	-	(2,021)	-	(2,021)	1
Capital assets	-	-	10,533	10,533	16,275
Investments in subsidiaries	4,759,065	(4,570)	-	4,754,495	3,801,636
<b>Total Assets</b>	<b>4,792,011</b>	<b>(6,591)</b>	<b>10,533</b>	<b>4,795,953</b>	<b>3,859,627</b>
Accounts payable	7,264	4,607	3,000	14,871	20,852
Due to related parties	15,250	2,474	8,205	25,929	10,436
<b>Total liabilities</b>	<b>22,514</b>	<b>7,081</b>	<b>11,205</b>	<b>40,800</b>	<b>31,288</b>
Share capital	-	1	67,504	67,505	67,605
Equity	4,769,497	(13,673)	(68,176)	4,687,648	3,757,744
<b>Total Equity</b>	<b>4,769,497</b>	<b>(13,672)</b>	<b>(672)</b>	<b>4,755,153</b>	<b>3,825,349</b>
<b>Total liabilities and equity</b>	<b>\$ 4,792,011</b>	<b>\$ (6,591)</b>	<b>\$ 10,533</b>	<b>\$ 4,795,953</b>	<b>\$ 3,856,637</b>
Revenue	\$ 20,547	\$ -	\$ -	\$ 20,547	\$ 66,509
Net Income from subsidiaries	958,802	(4,903)	-	953,899	552,928
Interest income	601	-	-	601	1,188
<b>Total revenue</b>	<b>979,950</b>	<b>(4,903)</b>	<b>-</b>	<b>975,047</b>	<b>620,625</b>
Expenses	26,116	8,966	9,117	44,199	106,863
<b>Net income (loss)</b>	<b>\$ 953,834</b>	<b>\$ (13,869)</b>	<b>\$ (9,117)</b>	<b>\$ 930,848</b>	<b>\$ 513,762</b>

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Kanaka Bar Indian Band  
Notes to Consolidated Financial Statements

March 31, 2025

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6. Due (to) from Related Parties

	2025	2024
Kanaka Bar Employment Services LLP	\$ (112,432)	\$ 159,432
Kanaka Bar Land & Resources LP	(4,651)	(22,330)
Kanaka Land & Holdings LP	75,079	-
Kanaka Land & Holdings Ltd.	896,373	903,134
Kwoiek Creek Resources Inc.	612,799	422,969
Crossing Place Housing Society	200	-
Siwash Watershed Resources Inc.	7,391	4,020
Siwash Watershed Resources LP	9,242	2,500
	<u>\$ 1,484,001</u>	<u>\$ 1,469,725</u>

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

Kanaka Bar Indian Band  
Notes to Consolidated Financial Statements

March 31, 2025

7. Deferred Revenue

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

	2024	Recognized Revenue	Funding Received	2025
ISC contributions:				
First Nation Adapt	\$ 90,789	\$ -	\$ -	\$ 90,789
UN Declaration Rights Indigenous	-	-	-	-
COVID 19 - Band Offices	13,747	(13,747)	-	-
Water System	-	-	-	-
ACRS Road Top-Up	75,145	-	-	75,145
Fund for Infrastructure Planning	25,000	-	-	25,000
Pit House project	63,402	(63,402)	-	-
Aboriginal entrepreneurship program	230,088	-	-	230,088
Q2AF-001 Service Delivery	19,660	(19,660)	-	-
Low Income Family	31,547	-	-	31,547
In Home Care	54,967	(14,821)	14,821	54,967
Q2C3-001 CFS Prevention	40,805	(40,805)	22,828	22,828
QA1E-001 Project Administration	49,381	-	-	49,381
Q3XM-001 Capacity/Innovation	66,500	(90,722)	51,850	27,628
QA1V-001 FNCS On-Res O&M	92,312	(3,616)	111,566	200,262
Q29W Basic needs	64,341	(64,341)	108,561	108,561
Q2A6-001 Special needs	6,589	(6,589)	19,515	19,515
Q2AF-002 Service Delivery	22,913	(22,913)	45,903	45,903
Q2C0 Operations - CFS	6,864	(6,864)	-	-
Q2PK CFS- Emergency	1,247	(1,247)	-	-
Q2PP CFS-Poverty	3,734	(3,734)	-	-
Q29A-001-POST SEC STDNT SUPP PROG	-	-	28,678	28,678
Q3OF-001- Transfer Station	-	-	138,192	138,192
	959,031	(352,461)	541,914	1,148,484

Kanaka Bar Indian Band  
Notes to Consolidated Financial Statements

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7. Deferred Revenue (Continued)

	2024	Recognized Revenue	Funding Received	2025
Other Contributions:				
FPCC- Pathways to Language	32,552	(32,552)	-	-
Province of BC- Kwoiek Creek	58,352	(58,352)	-	-
Province of BC- Eco Diversification	26,077	(26,077)	-	-
FNESC- Capacity Dev	18,986	(18,986)	-	-
FNESC- Student learning	67,996	(67,996)	-	-
UMBCM- Spring 2023 CEPF	850,494	(850,494)	-	-
Alacrity Foundation of BC	53,040	(53,040)	-	-
Province of BC - Forest Landscaping	-	-	50,000	50,000
NRT Nation Building	-	-	77,115	77,115
Westcoast Energy Capacity	-	-	25,000	25,000
Province of BC - Raw Water System	-	-	182,368	182,368
Community Clean up - Red Cross	-	-	46,987	46,987
Community Recovery- Red Cross	-	-	41,587	41,587
Vancouver Foundation (TSIF)	-	-	100,000	100,000
Province of BC - MSRS	-	-	970,183	970,183
Province of BC - Firesmart	-	-	77,159	77,159
CMHC - Preservation Program	-	-	14,964	14,964
UN Declaration Rights	-	-	12,000	12,000
Language and Culture	-	-	3,717	3,717
NRT Culture	-	-	245,252	245,252
Government of Canada- Energy Regulator	-	-	6,299	6,299
HVC 2040 Review	-	-	30,000	30,000
Land and Resource Management	-	-	80,000	80,000
ECCC/IAPC	-	-	50,856	50,856
Sitka Foundation	-	-	100,000	100,000
	1,107,497	(1,107,497)	2,113,487	2,113,487
	\$ 2,066,528	\$(1,459,958)	\$ 2,655,401	\$3,261,971

Kanaka Bar Indian Band  
Notes to Consolidated Financial Statements

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8. Long Term Debt

	2025	2024
Kanaka Bar Indian Band:		
Bank of Montreal term loan, repayable on demand provided until demand is made by BMO, repayable in monthly installments of \$3,781, plus interest of Prime Rate plus 0.75%. Interest is calculated monthly in arrears, and payable monthly, terms maturing November 30, 2029.	\$ 933,983	\$ 970,090
The Crossing Place Housing Society:		
BC Housing construction loan, repayable in monthly payments over 35 years, at and interest rate of 4.57% upon the commencement date of the mortgage.	5,667,892	5,468,068
Total	\$ 6,601,875	\$ 6,438,158

9. Tangible Capital Assets

	2025	2024
Kanaka Bar Indian Band:		
Land	\$ 163,516	\$ 163,516
Buildings	5,488,269	5,468,063
Automotive	396,128	372,863
Computer equipment	19,817	31,070
Equipment	378,204	463,435
Roads	1,264,511	1,242,810
Domestic Water System	3,174,734	1,749,903
Heat Pumps	324,422	336,272
Solar Arrays	358,786	358,786
	\$ 11,568,387	\$ 10,186,718
The Crossing Place Housing Society:		
Buildings and infrastructure	12,996,908	13,344,566
Furniture and equipment	42,838	35,811
	\$ 13,039,746	\$ 13,380,377
	\$ 24,608,133	\$ 23,567,095

The net book value of assets under construction and not yet being amortized at year end is \$3,275,148 (2024 - \$2,467,973).

Kanaka Bar Indian Band  
Notes to Consolidated Financial Statements

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9. Tangible Capital Assets (Continued)

	Kanaka Bar Indian Band											The Crossing Place Housing Society		Totals	
	Land	Buildings	Automotive	Computer Equipment	Equipment	Roads	Domestic Water System	Software	Ice Rink	Heatpumps	Solar Arrays	Building and infrastructure	Furniture and equipment	2025	2024
Cost, beginning of year	\$ 163,516	\$ 6,611,685	\$ 743,587	\$ 91,565	\$ 837,145	\$ 1,405,722	\$ 3,656,743	\$ 17,500	\$ 7,518	\$ 376,726	\$ 358,786	\$13,724,643	\$ 44,764	\$ 28,039,900	\$ 24,239,582
Additions	-	281,701	167,563	-	61,281	25,458	1,667,643	-	-	14,546	-	34,604	14,189	2,266,985	3,800,318
Cost, end of year	163,516	6,893,386	911,150	91,565	898,426	1,431,180	5,324,386	17,500	7,518	391,272	358,786	13,759,247	58,953	30,306,885	28,039,900
Accumulated amortization, beginning of year	-	1,143,623	370,724	60,495	373,710	162,912	1,906,840	17,500	7,518	40,454	-	380,077	8,953	4,472,806	3,388,424
Amortization	-	261,495	144,298	11,253	146,512	3,756	242,812	-	-	26,396	-	382,262	7,162	1,225,946	1,084,381
Accumulated amortization, end of year	-	1,405,118	515,022	71,748	520,222	166,668	2,149,652	17,500	7,518	66,850	-	762,339	16,115	5,698,752	4,472,805
Net carrying amount, end of year	\$ 163,516	\$ 5,488,268	\$ 396,128	\$ 19,817	\$ 378,204	\$ 1,264,512	\$ 3,174,734	\$ -	\$ -	\$ 324,422	\$ 358,786	\$12,996,908	\$ 42,838	\$ 24,608,133	\$ 23,567,095

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Kanaka Bar Indian Band  
Notes to Consolidated Financial Statements

March 31, 2025

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10. Accumulated Surplus

	<u>2025</u>	<u>2024</u>
Unrestricted surplus	\$ 9,737,299	\$ 8,758,957
Equity in tangible capital assets	12,223,033	10,835,519
Equity in trust funds	21,351	15,860
Equity in investments	3,836,605	3,322,649
Equity in The Crossing Place Housing Society	6,674,239	6,871,674
	<u>\$ 32,492,527</u>	<u>\$ 29,804,659</u>

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11. Contingencies

a) Funding agreement:

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

b) Pension Plan:

The Group and its employees contribute to a defined contribution pension plan. There is no obligation for past service or periods in which an employee was not employed. Total contributions to the plan during the year were \$31,605 (2024 - \$13,696).

c) Guarantee:

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

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## 12. Financial Instruments

### Financial Instrument Fair Value Measurement

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

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

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

### Financial Instrument Risk Management

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

#### Credit Risk:

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

March 31, 2025

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## 12. Financial Instruments (continued)

### Liquidity risk:

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

### Market and Interest Rate Risk:

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

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

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## 13. Related Party Transactions

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

### Kanaka Bar Indian Band:

- a) Paid Kanaka Bar Land and Resources LP \$17,679 (2024 - nil) in management fees.
- b) Paid Kanaka Bar Employment Services Ltd. \$33,106 (2024 - \$58,645) in management fees and Kanaka Bar Employment Services Ltd. paid \$151,953 (2024 - \$345,173) in contracted services.
- c) Paid Kanaka Land and Holding Ltd. \$66,545 (2024 - nil) in management fees.
- d) Paid Kwoiek Creek Resources Inc. \$189,831 (2024 - nil) in management fees.
- e) Paid Siwash Watershed Resources Inc. \$3,371 (2024 - nil) in accounting fees.
- f) Paid Siwash Watershed Resources LP \$6,741 (2024 - nil) in accounting fees.
- g) Paid The Crossing Place Housing Society \$161,891 (2024 - nil) in construction fees.

### The Crossing Place Housing Society:

- a) Paid Kanaka Bar Land and Resources LP \$20,547 (2024 - \$66,509) in management fees.
- b) Paid Kanaka Bar Employment Services Ltd. \$13,996 (2024 - \$11,259) in repairs and maintenance services.

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

Kanaka Bar Indian Band  
Notes to Consolidated Financial Statements

March 31, 2025

14. Expenses by Object

	<u>2025</u>	<u>2024</u>
Administration	\$ 7,975	\$ 43,954
Amortization	1,225,946	1,084,381
Bad debt writeoffs (recoveries)	5,483	(2,535)
Bank charges and interest	14,603	10,055
Community support	132,032	111,392
Consulting fees	625,416	160,630
Contracted services	1,077,946	1,453,340
Education	98,613	230,137
Honoraria	207,415	169,521
Insurance	85,366	106,697
Interest on long-term debt	243,717	202,995
Materials and supplies	170,437	219,773
Meetings and conferences	37,771	34,504
Office and miscellaneous	124,366	99,286
Legal fees	507,832	302,261
Property taxes	861	1,695
Rental charges	29,700	19,919
Repairs and maintenance	20,111	15,465
Social assistance	69,713	84,233
Training	16,029	10,802
Travel	80,727	48,187
Utilities	102,755	82,765
Vehicle	21,427	15,732
Wages and benefits	1,465,617	959,965
	<u>\$ 6,371,858</u>	<u>\$ 5,465,154</u>

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Kanaka Bar Indian Band  
Notes to Consolidated Financial Statements

March 31, 2025

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15. Fiscal Plan

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

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16. Comparative Information

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

March 31, 2025

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## 17. Segmented Information

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

### Culture

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

### Economic Development

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

### Education

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

### Governance

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

### Health

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

### Social Development

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

### Infrastructure

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

### Capital

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

### Lands and Resources

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

### Social Housing

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

### The Crossing Place Housing Society

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

March 31, 2025

17. Segmented Information (continued)

<u>2025</u>	Culture	Economic Development	Education	Governance	Health	Social Development	Infrastructure	Capital	Lands & Resources	Social Housing	The Crossing Place	Total
Revenue												
ISC	\$ 209,848	\$ 63,401	\$ 116,782	\$ 178,093	\$ 36,681	\$ 199,172	\$ 433,458	\$ -	\$ 15,000	\$ -	\$ -	\$ 1,252,435
Other	83,936	1,698,553	93,202	1,398,256	618,602	-	116,514	-	3,171,594	1,771	624,863	7,807,291
Total	293,784	1,761,954	209,984	1,576,349	655,283	199,172	549,972	-	3,186,594	1,771	624,863	9,059,726
Expenses												
Wages & benefits	210,113	122,864	19,057	259,200	307,750	82,554	75,566	-	405,514	-	-	1,482,618
Purchases	82,171	429,268	225,028	917,698	216,522	117,334	517,437	-	786,381	145	371,310	3,663,294
Amortization	-	-	-	-	-	-	-	836,522	-	-	389,424	1,225,946
Total	292,284	552,132	244,085	1,176,898	524,272	199,888	593,003	836,522	1,191,895	145	760,734	6,371,858
Surplus (deficit)	\$ 1,500	\$ 1,209,822	\$ (34,101)	\$ 399,451	\$ 131,011	\$ (716)	\$ (43,031)	\$ (836,522)	\$ 1,994,699	\$ 1,626	\$ (135,871)	\$ 2,687,868

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17. Segmented Information (continued)

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