

**Kitsumkalum Indian Band**  
**Consolidated Financial Statements**  
*March 31, 2018*

# Kitsumkalum Indian Band

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For the year ended March 31, 2018

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## Management's Responsibility

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To the Members of Kitsumkalum Indian Band:

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


Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

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

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

December 14, 2018

  
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Band Manager

  
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Director of Finance

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# Independent Auditors' Report

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To the Members of Kitsumkalum Indian Band:

We have audited the accompanying consolidated financial statements of Kitsumkalum Indian Band, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, change in net financial assets, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

## *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

## *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

## *Basis for Qualified Opinion*

Kitsumkalum Indian Band did not prepare an approved budget for the year ended March 31, 2018. Canadian public sector accounting standards requires the approved budget to be presented in the consolidated statements of operations and accumulated surplus and change in net financial assets. Our audit opinion on the consolidated financial statements for the years ended March 31, 2018 and March 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

## *Qualified Opinion*

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Kitsumkalum Indian Band as at March 31, 2018 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Terrace, British Columbia

December 19, 2018

Chartered Professional Accountants

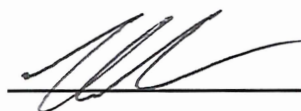
**Kitsumkalum Indian Band**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2018*

	2018	2017
<b>Financial assets</b>		
Cash	417,177	180,145
Accounts receivable (Note 3)	1,131,701	922,549
Restricted cash (Note 4)	704,165	751,532
Inventory for resale (Note 5)	235,934	257,689
Funds held in trust (Note 6)	1,269,587	1,121,142
Portfolio investments (Note 7)	3,249,079	3,775,059
Kitsumkalum Port Economic Trust Funds (Note 8)	484,971	464,521
Deferred treaty negotiation costs (Note 9)	8,983,242	8,273,375
Investments in government business enterprises (Note 10)	11,219,834	10,761,600
<b>Total financial assets</b>	<b>27,695,690</b>	<b>26,507,612</b>
<b>Liabilities</b>		
Accounts payable and accruals (Note 11)	1,134,261	853,226
Deferred revenue (Note 12)	123,065	584,224
Long-term debt (Note 13)	5,322,988	5,574,279
Treaty note payable (Note 14)	9,326,024	8,757,694
<b>Total liabilities</b>	<b>15,906,338</b>	<b>15,769,423</b>
<b>Net financial assets</b>	<b>11,789,352</b>	<b>10,738,189</b>
<b>Contingencies</b> (Note 17)		
<b>Commitments</b> (Note 18)		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	13,972,819	14,413,497
Prepaid expenses	154,043	136,471
<b>Total non-financial assets</b>	<b>14,126,862</b>	<b>14,549,968</b>
<b>Accumulated surplus</b> (Note 19)	<b>25,916,214</b>	<b>25,288,157</b>

Approved on behalf of the Chief and Council



Chief



Councillor

# Kitsumkalum Indian Band

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2018*

	<i>Schedules</i>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Indigenous Services Canada (Note 20)		<b>3,497,206</b>	2,920,547
Province of British Columbia		<b>1,660,519</b>	969,771
Other revenue		<b>1,119,665</b>	3,075,761
First Nations Health Authority		<b>672,750</b>	591,318
Department of Fisheries and Oceans Canada		<b>63,859</b>	107,361
Economic activities		<b>2,441,746</b>	2,317,700
Earnings from investments in government business enterprises		<b>556,486</b>	1,178,971
Investment income		<b>422,701</b>	434,069
Rental income		<b>241,470</b>	237,178
Canada Mortgage and Housing Corporation		<b>185,123</b>	184,502
		<b>10,861,525</b>	12,017,178
<b>Program expenses</b>			
Administration and Governance	3	<b>1,088,804</b>	1,170,494
Social Development	4	<b>409,989</b>	350,421
Public Works	5	<b>728,817</b>	674,229
Education	6	<b>2,172,712</b>	2,298,025
Consultations and Impact Benefits	7	<b>944,068</b>	1,025,025
Economic Development	8	<b>1,432,125</b>	1,549,007
Fisheries	9	<b>1,674,763</b>	1,138,398
Health Services	10	<b>717,359</b>	835,738
Capital Projects	11	<b>1,789</b>	978
Social Housing	12	<b>480,121</b>	615,085
Cultural/Title/Rights	13	<b>582,921</b>	414,684
<b>Total expenditures</b>		<b>10,233,468</b>	10,072,084
<b>Surplus</b>		<b>628,057</b>	1,945,094
<b>Accumulated surplus, beginning of year</b>		<b>25,288,157</b>	23,343,063
<b>Accumulated surplus, end of year</b>		<b>25,916,214</b>	25,288,157

**Kitsumkalum Indian Band**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Surplus</b>	<b>628,057</b>	1,945,094
Purchases of tangible capital assets	<b>(222,340)</b>	(158,593)
Amortization of tangible capital assets	<b>663,018</b>	620,913
Acquisition of prepaid expenses	<b>(17,572)</b>	-
Use of prepaid expenses	-	116,127
<b>Increase in net financial assets</b>	<b>1,051,163</b>	2,523,541
<b>Net financial assets, beginning of year</b>	<b>10,738,189</b>	8,214,648
<b>Net financial assets, end of year</b>	<b>11,789,352</b>	10,738,189

**Kitsumkalum Indian Band**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2018*

	2018	2017
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus	628,057	1,945,094
Non-cash items		
Amortization	663,018	620,913
Earnings from investments in government business enterprises	(556,486)	(1,178,971)
Decrease (increase) in inventory for resale	21,755	(60,230)
	756,344	1,326,806
Changes in working capital accounts		
Accounts receivable	(209,156)	39,381
Deferred treaty negotiation costs	(709,867)	(577,323)
Trust funds held by federal government	(148,445)	(258,458)
Kitsumkalum Port Economic Trust Funds	(20,450)	(17,363)
Accounts payable and accruals	281,035	(805,400)
Prepaid expenses	(17,572)	116,127
Deferred revenue	(461,159)	(1,070,237)
Advances from (to) government business enterprises	98,256	(28,150)
	(431,014)	(1,274,617)
<b>Financing activities</b>		
Repayment of long-term debt	(251,291)	(170,582)
Treaty loan proceeds received	568,330	575,000
Decrease in portfolio investments	525,980	1,099,067
	843,019	1,503,485
<b>Capital activities</b>		
Purchases of tangible capital assets	(222,340)	(158,593)
<b>Increase in cash resources</b>	189,665	70,275
<b>Cash resources, beginning of year</b>	931,677	861,402
<b>Cash resources, end of year</b>	1,121,342	931,677
<b>Cash resources are composed of:</b>		
Cash	417,177	180,145
Restricted cash	704,165	751,532
	1,121,342	931,677



# Kitsumkalum Indian Band

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2018*

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### 1. Operations

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

### 2. Significant accounting policies

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

#### ***Reporting entity***

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

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

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

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Kitsumkalum Indian Band business entities, owned or controlled by the Band's Council but not dependent on the Band for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Band. Thus, the Band's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

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

#### ***Basis of presentation***

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

**Kitsumkalum Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

**Cash**

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**Inventory for resale**

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

**Portfolio investments**

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

**Tangible capital assets**

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

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

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

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

**Asset classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

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

***Funds held in trust***

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

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

***Liability for contaminated site***

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Band is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

At each financial reporting date, the Band reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Band continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

***Deferred treaty negotiation costs***

Deferred treaty negotiation costs consist of all costs incurred during the treaty negotiations between Kitsumkalum Indian Band and the Governments of Canada and British Columbia less any grants and interest earned. Deferred treaty negotiation costs will be deferred until the date the loan from Canada becomes payable outlined in sections 13.0 and 14.0 of the Band's Negotiation Support Agreement.

***Measurement uncertainty***

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

Expenditures that relate to ongoing environmental and remediation programs are charged against surplus as incurred. A liability for contaminated sites reflects management's best estimate of the amount required to remediate the contaminated sites. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the periods in which they become known. As at March 31, 2018 no liability for contaminated sites exist.

***Net financial assets***

The Band's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Band are determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of consolidated financial position, accumulated surplus.

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

**Revenue recognition**

- i) Government funding  
The Band recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Band recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.
- ii) First Nation Capital and Revenue Trust Funds  
The Band recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.
- iii) Canada Mortgage and Housing Corporation "CMHC"  
CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.
- iv) Housing rental income  
Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.
- v) Other revenue  
Other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.
- vi) Investment income  
Investment income is recognized by the Band when earned.

**Segments**

The Band conducts its business through a number of reportable segments as described in Note 21. These operating segments are established by senior management to facilitate the achievement of the Band's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

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

**Kitsumkalum Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

***Changes in accounting policies***

**PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions**

Effective April 1, 2017, the Band adopted the recommendations relating to PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

These new Sections define a related party and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have a material financial effect on the consolidated financial statements. They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

There was no material impact on the consolidated financial statements of adopting the new Sections.

**PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights**

Effective April 1, 2017, the Band adopted the recommendations relating to PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

PS 3210 Assets provides additional guidance to clarify the definition of assets set out in PS 1000 Financial Statement Concepts.

PS 3320 Contingent Assets establishes disclosure standards on contingent assets.

PS 3380 Contractual Rights establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Section are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

There was no material impact on the consolidated financial statements of adopting the new Sections.

**3. Accounts receivable**

	<b>2018</b>	<b>2017</b>
Federal contributions receivable	<b>222,285</b>	184,396
Provincial contributions receivable	<b>304,571</b>	159,638
Other contributions receivable	<b>206,955</b>	145,469
Rent receivable	<b>294,054</b>	290,944
GST recoverable	<b>85,417</b>	63,784
Trade and other receivables	<b>56,543</b>	116,442
	<b>1,169,825</b>	960,673
Less: Allowance for doubtful accounts	<b>38,124</b>	38,124
	<b>1,131,701</b>	922,549

**Kitsumkalum Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**4. Restricted cash**

Under the terms of an agreement with Canada Mortgage and Housing Corporation ("CMHC"), the replacement reserve account is to be credited in the amount of \$46,430 (2017 - \$45,788) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, the replacement reserve was adequately funded.

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

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

	<b>2018</b>	<b>2017</b>
Replacement reserve	<b>324,933</b>	281,227
Operating reserve	<b>101,498</b>	97,829
Treaty administration funds	<b>277,734</b>	372,476
	<b>704,165</b>	751,532

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**5. Inventory for resale**

	<b>2018</b>	<b>2017</b>
Craft and grocery inventory	<b>235,934</b>	257,689

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**Kitsumkalum Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**6. Funds held in trust**

Trust fund accounts arise from moneys 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.

	<b>2018</b>	<b>2017</b>
<b>Capital Trust</b>		
Balance - beginning of year	<b>525,430</b>	311,621
Minerals royalty and exploration fees from government business enterprise	<b>88,526</b>	213,809
Balance, end of year	<b>613,956</b>	525,430
<b>Revenue Trust</b>		
Balance - beginning of year	<b>595,712</b>	365,063
Interest	<b>26,351</b>	21,613
Special (BC)	<b>1,715</b>	1,731
Minerals royalty and exploration fees from government business enterprise	<b>31,853</b>	207,305
Balance - end of year	<b>655,631</b>	595,712
	<b>1,269,587</b>	1,121,142

**7. Portfolio investments**

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

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

	<b>2018</b>	<b>2017</b>
<b>Carrying value</b>		
Internally restricted	<b>2,937,217</b>	3,477,043
Unrestricted	<b>311,862</b>	298,016
	<b>3,249,079</b>	3,775,059
<b>Market value</b>		
Internally restricted	<b>3,550,135</b>	4,267,931
Unrestricted	<b>342,118</b>	352,173
	<b>3,892,253</b>	4,620,104

**Kitsumkalum Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**8. Kitsumkalum Port Economic Trust Funds**

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

	<b>2018</b>	<b>2017</b>
Balance, beginning of year	<b>464,521</b>	447,159
Investment income earned	<b>25,005</b>	21,249
Trust fund broker and other charges	<b>(4,318)</b>	(3,796)
Due to (from) Band operating cash account	<b>(237)</b>	(91)
	<b>484,971</b>	464,521

**9. Deferred treaty negotiation costs**

	<b>2018</b>	<b>2017</b>
Balance, beginning of year	<b>8,273,375</b>	7,696,052
Salaries, wages and benefits	<b>263,036</b>	233,119
Goods and services	<b>509,632</b>	413,873
Interest and bank charges	<b>1,269</b>	1,331
Contribution and interest income	<b>(64,070)</b>	(71,000)
	<b>8,983,242</b>	8,273,375



**Kitsumkalum Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**10. Investments in government business enterprises**

The Band has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Earnings (loss)</i>	<i>2018 Total Investment</i>
<b>Wholly-owned Businesses:</b>				
Kitsumkalum Economic Development Group Ltd.	76,608	260,849	(38,169)	299,288
Kalum Ventures Ltd.	(111)	-	-	(111)
	<b>76,497</b>	<b>260,849</b>	<b>(38,169)</b>	<b>299,177</b>
<b>First Nation Business Partnerships:</b>				
Kalum Quarry Limited Partnership - 99.9%	1,168,946	3,311,755	161,141	4,641,842
Kalum Gas Bar Limited Partnership - 99.9%	3,178,647	17,934	154,663	3,351,244
Kitsumkalum Development Limited Partnership - 99.9%	2,620,895	(96,048)	(87,818)	2,437,029
Kalum Ventures Limited Partnership - 99.9%	123,873	-	366,669	490,542
	<b>7,092,361</b>	<b>3,233,641</b>	<b>594,655</b>	<b>10,920,657</b>
	<b>7,168,858</b>	<b>3,494,490</b>	<b>556,486</b>	<b>11,219,834</b>
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Earnings (loss)</i>	<i>2017 Total investment</i>
<b>Wholly-owned Businesses:</b>				
Kitsumkalum Economic Development Group Ltd.	45,514	259,796	31,096	336,406
Kalum Ventures Ltd.	(111)	-	-	(111)
	<b>45,403</b>	<b>259,796</b>	<b>31,096</b>	<b>336,295</b>
<b>First Nation Business Partnerships:</b>				
Kalum Quarry Limited Partnership - 99.9%	(98,805)	3,420,227	1,267,751	4,589,173
Kalum Gas Bar Limited Partnership - 99.9%	2,985,361	8,885	193,286	3,187,532
Kitsumkalum Development Limited Partnership - 99.9%	2,539,848	(96,167)	81,046	2,524,727
Kalum Ventures Limited Partnership - 99.9%	455,890	-	(332,017)	123,873
	<b>5,882,294</b>	<b>3,332,945</b>	<b>1,210,066</b>	<b>10,425,305</b>
	<b>5,927,697</b>	<b>3,592,741</b>	<b>1,241,162</b>	<b>10,761,600</b>

**Kitsumkalum Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

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

	<i>Kalum Ventures Ltd. As at December 31, 2017</i>	<i>Kalum Ventures Limited Partnership As at December 31, 2017</i>	<i>Kalum Quarry Limited Partnership As at December 31, 2017</i>	<i>Kitsumkalum Development Limited Partnership As at December 31, 2017</i>
<b>Assets</b>				
Cash	6,011	493,471	6,193	-
Accounts receivable	-	15,808	260,089	1,386
Inventory	-	-	2,631,447	-
Investments	-	-	-	250,000
Marketable securities	-	32,228	-	-
Prepaid expenses	6,854	4,341	256	2,276
Advances to Kitsumkalum Indian Band	-	-	-	96,048
Advances to related parties	12,385	-	-	2,185,292
Restricted assets	-	561,630	239,500	-
Other assets	-	-	-	-
Property, plant, and equipment	-	83,792	6,802,152	39,493
<b>Total assets</b>	<b>25,250</b>	<b>1,191,270</b>	<b>9,939,637</b>	<b>2,574,495</b>
<b>Liabilities</b>				
Bank indebtedness	-	-	1,500,000	4,207
Accounts payable	25,362	688,290	385,769	36,967
Callable debt	-	-	-	-
Other liabilities	-	-	66,948	-
Obligations under capital lease	-	-	680,444	-
Deferred revenue	-	-	1,596,378	-
Advances from Kitsumkalum Indian Band	-	-	2,619,991	-
Advances from related parties	-	12,385	1,760,016	-
<b>Total liabilities</b>	<b>25,362</b>	<b>700,675</b>	<b>8,609,546</b>	<b>41,174</b>
<b>Net assets</b>	<b>(112)</b>	<b>490,595</b>	<b>1,330,091</b>	<b>2,533,321</b>
<b>Total revenue</b>	<b>376,213</b>	<b>2,882,625</b>	<b>3,747,273</b>	<b>284,487</b>
<b>Total expenses</b>	<b>376,213</b>	<b>2,515,904</b>	<b>3,586,116</b>	<b>372,314</b>
<b>Net income (loss)</b>	<b>-</b>	<b>366,721</b>	<b>161,157</b>	<b>(87,827)</b>

**Kitsumkalum Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

	<i>Kalum Gas Bar Limited Partnership As at December 31, 2017</i>	<i>Kitsumkalum Economic Development Group Ltd. As at December 31, 2017</i>
<b>Assets</b>		
Cash	1,173,046	76,071
Accounts receivable	105,743	76,819
Inventory	180,126	-
Investments	-	-
Marketable securities	-	-
Prepaid expenses	-	-
Advances to Kitsumkalum Indian Band	-	-
Advances to related parties	247,700	-
Restricted assets	-	-
Other assets	10,097	20,030
Property, plant, and equipment	1,779,155	1,621,566
<b>Total assets</b>	<b>3,495,867</b>	<b>1,794,486</b>
<b>Liabilities</b>		
Bank indebtedness	-	-
Accounts payable	149,999	46,886
Callable debt	-	98,000
Other liabilities	-	4,493
Obligations under capital lease	-	-
Deferred revenue	-	-
Advances from Kitsumkalum Indian Band	15,900	262,852
Advances from related parties	-	1,343,821
<b>Total liabilities</b>	<b>165,899</b>	<b>1,756,052</b>
<b>Net assets</b>	<b>3,329,968</b>	<b>38,434</b>
<b>Total revenue</b>	<b>5,622,727</b>	<b>741,651</b>
<b>Total expenses</b>	<b>5,471,477</b>	<b>779,820</b>
<b>Net income (loss)</b>	<b>151,250</b>	<b>(38,169)</b>

The Band's investee's have a different year-end than March 31, 2018. The Band uses the investee's year-end financial statements to account for its investment in this investee. No significant events or transactions were noted from January 1, 2018 to March 31, 2018.

**11. Accounts payable and accruals**

	<b>2018</b>	<b>2017</b>
Trade payables	839,131	527,749
Accrued salaries and employee benefits payable	186,772	178,146
Other accrued liabilities	108,358	147,331
	<b>1,134,261</b>	<b>853,226</b>

**Kitsumkalum Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**12. Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Amount spent</i>	<i>Balance, end of year</i>
Province of British Columbia - education funding	105,991	122,109	105,991	122,109
Shell LNG	104,353	-	104,353	-
Spectra Energy LNG	373,324	-	373,324	-
Social housing	556	400	-	956
	<b>584,224</b>	<b>122,509</b>	<b>583,668</b>	<b>123,065</b>

**13. Long-term debt**

	<i>2018</i>	<i>2017</i>
Royal Bank of Canada; demand loan; repayable in monthly installments of \$11,550 per month, including interest at prime plus 1.35%; secured by a general security agreement covering all Band assets.	<b>1,256,029</b>	1,298,364
All Nations Trust Company; repayable in monthly installments of \$10,323 per month including interest at 1.14%, maturing June 2021; secured by Ministerial Guarantees from Indigenous Services Canada.	<b>2,048,988</b>	2,148,941
All Nations Trust Company; repayable in monthly installments of \$4,061 per month including interest at 1.21%, maturing May 2021; secured by Ministerial Guarantees from Indigenous Services Canada.	<b>984,391</b>	1,021,000
All Nations Trust Company; repayable in monthly installments of \$2,873 per month including interest at 2.40%, maturing October 2018; secured by Ministerial Guarantees from Indigenous Services Canada.	<b>559,768</b>	580,607
All Nations Trust Company; repayable in monthly installments of \$2,534 (2017 - \$2,456) per month including interest at 1.97% (2017 - 1.53%), maturing December 2022; secured by Ministerial Guarantees from Indigenous Services Canada.	<b>389,156</b>	412,307
All Nations Trust Company; repayable in monthly installments of \$2,459 per month including interest at 1.11%, maturing February 2021; secured by Ministerial Guarantees from Indigenous Services Canada.	<b>84,657</b>	113,060
	<b>5,322,989</b>	5,574,279

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

2019	1,467,776
2020	214,554
2021	214,945
2022	190,627
2023	193,209

**Kitsumkalum Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**14. Treaty note payable**

The Band has signed promissory notes and First Nation Negotiation Support Agreements representing advances made by Canada for negotiations. Repayment provisions for these loans are outlined in sections 13.0 and 14.0 of the First Nation Negotiation Support Agreement. The loan advances will not accrue interest until the date the loan becomes due and payable.

**15. Pension plan**

Kitsumkalum Indian Band provides a defined contribution plan for eligible members of its staff. The Band contributes 5% of the member's base salary which contributions are directed to the member's contribution account. Members are required to contribute a minimum of 5% of their salary. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. Kitsumkalum Indian Band contributed \$42,030 (2017 - \$42,057) during the year for retirement benefits. There have been no changes to the plan during the year.

**16. Economic dependence**

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

**17. Contingencies**

Kitsumkalum Indian Band has entered into contribution agreements with various federal and provincial government departments. Funding received under these contribution agreements may be subject to repayment if the Band fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Kitsumkalum Indian Band becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense is recorded on Kitsumkalum Indian Band's consolidated financial statements.

Kitsumkalum Indian Band is contingently liable for band member housing loans which it has guaranteed. In the event of borrower default, any deficiency is payable by the Band. The total contingent liability in loan guarantees related to these loans is \$646,853 (2017 - \$ 338,958). No amount is recorded in these consolidated financial statements related to these guarantees.

**18. Commitments**

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

2019	\$21,836
2020	\$21,836
2021	\$10,335
2022	<u>\$ 4,221</u>
	<u>\$58,228</u>

**Kitsumkalum Indian Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**19. Accumulated surplus**

	<b>2018</b>	2017
Operating surplus	<b>6,588,993</b>	6,481,518
Invested in tangible capital assets	<b>9,905,859</b>	10,137,582
Trust funds held by federal government	<b>1,269,587</b>	1,121,142
Replacement and operating reserves	<b>426,431</b>	379,056
Investments in government business enterprises	<b>7,725,344</b>	7,168,859
	<b>25,916,214</b>	25,288,157

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**20. Indigenous Services Canada funding reconciliation**

	<b>2018</b>	2017
Revenue per confirmation	<b>3,630,830</b>	2,912,358
Department of Fisheries and Oceans interdepartmental transfer	<b>(133,624)</b>	-
Reimbursement in Social Development	-	22,742
Recoveries in Social Development	-	(9,117)
Recoveries in Education	-	(5,436)
	<b>3,497,206</b>	2,920,547

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**21. Segments**

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

*Administration and Governance*

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

*Social Development*

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

*Public Works*

Includes maintenance of infrastructure owned by the Band.

*Education*

Includes revenue and expenses related to education.

*Consultations and Impact Benefits*

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

*Economic Development*

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

*Fisheries*

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

*Health Services*

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

*Capital Projects*

Includes revenue and expenses related to capital projects.

*Social Housing*

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

*Cultural/Title/Rights*

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

**22. Comparative figures**

Certain comparative figures have been reclassified to conform with current year's presentation.

**23. Compliance with laws and regulations**

The Band is required by the *First Nations Financial Transparency Act* to submit its financial statements to Indigenous Services Canada, and post its financial statements on a website, within 120 days of year-end. As the Band had not done this, it is not in compliance with this law. The potential effect of the non-compliance is unknown.

**Kitsumkalum Indian Band**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2018*

	<i>Land improvements</i>	<i>Buildings</i>	<i>Social housing infrastructure</i>	<i>Vehicle &amp; boat equipment</i>	<i>Furniture equipment &amp; technology</i>	<i>Road infrastructure</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	1,317,454	5,647,425	6,454,357	1,151,642	681,765	2,015,796	17,268,439
Acquisition of tangible capital assets	-	-	-	142,694	79,646	-	222,340
Balance, end of year	1,317,454	5,647,425	6,454,357	1,294,336	761,411	2,015,796	17,490,779
<b>Accumulated amortization</b>							
Balance, beginning of year	69,398	1,404,537	1,089,676	633,915	373,044	719,777	4,290,347
Annual amortization	8,080	133,090	208,956	91,543	86,295	27,407	555,371
Balance, end of year	77,478	1,537,627	1,298,632	725,458	459,339	747,184	4,845,718
<b>Net book value of tangible capital assets</b>	<b>1,239,976</b>	<b>4,109,798</b>	<b>5,155,725</b>	<b>568,878</b>	<b>302,072</b>	<b>1,268,612</b>	<b>12,645,061</b>
2017 Net book value of tangible capital assets	1,248,056	4,242,888	5,364,681	517,727	308,721	1,296,019	12,980,109



**Kitsumkalum Indian Band**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2018*

	<i>Subtotal</i>	<i>Sewer infrastructure</i>	<i>Water infrastructure</i>	<i>2018</i>	<i>2017</i>
<b>Cost</b>					
Balance, beginning of year	17,268,439	1,191,325	2,351,119	20,810,883	20,652,290
Acquisition of tangible capital assets	222,340	-	-	222,340	158,593
Balance, end of year	17,490,779	1,191,325	2,351,119	21,033,223	20,810,883
<b>Accumulated amortization</b>					
Balance, beginning of year	4,290,347	476,016	1,631,023	6,397,386	5,776,473
Annual amortization	555,371	23,838	83,809	663,018	620,913
Balance, end of year	4,845,718	499,854	1,714,832	7,060,404	6,397,386
<b>Net book value of tangible capital assets</b>	<b>12,645,061</b>	<b>691,471</b>	<b>636,287</b>	<b>13,972,819</b>	<b>14,413,497</b>
2017 Net book value of tangible capital assets	12,980,109	715,309	720,096	14,413,497	

**Kitsumkalum Indian Band**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Consolidated expenses by object</b>		
Academic programs	<b>30,942</b>	66,443
Administration	<b>108,161</b>	128,733
Advertising	<b>25,662</b>	26,312
Amortization	<b>663,018</b>	620,913
Bad debts	-	10,725
Bank charges and interest	<b>68,592</b>	65,134
Child care and nutrition	-	28,571
Consulting	<b>1,466,584</b>	1,414,152
Cultural enrichment	<b>40,136</b>	88,997
Fire hall renovations	-	61,837
Fuel and mileage	<b>91,644</b>	88,562
Funeral	<b>14,884</b>	8,673
Furniture and equipment	<b>39,697</b>	48,766
Honourarium	<b>44,244</b>	57,485
Insurance	<b>124,308</b>	121,209
Interest on long-term debt	<b>57,258</b>	67,408
Living allowances	<b>186,111</b>	220,678
Lunch program	<b>26,343</b>	23,313
Professional fees	<b>310,386</b>	430,522
Purchases	<b>1,037,579</b>	992,811
Rent	<b>83,753</b>	111,506
Repairs and maintenance	<b>113,508</b>	135,162
Replacement reserve expense	<b>46,430</b>	45,788
Salaries, wages and benefits	<b>3,824,657</b>	3,362,235
Social assistance	<b>278,734</b>	217,279
Supplies	<b>459,419</b>	461,194
Telephone	<b>64,893</b>	65,744
Training	<b>10,773</b>	40,982
Travel	<b>239,263</b>	252,828
Tuition	<b>683,777</b>	721,443
Utilities	<b>92,712</b>	86,679
	<b>10,233,468</b>	10,072,084

**Kitsumkalum Indian Band**  
**Administration and Governance**  
**Schedule 3 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	2018	2017
<b>Revenue</b>		
Province of British Columbia	371,619	13,579
Indigenous Services Canada	364,028	433,683
Other revenue	207,542	438,120
Economic activities	152,466	157,314
Investment income	44,612	77,724
	<b>1,140,267</b>	<b>1,120,420</b>
<b>Expenses</b>		
Administration	400	4,200
Advertising	4,604	10,844
Amortization	38,125	24,809
Bad debts	-	10,725
Bank charges and interest	28,049	23,143
Consulting	150,414	100,095
Fuel and mileage	7,910	10,304
Funeral	14,884	8,673
Furniture and equipment	2,416	8,662
Honourarium	42,559	52,350
Insurance	22,248	21,435
Professional fees	148,299	108,717
Rent	16,857	15,561
Repairs and maintenance	62	1,215
Salaries, wages and benefits	474,868	618,232
Supplies	97,696	104,173
Telephone	22,859	23,551
Travel	16,554	22,970
Tuition	-	835
	<b>1,088,804</b>	<b>1,170,494</b>
<b>Surplus (deficit)</b>	<b>51,463</b>	<b>(50,074)</b>

**Kitsumkalum Indian Band**  
**Social Development**  
**Schedule 4 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Indigenous Services Canada	<b>399,463</b>	359,935
Province of British Columbia	<b>10,000</b>	-
	<b>409,463</b>	359,935
<b>Expenses</b>		
Amortization	<b>7,579</b>	8,660
Child care and nutrition	-	28,571
Consulting	<b>36,451</b>	28,855
Cultural enrichment	-	5,000
Living allowances	<b>250</b>	-
Rent	<b>3,700</b>	-
Salaries, wages and benefits	<b>53,010</b>	52,819
Social assistance	<b>278,734</b>	216,715
Supplies	<b>28,974</b>	6,817
Travel	<b>1,291</b>	2,984
	<b>409,989</b>	350,421
<b>Surplus (deficit)</b>	<b>(526)</b>	9,514

**Kitsumkalum Indian Band**  
**Public Works**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Indigenous Services Canada	<b>197,320</b>	218,967
Economic activities	<b>31,085</b>	50,178
	<b>228,405</b>	269,145
<b>Expenses</b>		
Amortization	<b>201,032</b>	216,298
Bank charges and interest	<b>48</b>	43
Consulting	<b>141,741</b>	130,218
Fuel and mileage	<b>20,655</b>	13,060
Furniture and equipment	<b>-</b>	2,353
Insurance	<b>21,228</b>	21,821
Rent	<b>-</b>	73
Repairs and maintenance	<b>36,921</b>	16,198
Salaries, wages and benefits	<b>220,766</b>	176,845
Supplies	<b>28,962</b>	23,884
Telephone	<b>7,532</b>	9,454
Travel	<b>16,549</b>	28,109
Utilities	<b>33,383</b>	35,873
	<b>728,817</b>	674,229
<b>Deficit</b>	<b>(500,412)</b>	(405,084)

**Kitsumkalum Indian Band**  
**Education**  
**Schedule 6 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Indigenous Services Canada	<b>1,703,577</b>	1,579,408
Province of British Columbia	<b>450,452</b>	351,132
Other revenue	<b>340,712</b>	237,011
Economic activities	<b>-</b>	6,000
	<b>2,494,741</b>	2,173,551
<b>Expenses</b>		
Academic programs	<b>30,942</b>	66,443
Administration	<b>17,380</b>	78,611
Advertising (recovery)	<b>-</b>	(40)
Amortization	<b>12,604</b>	16,629
Consulting	<b>33,399</b>	48,241
Cultural enrichment	<b>40,136</b>	83,997
Fire hall renovations	<b>-</b>	61,837
Fuel and mileage	<b>15,826</b>	17,868
Furniture and equipment	<b>5,406</b>	25,471
Honourarium	<b>350</b>	-
Insurance	<b>7,811</b>	1,874
Living allowances	<b>135,860</b>	184,133
Lunch program	<b>26,343</b>	23,313
Rent	<b>19,503</b>	23,318
Repairs and maintenance	<b>23,106</b>	53,320
Salaries, wages and benefits	<b>1,138,319</b>	910,856
Supplies	<b>47,851</b>	29,702
Telephone	<b>6,118</b>	5,714
Training	<b>10,773</b>	40,982
Travel	<b>18,492</b>	17,236
Tuition	<b>569,407</b>	596,793
Utilities	<b>13,086</b>	11,727
	<b>2,172,712</b>	2,298,025
<b>Surplus (deficit)</b>	<b>322,029</b>	(124,474)

**Kitsumkalum Indian Band**  
**Consultations and Impact Benefits**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	2018	2017
<b>Revenue</b>		
Province of British Columbia	456,877	423,828
Other revenue	230,872	1,375,958
Indigenous Services Canada	102,250	144,750
Economic activities	373,324	527,912
	<b>1,163,323</b>	<b>2,472,448</b>
<b>Expenses</b>		
Administration	5,000	14,500
Advertising	-	2,774
Consulting	264,236	379,255
Fuel and mileage	4,096	2,382
Furniture and equipment	3,405	3,051
Living allowances	50,001	30,545
Professional fees	50,640	189,976
Rent	19,938	10,424
Salaries, wages and benefits	330,142	193,257
Social assistance	-	565
Supplies	48,571	37,119
Telephone	2,824	2,676
Travel	67,014	52,857
Tuition	98,201	105,644
	<b>944,068</b>	<b>1,025,025</b>
<b>Surplus</b>	<b>219,255</b>	<b>1,447,423</b>

**Kitsumkalum Indian Band**  
**Economic Development**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	2018	2017
<b>Revenue</b>		
Province of British Columbia	78,600	5,000
Indigenous Services Canada	35,478	35,492
Other revenue	24,454	199,194
Economic activities	1,424,572	1,260,570
Earnings from investments in government business entities	556,486	1,178,971
Investment income	379,476	356,345
	<b>2,499,066</b>	<b>3,035,572</b>
<b>Expenses</b>		
Administration	-	1,985
Advertising	21,057	12,811
Amortization	15,894	15,951
Bank charges and interest	40,463	41,950
Consulting	46,548	95,401
Fuel and mileage	-	63
Furniture and equipment	-	750
Insurance	1,481	2,630
Living allowances	-	6,000
Professional fees	33,704	50,686
Purchases	1,037,579	992,811
Rent	185	578
Repairs and maintenance	8,828	3,788
Salaries, wages and benefits	181,893	213,325
Supplies	16,559	66,095
Telephone	3,141	3,347
Travel	1,415	6,199
Tuition	-	12,979
Utilities	23,378	21,658
	<b>1,432,125</b>	<b>1,549,007</b>
<b>Surplus</b>	<b>1,066,941</b>	<b>1,486,565</b>



**Kitsumkalum Indian Band**  
**Fisheries**  
**Schedule 9 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Indigenous Services Canada	<b>360,547</b>	91,960
Province of British Columbia	<b>117,250</b>	79,220
Other revenue	<b>94,387</b>	240,339
Department of Fisheries and Oceans Canada	<b>63,859</b>	107,361
Economic activities	<b>312,627</b>	309,618
Investment income (loss)	<b>(1,387)</b>	-
	<b>947,283</b>	828,498
<b>Expenses</b>		
Amortization	<b>66,803</b>	29,510
Bank charges and interest	<b>29</b>	-
Consulting	<b>466,702</b>	173,841
Fuel and mileage	<b>41,817</b>	41,776
Furniture and equipment	<b>21,237</b>	2,290
Honourarium	<b>810</b>	450
Insurance	<b>25,976</b>	23,671
Professional fees	<b>9,270</b>	13,466
Rent	<b>20,118</b>	45,329
Repairs and maintenance	<b>25,413</b>	41,064
Salaries, wages and benefits	<b>830,400</b>	665,894
Supplies	<b>68,397</b>	38,711
Telephone	<b>14,105</b>	13,156
Travel	<b>68,601</b>	44,623
Tuition	<b>15,085</b>	4,617
	<b>1,674,763</b>	1,138,398
<b>Deficit</b>	<b>(727,480)</b>	(309,900)

**Kitsumkalum Indian Band**  
**Health Services**  
**Schedule 10 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	2018	2017
<b>Revenue</b>		
First Nations Health Authority	672,750	591,318
Other revenue	93,289	93,541
Province of British Columbia	25,721	17,011
Economic activities	11,604	6,107
	<b>803,364</b>	<b>707,977</b>
<b>Expenses</b>		
Administration	31,353	27,635
Advertising (recovery)	-	(73)
Amortization	95,589	112,706
Consulting	48,069	23,692
Fuel and mileage	804	3,103
Furniture and equipment	4,549	892
Honourarium	-	4,685
Insurance	15,049	16,338
Rent	795	13,882
Repairs and maintenance	7,507	11,001
Salaries, wages and benefits	411,941	463,200
Supplies	59,392	86,143
Telephone	8,314	7,846
Travel	21,074	54,792
Tuition	1,085	575
Utilities	11,838	9,321
	<b>717,359</b>	<b>835,738</b>
<b>Surplus (deficit)</b>	<b>86,005</b>	<b>(127,761)</b>

**Kitsumkalum Indian Band**  
**Capital Projects**  
**Schedule 11 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Indigenous Services Canada	<b>118,529</b>	-
<b>Expenses</b>		
Fuel and mileage	<b>43</b>	6
Furniture and equipment (recovery)	-	(76)
Rent	<b>336</b>	319
Repairs and maintenance	<b>16</b>	-
Salaries, wages and benefits	<b>574</b>	1
Supplies	<b>820</b>	728
	<b>1,789</b>	978
<b>Surplus (deficit)</b>	<b>116,740</b>	(978)

**Kitsumkalum Indian Band**  
**Social Housing**  
**Schedule 12 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Other revenue	<b>72,849</b>	237,705
Indigenous Services Canada	-	22,400
Rental income	<b>241,470</b>	237,178
Canada Mortgage and Housing Corporation	<b>185,123</b>	184,502
	<b>499,442</b>	681,785
<b>Expenses</b>		
Administration	<b>54,028</b>	1,035
Amortization	<b>208,956</b>	196,350
Consulting	<b>1,179</b>	156,601
Insurance	<b>30,471</b>	33,440
Interest on long-term debt	<b>57,258</b>	67,408
Professional fees	<b>10,290</b>	11,945
Repairs and maintenance	<b>9,354</b>	8,577
Replacement reserve expense	<b>46,430</b>	45,788
Salaries, wages and benefits	<b>5,770</b>	22,879
Supplies	<b>45,358</b>	58,703
Travel	-	4,259
Utilities	<b>11,027</b>	8,100
	<b>480,121</b>	615,085
<b>Surplus</b>	<b>19,321</b>	66,700

**Kitsumkalum Indian Band**  
**Cultural/Title/Rights**  
**Schedule 13 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	2018	2017
<b>Revenue</b>		
Indigenous Services Canada	216,014	33,952
Province of British Columbia	150,000	80,000
Other revenue	55,560	253,893
Economic activities	136,068	-
	<b>557,642</b>	<b>367,845</b>
<b>Expenses</b>		
Administration	-	767
Advertising (recovery)	-	(5)
Amortization	16,436	-
Consulting	277,846	277,953
Fuel and mileage	493	-
Furniture and equipment	2,684	5,372
Honourarium	525	-
Insurance	44	-
Professional fees	58,183	55,732
Rent	2,322	2,023
Repairs and maintenance (recovery)	2,301	(3)
Salaries, wages and benefits	176,975	44,927
Supplies	16,839	9,120
Travel	28,273	18,798
	<b>582,921</b>	<b>414,684</b>
<b>Deficit</b>	<b>(25,279)</b>	<b>(46,839)</b>