

**Homalco First Nation  
Consolidated Financial Statements**

*March 31, 2025*

# **Homalco First Nation Contents**

*For the year ended March 31, 2025*

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To the Members of Homalco First Nation:

**Qualified Opinion**

We have audited the consolidated financial statements of Homalco First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations and accumulated surplus, changes in net debt, cash flows and the related schedules for the year then ended, and 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 First Nation as at March 31, 2025, and the results of its consolidated operations, changes in its net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Basis for Qualified Opinion**

The financial statements for the Nation's government business entities for the years ended March 31, 2025 were not audited and in some instances, related party information and balances were unavailable. As a result, we were unable to determine whether adjustments to investments in the Nation's government business entities, earnings from investments in the Nation's government business entities, advances to related Nation entities, annual surplus and accumulated surplus are required.

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 First Nation 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.

**Other Matter**

The consolidated financial statement for the year ended March 31, 2024 were audited by another auditor who expressed a modified opinion on those statements on September 27, 2024.

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

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

### **Auditor's Responsibilities for the Audit of the 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 risks 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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 First Nation 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the First Nation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

Nanaimo, British Columbia

July 21, 2025

**MNP LLP**

Chartered Professional Accountants

**Homalco First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2025*

|  | <b>2025</b>        | <b>2024</b> |
|--|--------------------|-------------|
| <b>Financial assets</b>                                  |                    |             |
| Cash   | 3,712,023          | 2,273,233   |
| Restricted cash (Note 3)                                 | 497,762            | 742,886     |
| Term investments (Note 4)                                | 317,164            | 309,316     |
| Accounts receivable (Note 5)                             | 1,421,396          | 1,511,933   |
| Advances to related Nation entities (Note 6)             | 2,191,168          | 1,980,461   |
| Investment in First Nation business entities (Note 7)    | 6,041,920          | 3,691,062   |
| Funds held in trust (Note 8)                             | 1,011              | -           |
| Investment in BC First Nations Gaming Revenue Sharing LP | 110                | 110         |
| <b>Total financial assets</b>                            | <b>14,182,554</b>  | 10,509,001  |
| <b>Liabilities</b>                                       |                    |             |
| Bank indebtedness (Note 9)                               | 11,300             | 11,300      |
| Accounts payable and accruals (Note 10)                  | 1,209,426          | 1,537,553   |
| Deferred revenue (Note 11)                               | 7,401,099          | 3,226,396   |
| Long-term debt (Note 12)                                 | 7,513,457          | 7,241,615   |
| <b>Total liabilities</b>                                 | <b>16,135,282</b>  | 12,016,864  |
| <b>Net debt</b>  | <b>(1,952,728)</b> | (1,507,863) |
| <b>Contingencies (Note 18)</b>                           |                    |             |
| <b>Non-financial assets</b>                              |                    |             |
| Tangible capital assets (Schedule 1)                     | 22,907,996         | 18,619,903  |
| Prepaid expenses   | 24,704             | 273,073     |
| <b>Total non-financial assets</b>                        | <b>22,932,700</b>  | 18,892,976  |
| <b>Accumulated surplus (Note 13)</b>                     | <b>20,979,972</b>  | 17,385,113  |

**Approved on behalf of the Council**

Electronically Signed By: Darren Blaney

Chief

Electronically Signed By: Preston Joseph

Councillor

**Homalco First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2025*

|  | <i>Schedules</i> | <i>2025<br/>Budget<br/>(Note 17)</i> | <i>2025</i>       | <i>2024</i> |
|--|------------------|--------------------------------------|-------------------|-------------|
| <b>Revenue</b>                                       |                  |                                      |                   |             |
| Indigenous Service Canada (Note 14)                  |                  | <b>3,400,932</b>                     | <b>4,783,323</b>  | 4,743,822   |
| Province of British Columbia                         |                  | <b>2,184,124</b>                     | <b>4,126,408</b>  | 2,795,979   |
| First Nations Health Authority                       |                  | <b>936,997</b>                       | <b>1,036,083</b>  | 945,660     |
| Department of Fisheries and Oceans Canada            |                  | <b>207,922</b>                       | <b>660,389</b>    | 841,919     |
| BC FN Gaming Revenue                                 |                  | <b>412,857</b>                       | <b>412,857</b>    | 535,202     |
| First Nation Education Steering Committee            |                  | <b>7,579</b>                         | <b>282,358</b>    | 485,715     |
| Canada Mortgage and Housing Corporation              |                  | -                                    | <b>231,045</b>    | 268,092     |
| Ottawa Trust   |                  | -                                    | <b>1,011</b>      | 1,031       |
| Earnings from investment in Nation business entities |                  | -                                    | <b>2,350,858</b>  | 799,290     |
| Other revenue  |                  | <b>1,339,966</b>                     | <b>2,093,301</b>  | 4,395,047   |
| British Columbia Treaty Commission                   |                  | <b>583,534</b>                       | <b>583,500</b>    | 280,000     |
| Interest income                                      |                  | <b>120,000</b>                       | <b>219,844</b>    | 338,933     |
| Rental income  |                  | <b>397,000</b>                       | <b>165,991</b>    | 293,143     |
|  |                  | <b>9,590,911</b>                     | <b>16,946,968</b> | 16,723,833  |
| <b>Expenses</b>                                      |                  |                                      |                   |             |
| Band Government                                      | 3                | <b>2,756,205</b>                     | <b>4,305,241</b>  | 5,158,192   |
| Lands and Governance                                 | 4                | <b>2,047,000</b>                     | <b>2,932,452</b>  | 2,502,905   |
| Economic Development                                 | 5                | <b>105,596</b>                       | <b>93,863</b>     | 369,734     |
| Education  | 6                | <b>945,486</b>                       | <b>1,570,688</b>  | 1,166,083   |
| Health   | 7                | <b>1,146,036</b>                     | <b>1,091,206</b>  | 1,087,517   |
| Housing  | 8                | <b>862,968</b>                       | <b>1,391,380</b>  | 1,094,205   |
| Public Works   | 9                | <b>257,978</b>                       | <b>536,614</b>    | 260,790     |
| Social Services                                      | 10               | <b>1,349,016</b>                     | <b>1,430,665</b>  | 1,577,378   |
| <b>Total expenses (Schedule 2)</b>                   |                  | <b>9,470,285</b>                     | <b>13,352,109</b> | 13,216,804  |
| <b>Annual surplus (deficit)</b>                      |                  | <b>120,626</b>                       | <b>3,594,859</b>  | 3,507,029   |
| <b>Accumulated surplus, beginning of year</b>        |                  | <b>17,385,113</b>                    | <b>17,385,113</b> | 13,878,084  |
| <b>Accumulated surplus, end of year</b>              |                  | <b>17,505,739</b>                    | <b>20,979,972</b> | 17,385,113  |

*The accompanying notes are an integral part of these consolidated financial statements*

**Homalco First Nation**  
**Consolidated Statement of Changes in Net Debt**  
*For the year ended March 31, 2025*

|   | <b>2025</b><br><i>Budget</i><br><i>(Note 17)</i> | <b>2025</b>        | 2024        |
|---|--|--------------------|-------------|
| <b>Annual surplus (deficit)</b>                       | <b>120,626</b>                                   | <b>3,594,859</b>   | 3,507,029   |
| Purchases of tangible capital assets                  | -  | (4,916,120)        | (7,887,247) |
| Amortization of tangible capital assets               | 400,000  | 628,027            | 427,940     |
| Acquisition of prepaid expenses                       | -  | (24,704)           | (250,681)   |
| Use of prepaid expenses                               | -  | 273,073            | -           |
| <b>Decrease (increase) in net debt</b>                | <b>520,626</b>                                   | <b>(444,865)</b>   | (4,202,959) |
| <b>Net financial assets (debt), beginning of year</b> | <b>(1,507,863)</b>                               | <b>(1,507,863)</b> | 2,695,096   |
| <b>Net debt, end of year</b>                          | <b>(987,237)</b>                                 | <b>(1,952,728)</b> | (1,507,863) |

**Homalco First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2025*

|   | <b>2025</b>      | <b>2024</b> |
|---|------------------|-------------|
| <b>Cash provided by (used for) the following activities</b> |                  |             |
| <b>Operating activities</b>                                 |                  |             |
| Annual surplus  | 3,594,859        | 3,507,029   |
| Non-cash items  |                  |             |
| Amortization  | 628,027          | 427,940     |
| Earnings from investment in Nation business entities        | (2,350,858)      | (799,290)   |
| Decrease (increase) in funds held in Trust                  | (1,011)          | 1,031       |
|   | <b>1,871,017</b> | 3,136,710   |
| Changes in working capital accounts                         |                  |             |
| Accounts receivable   | 90,537           | (57,788)    |
| Prepaid expenses  | 248,369          | (250,681)   |
| Accounts payable and accruals                               | (328,127)        | 170,282     |
| Deferred revenue  | 4,174,703        | (1,059,293) |
|   | <b>6,056,499</b> | 1,939,230   |
| <b>Financing activities</b>                                 |                  |             |
| Advances of long-term debt                                  | 693,000          | 3,710,000   |
| Repayment of long-term debt                                 | (421,158)        | (193,795)   |
|   | <b>271,842</b>   | 3,516,205   |
| <b>Capital activities</b>                                   |                  |             |
| Purchases of tangible capital assets                        | (4,916,120)      | (7,887,247) |
| <b>Investing activities</b>                                 |                  |             |
| Purchase of term deposits                                   | (7,848)          | (23,421)    |
| Advances to related Nation entities & departments           | (210,707)        | (568,338)   |
| Redemption of funds held in Trust                           | -                | 115,500     |
| Decrease in restricted cash                                 | 245,124          | 352,047     |
|   | <b>26,569</b>    | (124,212)   |
| <b>Increase (decrease) in cash resources</b>                | <b>1,438,790</b> | (2,556,024) |
| <b>Cash, beginning of year</b>                              | <b>2,273,233</b> | 4,829,257   |
| <b>Cash, end of year</b>                                    | <b>3,712,023</b> | 2,273,233   |

**Homalco First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

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**1. Operations**

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

**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 consolidated***

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

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

- Homalco Holdings Inc.
- Homalco Wildlife Tours Inc.
- 0920618 B.C. Ltd.
- 1350673 B.C. Ltd.

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.

Homalco First Nation business entities, owned or controlled by the First Nation's Chief and Council but not dependent on the First Nation for their continuing operations, are included in the 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 government business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation'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:

- Homalco Holdings Limited Partnership (99.99%)
- Homalco Resources Management Limited Partnership (99.99%)
- Homalco Tours Limited Liability Partnership (99.99%)
- Qaya Transportation Limited Liability Partnership (99.99%)
- Aupe-Toq Fisheries Limited Partnership (49.95%)

***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.

***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.

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**Homalco First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

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

**Cash**

Cash include cash on hand, balances with banks and term deposits maturing less than three months after inception. Cash subject to restrictions that prevent its use for current purposes is reflected in restricted cash.

**Funds held in Ottawa Trust Fund**

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

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

**Tangible capital assets**

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

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

**Amortization**

Amortization is not taken on assets which have been acquired but not put to use. Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

|                | <b>Method</b>     | <b>Rate</b> |
|----------------|-------------------|-------------|
| Boats          | declining balance | 5 %         |
| Equipment      | declining balance | 20 %        |
| Computers      | declining balance | 55 %        |
| Vehicles       | declining balance | 30 %        |
| Buildings      | declining balance | 4 %         |
| Infrastructure | declining balance | 5 %         |
| Hatchery       | declining balance | 10 %        |
| Band Housing   | declining balance | 5 %         |

**Net debt**

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

**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. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are based on the best information available regarding potentially contaminated sites that the Nation is responsible for.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the years in which they become known.

**Homalco First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

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

***Revenue recognition***

***Government Transfers***

The First Nation 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 First Nation recognizes revenue as the liability is settled. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulation liabilities are settled.

***Funds held in Ottawa Trust Fund***

The First Nation 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.

***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.

***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.

***Other revenue***

Revenue from transactions with performance obligations is recognized when the First Nation satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time.

***Asset retirement obligation***

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the consolidated financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2025. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The First Nation 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.

**Homalco First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

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

***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 First Nation 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, 2025.

At each financial reporting date, the First Nation 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 First Nation 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. As of March 31, 2025, no liability for contaminated site exists.

***Segments***

The First Nation conducts its business through a number of reportable segments as described in Note 16. These operating segments are established by senior management to facilitate the achievement of the Nation'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.

***Financial instruments***

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. The First Nation has not presented a consolidated statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains or losses. Interest income is recognized in the consolidated statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations and accumulated surplus. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

**Homalco First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

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**3. Restricted Cash**

Under the terms of the agreements with CMHC, the replacement reserve account is to be credited in the amount of \$20,340 (2024 - \$20,340) 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 may otherwise be 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 underfunded by \$173,889 (2024 - \$185,851).

Under the terms of the agreements with CMHC, excess federal assistance payments 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 may otherwise be approved by CMHC from time to time. At year end, the operating reserve was adequately funded (2024 - adequately funded).

|                       | 2025    | 2024    |
|-----------------------|---------|---------|
| <b>Social Housing</b> |         |         |
| Operating Reserve     | 110,765 | 198,702 |
| Replacement Reserve   | 304,826 | 118,064 |
|                       | <hr/>   | <hr/>   |
| <b>Treaty</b>         |         |         |
|                       | 415,591 | 316,766 |
|                       | 82,171  | 426,120 |
|                       | <hr/>   | <hr/>   |
|                       | 497,762 | 742,886 |
|                       | <hr/>   | <hr/>   |

**4. Term Investments**

|   | 2025    | 2024    |
|---|---------|---------|
| HFN Plutonic GIC, accruing interest at 3.35% (2024 - 4.40%) per annum and matures on May 30, 2025 | 317,164 | 309,316 |
|   | <hr/>   | <hr/>   |

**5. Accounts receivable**

|                                       | 2025      | 2024      |
|---------------------------------------|-----------|-----------|
| Indigenous Services Canada            | 228,374   | 134,683   |
| CMHC Subsidies receivable             | 150,000   | -         |
| Goods and Services Tax Receivable     | 310,663   | 210,770   |
| Social Housing                        | 774,168   | 774,176   |
| Nation Housing                        | 103,624   | 103,624   |
| Other receivables                     | 748,165   | 1,182,278 |
|                                       | <hr/>     | <hr/>     |
| Less: Allowance for doubtful accounts | 2,314,994 | 2,405,531 |
|                                       | 893,598   | 893,598   |
|                                       | <hr/>     | <hr/>     |
|                                       | 1,421,396 | 1,511,933 |
|                                       | <hr/>     | <hr/>     |

**Homalco First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

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**6. Advances to (from) related Nation entities**

Advances to (from) related Nation entities are unsecured, non interest bearing and due on demand. These entities are related by virtue of common control or joint control by the Nation.

|   | <b>2025</b>      | <b>2024</b>      |
|---|------------------|------------------|
| AUPE Cultural Enhancement Society                     | 119,241          | 153,830          |
| Homalco Wildlife Tours Limited Partnership            | (934)            | 71,702           |
| Homalco Forestry Limited Partnership                  | 278,392          | 383,562          |
| Homalco Jeh Jeh Tenure Management Limited Partnership | 418,817          | 508,724          |
| 0920618 BC Ltd.                                       | 1                | 1                |
| Homathko Power Limited Partnership                    | (2,329)          | (2,329)          |
| Qaya Way West Limited Partnership                     | 197,748          | 344,398          |
| Homalco Holdings Limited Partnership                  | 1,132,848        | 473,189          |
| 1340838 BC Ltd.                                       | 45,715           | 45,715           |
| Homalco Holdings Inc.                                 | 1,669            | 1,669            |
|   | <b>2,191,168</b> | <b>1,980,461</b> |

**7. Investments in First Nation business**

The First Nation has investments in the following entities:

|  | <i>Investment cost</i>  | <i>Share of income</i>  | <b>2025<br/>Total investment</b> |
|--|-------------------------|-------------------------|----------------------------------|
| <b>First Nation Business Partnerships – Modified Equity:</b> |                         |                         |                                  |
| Homalco Holdings Limited Partnership - 99.99%                | 2,596,435               | 1,992,344               | 4,588,779                        |
| Homalco Resources Management Limited Partnership - 99.99%    | 55,390                  | -                       | 55,390                           |
| Aupe-Toq Fisheries Limited Partnership - 49.95%              | 1,039,237               | 358,514                 | 1,397,751                        |
|  | <b>3,691,062</b>        | <b>2,350,858</b>        | <b>6,041,920</b>                 |
|  |                         |                         |                                  |
| 2024   |                         |                         |                                  |
|  | <i>Investment cost</i>  | <i>Loans / advances</i> | <i>Share of income</i>           |
|  | <i>Total investment</i> |                         |                                  |
| <b>First Nation Business Partnerships – Modified Equity:</b> |                         |                         |                                  |
| Homalco Holdings Limited Partnership - 99.99%                | 2,263,728               | 82,946                  | 249,761                          |
| Homalco Resources Management Limited Partnership - 99.99%    | 55,390                  | -                       | 55,390                           |
| Aupe-Toq Fisheries Limited Partnership - 49.95%              | 489,708                 | -                       | 549,529                          |
|  | <b>2,808,826</b>        | <b>82,946</b>           | <b>799,290</b>                   |
|  | <b>3,691,062</b>        |                         |                                  |

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

Homalco Holdings Limited Partnership has a December 31, 2024 year-end and the remainder of the Nation business entities have a March 31, 2025 year-end. No significant transactions occurred between the year-end dates of the Nation business entities and March 31, 2025. The First Nation uses the Nation business entities' year-end financial statements to account for its investment in these investees. Homalco Resources Management Limited Partnership is inactive and no updated financial information is available. The First Nation's business entities are unaudited.

**Homalco First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

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**7. Investments in First Nation business (Continued from previous page)**

|                               | <i>Homalco Holdings Limited Partnership</i><br><i>As at December 31, 2024</i> | <i>Aupe-Toq Fisheries Limited Partnership</i><br><i>As at March 31, 2025</i> |
|-------------------------------|---|--|
| <b>Assets</b>                 |   |  |
| Cash                          | 717   | 263,342  |
| Accounts receivable           | 5,084   | 90,575   |
| Due from related parties      | 90,450  | 3,502  |
| Investments in partnerships   | 4,630,082   | -  |
| Intangible assets.            | -   | 3,258,355  |
| Property, plant and equipment | -   | 9,335  |
| <b>Total assets</b>           | <b>4,726,333</b>  | <b>3,625,109</b>   |
| <b>Liabilities</b>            |   |  |
| Bank indebtedness             | -   | 493,192  |
| Accounts payable              | 850   | 70,465   |
| Due to Homalco First Nation   | 294,028   | 263,153  |
| <b>Total liabilities</b>      | <b>294,878</b>  | <b>826,810</b>   |
| <b>Net assets</b>             | <b>4,431,455</b>  | <b>2,798,299</b>   |
| <b>Total revenue</b>          | <b>2,395,005</b>  | <b>1,026,449</b>   |
| <b>Total expenses</b>         | <b>400,666</b>  | <b>308,704</b>   |
| <b>Net income</b>             | <b>1,994,339</b>  | <b>717,745</b>   |

**8. Funds held in trust**

Revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Chief and Council.

|                      | 2025         | 2024    |
|----------------------|--------------|---------|
| <b>Revenue Trust</b> |              |         |
| Interest             | 1,011        | 1,031   |
| Withdrawal           | -            | (1,031) |
| Balance, end of year | <b>1,011</b> | -       |

**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*.

**Homalco First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

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**9. Bank indebtedness**

|   | 2025          | 2024          |
|---|---------------|---------------|
| TD Canada Trust: line of credit, bearing interest at prime plus 1.00% | 6,300         | 6,300         |
| TD Canada Trust: operating line of credit, bearing no interest        | 5,000         | 5,000         |
|   | <b>11,300</b> | <b>11,300</b> |

TD Canada Trust prime rate at March 31, 2025 was 4.95% (2024 - 7.2%).

**10. Accounts payable and accruals**

|                            | 2025             | 2024             |
|----------------------------|------------------|------------------|
| Indigenous Services Canada | 191,125          | 196,456          |
| Government remittances     | 141,443          | 102,130          |
| Wages payable              | 104,189          | 84,359           |
| Accrued trade payables     | 772,669          | 1,154,608        |
|                            | <b>1,209,426</b> | <b>1,537,553</b> |

**11. Deferred revenue**

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

|                                       | <i>Balance,<br/>beginning of<br/>year</i> | <i>Contributions<br/>received</i> | <i>Revenue<br/>recognized</i> | <i>Balance, end<br/>of year</i> |
|---------------------------------------|---|-----------------------------------|-------------------------------|---------------------------------|
| ISC - SA - Income Assistance          | 105,836                                   | 1,184,091                         | 1,103,416                     | 186,511                         |
| ISC - SA - Community Wellbeing        | 50,778                                    | -                                 | 4,595                         | 46,183                          |
| ISC - SA - Prevention Projects        | 65,162                                    | 3,928                             | 4,242                         | 64,848                          |
| ISC - SA - Enhanced Service Delivery  | 59,753                                    | -                                 | -                             | 59,753                          |
| ISC - SA - CFS Prevention             | 491,862                                   | 607,440                           | 139,259                       | 960,043                         |
| ISC - Southgate                       | 80,804                                    | -                                 | 80,804                        | -                               |
| ISC - Edu.- Financial Assistance      | 3,880                                     | 4,430                             | 4,430                         | 3,880                           |
| ISC - Edu.- Guidance & Counselling    | 5,477                                     | 5,157                             | 8,662                         | 1,972                           |
| ISC - NGNF Membership                 | 3,095                                     | 5,000                             | 5,500                         | 2,595                           |
| ISC - PW - Community Buildings        | 997                                       | 49,146                            | 50,143                        | -                               |
| ISC - PW - Solid Waste                | 8,094                                     | 60,949                            | 69,043                        | -                               |
| ISC - PW - Training - Fire Protection | 4,590                                     | 5,100                             | 9,690                         | -                               |
| ISC - Ec.Dev.- Infrastructure         | 25,511                                    | 502,947                           | 384,915                       | 143,543                         |
| ISC - Edu.- Private School            | 1,468                                     | 14,540                            | 11,580                        | 4,428                           |
| ISC - Edu. - Community Initiatives    | 12,916                                    | -                                 | -                             | 12,916                          |
| ISC - SA - Needs Based off Reserve    | 23,114                                    | -                                 | -                             | 23,114                          |
| ISC - Gov.- Safe Communities          | 22,516                                    | -                                 | -                             | 22,516                          |
| ISC - Water Systems                   | 12,116                                    | 29,265                            | 9,486                         | 31,895                          |
| ISC - Waste Water Systems             | 3,575                                     | 13,496                            | 10,961                        | 6,110                           |
| ISC - Edu.- School Tuition            | 109,847                                   | 526,884                           | 425,095                       | 211,636                         |
| ISC - FNCFS Housing                   | -   | 185,404                           | -                             | 185,404                         |
| Treaty Negotiations                   | -   | 85,875                            | -                             | 85,875                          |
| Province of BC                        | 1,904,642                                 | 3,832,249                         | 1,389,928                     | 4,346,963                       |
| Other                                 | 230,363                                   | 770,551                           | -                             | 1,000,914                       |
|                                       | <b>3,226,396</b>                          | <b>7,886,452</b>                  | <b>3,711,749</b>              | <b>7,401,099</b>                |

**Homalco First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

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**12. Long-term debt**

|   | <b>2025</b>      | <b>2024</b> |
|---|------------------|-------------|
| All Nations Trust Company:<br>Phase 1 Mortgage: Repayable at \$2,324 per month including interest at 1.01% per annum; maturing and renewing July 1, 2026; secured by a guarantee by the First Nation and the Government of Canada.  | <b>37,056</b>    | 64,425      |
| All Nations Trust Company:<br>Phase 2 Mortgage: Repayable at \$3,184 per month including interest at 0.68% per annum; maturing October 1, 2045 and renewing October 1, 2025; secured by a guarantee by the First Nation and the Government of Canada.   | <b>734,733</b>   | 767,851     |
| All Nations Trust Company:<br>Phase 3 Mortgage: Repayable at \$2,732 per month including interest at 3.04% per annum; maturing June 1, 2032 and renewing June 1, 2027; secured by a guarantee by the First Nation and the Government of Canada.   | <b>214,244</b>   | 331,125     |
| CIBC:<br>Non-revolving demand installment loan, repayable at \$15,601 per month including interest at prime minus 0.25% per annum commencing on April 2024 and maturing December 1, 2038; secured by a general security agreement and a guarantee by the First Nation.                                  | <b>2,338,105</b> | 2,390,000   |
| CIBC:<br>Non-revolving demand installment loan, repayable at \$28,652 per month including interest at prime minus 0.25% per annum commencing on 31 January 2024 and maturing December 1, 2034; secured by a general security agreement and a guarantee by the First Nation.                             | <b>3,568,187</b> | 3,688,214   |
| Tale'awtxw Aboriginal Capital Corporation:<br>Non-revolving installment loan, repayable at \$10,382 per month including interest at 7.00% per annum; maturing on December 5, 2031; secured by a general security agreement and promissory note in the amount of \$693,000 executed by the First Nation. | <b>621,132</b>   | -           |
|   | <b>7,513,457</b> | 7,241,615   |

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:

|            |           |
|------------|-----------|
| 2026       | 430,374   |
| 2027       | 431,548   |
| 2028       | 442,874   |
| 2029       | 464,601   |
| 2030       | 487,516   |
| Thereafter | 5,256,544 |
|            | <hr/>     |
|            | 7,513,457 |

CIBC prime rate at March 31, 2025 was 4.95% (2024 - 7.20%).

During the year, BC Housing approved the First Nation for a line of credit up to the amount of \$500,000 and secured by a promissory note in the amount of \$500,000. No amount has been drawn from this line of credit as at March 31, 2025.

**Homalco First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

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**13. Accumulated surplus**

Accumulated surplus consists of the following:

|  | <b>2025</b>       | <b>2024</b> |
|--|-------------------|-------------|
| Equity in Ottawa Trust funds                 | 1,011             | -           |
| Surplus (deficit) in operating fund          | (1,024,840)       | 1,998,885   |
| Equity in tangible capital assets            | 15,394,539        | 11,378,289  |
| Investment in First Nation business entities | 6,042,030         | 3,691,172   |
| Replacement and operating reserves           | 567,232           | 316,767     |
|  | <b>20,979,972</b> | 17,385,113  |

**14. Indigenous Services Canada funding reconciliation**

|  | <b>2025</b>      |
|--|------------------|
| Revenue per confirmation               | 5,664,230        |
| Prior year deferred funding recognized | 1,091,393        |
| Funding deferred                       | (1,967,349)      |
| Recovered (expected) clawbacks         | (4,951)          |
|  | <b>4,783,323</b> |

**15. Economic dependence**

Homalco First Nation receives a significant portion of its revenue from Indigenous Services Canada as a result of agreements entered into with the Government of Canada. These agreements are administered by Indigenous Services Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

**16. Segment Disclosure**

The First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. These activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed:

**Band Government:**

Band Government contains activities that are needed to manage and administer the First Nation's operations.

**Lands and Governance:**

Community Services contain all activities that relate to the operations, maintenance, development, construction and financing of buildings, infrastructure and land of the First Nation.

**Economic Development:**

Economic development contains activities that are involved in the development and operation of economic opportunities.

**Education:**

Education contains activities that provide education and facilitate educational opportunities to members for primary and secondary schooling and adult vocational training.

**Homalco First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

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**16. Segment Disclosure** *(Continued from previous page)*

**Health:**

Health contains activities that provide health services, medical services, financial support or support by other means to members that is aimed at developing both the individual as well as the community.

**Housing:**

Housing contains activities that relate to on reserve housing.

**Public Works:**

Public Works contain activities that relate to the maintenance, servicing and monitoring of community infrastructure and systems.

**Social Services:**

Social Services contains activities that relate to the support and assistance of children, families and individuals in need.

**17. Budget information**

The disclosed budget information has been approved by the Chief and Council of Homalco First Nation on February 21, 2025.

Budget figures on the Consolidated Statement of Operations and Accumulated Surplus are presented using the same basis of accounting as the actual results.

**18. Commitments**

The First Nation has entered into contribution agreements with various Federal Government departments. Funding received under these contribution agreements is subject to repayment if the Nation fails to comply with the terms and conditions of the agreements.

**19. Comparative figures**

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

**Homalco First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2025*

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|  | <i>Land</i>      | <i>Vehicles</i> | <i>Boats</i>     | <i>Buildings</i> | <i>Computers</i> | <i>Equipment</i> | <i>Subtotal</i>   |
|--|------------------|-----------------|------------------|------------------|------------------|------------------|-------------------|
| <b>Cost</b>                                      |                  |                 |                  |                  |                  |                  |                   |
| Balance, beginning of year                       | 8,979,904        | 270,335         | 733,954          | 4,860,083        | 39,247           | 954,936          | 15,838,459        |
| Acquisition of tangible capital assets           | -                | 18,500          | 671,495          | 1,511,101        | -                | 34,000           | 2,235,096         |
| Balance, end of year                             | <b>8,979,904</b> | <b>288,835</b>  | <b>1,405,449</b> | <b>6,371,184</b> | <b>39,247</b>    | <b>988,936</b>   | <b>18,073,555</b> |
| <b>Accumulated amortization</b>                  |                  |                 |                  |                  |                  |                  |                   |
| Balance, beginning of year                       | -                | 182,457         | 133,306          | 2,005,458        | 39,247           | 676,217          | 3,036,685         |
| Annual amortization                              | -                | 29,139          | 64,787           | 194,987          | -                | 67,411           | 356,324           |
| Balance, end of year                             | -                | <b>211,596</b>  | <b>198,093</b>   | <b>2,200,445</b> | <b>39,247</b>    | <b>743,628</b>   | <b>3,393,009</b>  |
| <b>Net book value of tangible capital assets</b> | <b>8,979,904</b> | <b>77,239</b>   | <b>1,207,356</b> | <b>4,170,739</b> | -                | <b>245,308</b>   | <b>14,680,546</b> |
|  | 2024             |                 |                  |                  |                  |                  |                   |
| Net book value of tangible capital assets        | 8,979,904        | 87,878          | 600,648          | 2,854,625        | -                | 278,719          | 12,801,774        |

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**Homalco First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2025*

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|  | <i>Subtotal</i>   | <i>Infrastructure</i> | <i>Hatchery</i> | <i>Band Housing</i> | <i>Work in Progress</i> | <b>2025</b>       | <b>2024</b> |
|--|-------------------|-----------------------|-----------------|---------------------|-------------------------|-------------------|-------------|
| <b>Cost</b>                                      |                   |                       |                 |                     |                         |                   |             |
| Balance, beginning of year                       | <b>15,838,459</b> | <b>5,393,392</b>      | <b>466,149</b>  | <b>6,699,764</b>    | <b>1,925,447</b>        | <b>30,323,211</b> | 22,435,964  |
| Acquisition of tangible capital assets           | <b>2,235,096</b>  | <b>1,824,994</b>      | -               | -                   | <b>856,030</b>          | <b>4,916,120</b>  | 7,887,247   |
| Balance, end of year                             | <b>18,073,555</b> | <b>7,218,386</b>      | <b>466,149</b>  | <b>6,699,764</b>    | <b>2,781,477</b>        | <b>35,239,331</b> | 30,323,211  |
| <b>Accumulated amortization</b>                  |                   |                       |                 |                     |                         |                   |             |
| Balance, beginning of year                       | <b>3,036,685</b>  | <b>4,108,620</b>      | <b>243,916</b>  | <b>4,314,087</b>    | -                       | <b>11,703,308</b> | 11,275,368  |
| Annual amortization                              | <b>356,324</b>    | <b>122,746</b>        | <b>24,700</b>   | <b>124,257</b>      | -                       | <b>628,027</b>    | 427,940     |
| Balance, end of year                             | <b>3,393,009</b>  | <b>4,231,366</b>      | <b>268,616</b>  | <b>4,438,344</b>    | -                       | <b>12,331,335</b> | 11,703,308  |
| <b>Net book value of tangible capital assets</b> | <b>14,680,546</b> | <b>2,987,020</b>      | <b>197,533</b>  | <b>2,261,420</b>    | <b>2,781,477</b>        | <b>22,907,996</b> | 18,619,903  |
|  | <b>2024</b>       |                       |                 |                     |                         |                   |             |
| Net book value of tangible capital assets        |                   | 12,801,774            | 1,284,772       | 222,233             | 2,385,677               | 1,925,447         | 18,619,903  |

**Homalco First Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2025*

|  | <b>2025</b><br><i>Budget</i><br><i>(Note 17)</i> | <b>2025</b>       | <b>2024</b>       |
|--|--|-------------------|-------------------|
| <b>Consolidated expenses by object</b> |  |                   |                   |
| Administration                         | 242,752  | 199,119           | 371,736           |
| Advertising                            | -  | 5,514             | 3,140             |
| Amortization                           | 400,000  | 628,027           | 427,940           |
| Bad debts                              | 96,000   | 950               | 87,009            |
| Bank charges and interest              | 25,000   | 19,639            | 28,320            |
| Community events                       | 47,691   | 247,641           | 259,651           |
| Consulting                             | 43,500   | 258,874           | 460,249           |
| Distribution to Band Members           | -  | 268,750           | 293,650           |
| Food supplies                          | 118,950  | 235,974           | 193,608           |
| Fuel                                   | 5,600  | 84,337            | 45,793            |
| Funeral                                | 25,000   | 34,631            | 76,028            |
| Honouraria                             | 167,655  | 32,793            | 115,410           |
| Insurance                              | 150,000  | 131,454           | 207,793           |
| Interest on long-term debt             | -  | 283,603           | 226,906           |
| Meetings and workshops                 | 48,300   | 33,680            | 78,651            |
| Memberships                            | 5,000  | 253,540           | 331,034           |
| Office expenses                        | 159,744  | 82,584            | 150,138           |
| Patient travel                         | 24,593   | 41,029            | 67,233            |
| Professional fees                      | 1,577,405  | 2,655,677         | 1,371,597         |
| Rent                                   | 16,500   | 57,815            | 46,195            |
| Repairs and maintenance                | 562,280  | 1,133,434         | 993,657           |
| Salaries and benefits                  | 3,696,889  | 3,879,675         | 3,674,565         |
| Social assistance                      | 1,045,423  | 1,106,958         | 1,265,666         |
| Supplies                               | 258,355  | 369,750           | 428,168           |
| Telephone and internet                 | 80,500   | 132,125           | 90,008            |
| Training                               | 83,590   | 31,541            | 365,252           |
| Travel                                 | 159,138  | 487,617           | 656,307           |
| Tuition costs                          | 293,278  | 530,100           | 757,388           |
| Utilities                              | 137,142  | 125,278           | 143,712           |
|  | <b>9,470,285</b>                                 | <b>13,352,109</b> | <b>13,216,804</b> |

**Homalco First Nation  
Band Government**  
**Schedule 3 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2025*

|   | <b>2025<br/>Budget<br/>(Note 17)</b> | <b>2025</b>        | <b>2024</b>        |
|---|--------------------------------------|--------------------|--------------------|
| <b>Revenue</b>                            |                                      |                    |                    |
| Indigenous Services Canada                | 367,519                              | 647,177            | 1,687,821          |
| Province of British Columbia              | 25,000                               | 34,642             | 289,000            |
| Department of Fisheries and Oceans Canada | -                                    | 33,000             | 77,810             |
| First Nations Health Authority            | -                                    | 4,928              | 1,000              |
| Ottawa Trust                              | -                                    | 1,011              | 1,031              |
| BC Treaty Commission                      | 583,534                              | 583,500            | 280,000            |
| Other revenue                             | 447,000                              | 561,646            | 913,624            |
| Interest income                           | 120,000                              | 197,264            | 323,389            |
| Rental income                             | 24,000                               | 22,000             | 97,397             |
|   | <b>1,567,053</b>                     | <b>2,085,168</b>   | <b>3,671,072</b>   |
| <b>Expenses</b>                           |                                      |                    |                    |
| Administration (recovery)                 | (6,000)                              | 55,497             | 21,963             |
| Advertising                               | -                                    | 500                | 3,140              |
| Amortization                              | 280,000                              | 541,614            | 341,720            |
| Bad debts                                 | 70,000                               | 950                | 87,009             |
| Bank charges and interest                 | 5,000                                | 19,639             | 27,718             |
| Community events                          | 23,900                               | 182,798            | 219,683            |
| Consulting                                | 38,500                               | 190,722            | 402,776            |
| Distribution to Band Members              | -                                    | 268,750            | 293,650            |
| Food supplies                             | 14,250                               | 98,752             | 51,820             |
| Fuel                                      | 600                                  | 11,274             | 3,551              |
| Funeral                                   | 25,000                               | 34,631             | 76,028             |
| Honouraria                                | 94,000                               | 16,527             | 91,321             |
| Insurance                                 | 150,000                              | 117,789            | 195,265            |
| Meetings and workshops                    | 30,300                               | 13,239             | 53,963             |
| Memberships                               | 5,000                                | 58,852             | 218,983            |
| Office expenses (recovery)                | 128,744                              | (7,708)            | 63,919             |
| Professional fees                         | 222,606                              | 491,165            | 594,612            |
| Rent                                      | 16,500                               | 17,038             | 26,770             |
| Repairs and maintenance                   | 30,000                               | 31,644             | 50,443             |
| Salaries and benefits                     | 1,390,226                            | 1,657,342          | 1,612,032          |
| Supplies                                  | 50,500                               | 82,221             | 141,767            |
| Telephone and internet                    | 55,000                               | 131,439            | 62,362             |
| Training                                  | 27,500                               | 17,051             | 526                |
| Travel                                    | 97,079                               | 247,591            | 337,754            |
| Tuition costs                             | -                                    | 22,924             | 178,417            |
| Utilities                                 | 7,500                                | 3,000              | 1,000              |
|   | <b>2,756,205</b>                     | <b>4,305,241</b>   | <b>5,158,192</b>   |
| <b>Deficit before other items</b>         | <b>(1,189,152)</b>                   | <b>(2,220,073)</b> | <b>(1,487,120)</b> |
| <b>Transfers between programs</b>         | <b>-</b>                             | <b>186,315</b>     | <b>286,786</b>     |
| <b>Annual deficit</b>                     | <b>(1,189,152)</b>                   | <b>(2,033,758)</b> | <b>(1,200,334)</b> |

**Homalco First Nation**  
**Lands and Governance**  
**Schedule 4 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2025*

|   | <b>2025</b><br><i>Budget</i><br><i>(Note 17)</i> | <b>2025</b>      | 2024      |
|---|--|------------------|-----------|
| <b>Revenue</b>                            |  |                  |           |
| Province of British Columbia              | 2,159,124  | 2,941,390        | 2,260,815 |
| Indigenous Services Canada                | 369,744  | 759,744          | 343,933   |
| Department of Fisheries and Oceans Canada | 207,922  | 627,389          | 764,109   |
| Other revenue                             | 371,950  | 695,555          | 2,131,096 |
| Rental income                             | 100,000  | 9,720            | 6,100     |
|   | <b>3,208,740</b>                                 | <b>5,033,798</b> | 5,506,053 |
| <b>Expenses</b>                           |  |                  |           |
| Administration                            | 41,450   | 5,365            | 47,038    |
| Bank charges and interest                 | -  | -                | 139       |
| Community events                          | -  | 14,192           | 19,144    |
| Consulting                                | -  | 13,678           | 25,244    |
| Food supplies                             | 101,000  | 105,423          | 106,959   |
| Fuel                                      | -  | 52,857           | 27,192    |
| Honouraria (recovery)                     | 1,000  | (1,154)          | 1,925     |
| Insurance                                 | -  | 98               | 26        |
| Interest on long-term debt                | -  | 266,135          | 64,170    |
| Meetings and workshops                    | 2,500  | 3,027            | 12,738    |
| Memberships                               | -  | 602              | -         |
| Office expenses                           | 15,000   | 50,242           | 68,096    |
| Professional fees                         | 590,000  | 855,970          | 317,887   |
| Rent                                      | -  | 32,545           | 5,972     |
| Repairs and maintenance                   | 55,000   | 78,618           | 166,968   |
| Salaries and benefits                     | 1,144,291  | 1,140,850        | 961,987   |
| Supplies                                  | 65,000   | 179,980          | 171,424   |
| Telephone and internet (recovery)         | 5,000  | (2,951)          | 2,126     |
| Training                                  | -  | 500              | 355,912   |
| Travel                                    | 26,759   | 136,476          | 147,769   |
| Utilities                                 | -  | -                | 189       |
|   | <b>2,047,000</b>                                 | <b>2,932,453</b> | 2,502,905 |
| <b>Annual surplus</b>                     | <b>1,161,740</b>                                 | <b>2,101,345</b> | 3,003,148 |

**Homalco First Nation**  
**Economic Development**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2025*

|  | <b>2025</b><br><i>Budget</i><br><i>(Note 17)</i> | <b>2025</b>      | 2024      |
|--|--|------------------|-----------|
| <b>Revenue</b>                                       |  |                  |           |
| BC FN Gaming Revenue                                 | 412,857  | 412,857          | 535,202   |
| Province of British Columbia                         | -  | 79,496           | -         |
| Indigenous Services Canada                           | 20,596   | 20,596           | 20,596    |
| Earnings from investment in Nation business entities | -  | 2,350,858        | 799,290   |
| Other revenue  | -  | -                | 197,310   |
|  | <b>433,453</b>                                   | <b>2,863,807</b> | 1,552,398 |
| <b>Expenses</b>                                      |  |                  |           |
| Administration                                       | -  | 250              | 2,060     |
| Bank charges and interest                            | -  | -                | 255       |
| Food supplies  | -  | -                | 40        |
| Interest on long-term debt                           | -  | 5,000            | 147,833   |
| Meetings and workshops                               | -  | -                | 46        |
| Professional fees                                    | 85,000   | 68,348           | 141,540   |
| Salaries and benefits                                | 20,596   | 20,265           | 54,054    |
| Supplies   | -  | -                | 23,906    |
|  | <b>105,596</b>                                   | <b>93,863</b>    | 369,734   |
| <b>Surplus before transfers</b>                      | <b>327,857</b>                                   | <b>2,769,944</b> | 1,182,664 |
| <b>Transfers between programs</b>                    | <b>-</b>   | <b>(412,857)</b> | (535,202) |
| <b>Annual surplus</b>                                | <b>327,857</b>                                   | <b>2,357,087</b> | 647,462   |

**Homalco First Nation**  
**Education**  
**Schedule 6 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2025*

|   | <b>2025</b><br><i>Budget</i><br><i>(Note 17)</i> | <b>2025</b>      | 2024      |
|---|--|------------------|-----------|
| <b>Revenue</b>                            |  |                  |           |
| Indigenous Services Canada                | 879,611  | 731,607          | 568,602   |
| Province of British Columbia              | -  | 535,530          | 191,164   |
| FNESC                                     | 7,579  | 282,358          | 485,715   |
| Other revenue                             | 17,509   | 181,251          | 96,166    |
|   | <b>904,699</b>                                   | <b>1,730,746</b> | 1,341,647 |
| <b>Expenses</b>                           |  |                  |           |
| Administration                            | 7,157  | 28,423           | 111,352   |
| Advertising                               | -  | 514              | -         |
| Community events                          | 3,791  | 1,094            | 7,076     |
| Consulting                                | -  | -                | 12,330    |
| Food supplies                             | 3,700  | 16,907           | 15,895    |
| Fuel                                      | -  | -                | 154       |
| Honouraria                                | -  | 7,475            | 7,377     |
| Meetings and workshops                    | -  | 2,588            | 1,081     |
| Memberships                               | -  | 38,020           | 38,134    |
| Office expenses                           | 1,000  | 24               | 2,338     |
| Professional fees                         | 545,975  | 714,582          | 128,393   |
| Rent                                      | -  | -                | 1,398     |
| Repairs and maintenance                   | -  | -                | 1,774     |
| Salaries and benefits                     | 75,000   | 164,996          | 142,838   |
| Supplies                                  | 15,585   | 51,006           | 35,067    |
| Training                                  | -  | 6,229            | 7,226     |
| Travel                                    | -  | 31,654           | 74,679    |
| Tuition costs                             | 293,278  | 507,176          | 578,971   |
|   | <b>945,486</b>                                   | <b>1,570,688</b> | 1,166,083 |
| <b>Surplus (deficit) before transfers</b> | <b>(40,787)</b>                                  | <b>160,058</b>   | 175,564   |
| <b>Transfers between programs</b>         | <b>-</b>   | <b>226,542</b>   | 224,574   |
| <b>Annual surplus (deficit)</b>           | <b>(40,787)</b>                                  | <b>386,600</b>   | 400,138   |

**Homalco First Nation**  
**Health**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2025*

|                                   | <b>2025</b><br><i>Budget</i><br><i>(Note 17)</i> | <b>2025</b>      | 2024      |
|-----------------------------------|--|------------------|-----------|
| <b>Revenue</b>                    |  |                  |           |
| First Nations Health Authority    | 936,997  | 1,031,155        | 944,660   |
| Province of British Columbia      | -  | 505,350          | 25,000    |
| Other revenue                     | 209,039  | 313,719          | 155,876   |
| Rental income                     | -  | 1,000            | -         |
|                                   | <b>1,146,036</b>                                 | <b>1,851,224</b> | 1,125,536 |
| <b>Expenses</b>                   |  |                  |           |
| Administration                    | 38,706   | 39,099           | 58,190    |
| Community events                  | -  | 16,508           | 6,308     |
| Consulting                        | -  | 54,474           | 19,900    |
| Food supplies                     | -  | 12,422           | 16,537    |
| Fuel                              | -  | 14,925           | 9,301     |
| Honouraria                        | 72,655   | 4,955            | 8,486     |
| Insurance (recovery)              | -  | -                | (1,065)   |
| Meetings and workshops            | 13,000   | 2,207            | 8,724     |
| Memberships                       | -  | 50,024           | 34,515    |
| Office expenses                   | 15,000   | 31,636           | -         |
| Patient travel                    | 24,593   | 41,029           | 67,233    |
| Professional fees                 | 44,598   | 118,164          | 70,367    |
| Rent                              | -  | -                | 4,607     |
| Repairs and maintenance           | 15,000   | 22,613           | 22,104    |
| Salaries and benefits             | 716,905  | 611,757          | 642,590   |
| Supplies                          | 104,066  | 24,185           | 24,505    |
| Telephone and internet            | 18,000   | 525              | 18,569    |
| Training                          | 43,000   | 5,780            | 1,588     |
| Travel                            | 13,500   | 35,783           | 63,997    |
| Utilities                         | 27,013   | 5,120            | 11,061    |
|                                   | <b>1,146,036</b>                                 | <b>1,091,206</b> | 1,087,517 |
| <b>Surplus before transfers</b>   | -  | <b>760,018</b>   | 38,019    |
| <b>Transfers between programs</b> | -  | -                | 23,842    |
| <b>Annual surplus</b>             | <b>-</b>   | <b>760,018</b>   | 61,861    |

**Homalco First Nation**  
**Housing**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2025*

|   | <b>2025</b><br><i>Budget</i><br><i>(Note 17)</i> | <b>2025</b>      | 2024      |
|---|--|------------------|-----------|
| <b>Revenue</b>                            |  |                  |           |
| Indigenous Services Canada                | 219,403  | 304,510          | 153,059   |
| Canadian Mortgage and Housing Corporation | -  | 231,045          | 268,092   |
| Other revenue                             | 294,468  | 341,130          | 893,410   |
| Rental income                             | 273,000  | 133,271          | 189,646   |
| Interest income                           | -  | 22,581           | 15,544    |
|   | <b>786,871</b>                                   | <b>1,032,537</b> | 1,519,751 |
| <b>Expenses</b>                           |  |                  |           |
| Administration                            | 124,000  | 10,000           | 25,456    |
| Amortization                              | 120,000  | 86,414           | 86,220    |
| Bad debts                                 | 26,000   | -                | -         |
| Bank charges and interest                 | 20,000   | -                | -         |
| Community events                          | -  | 1,610            | -         |
| Consulting                                | 5,000  | -                | -         |
| Food supplies                             | -  | -                | 311       |
| Fuel                                      | 5,000  | 14               | 1,298     |
| Honouraria                                | -  | -                | 132       |
| Insurance                                 | -  | 13,567           | 13,567    |
| Interest on long-term debt                | -  | 12,468           | 14,903    |
| Meetings and workshops                    | -  | -                | 90        |
| Memberships                               | -  | 84,000           | -         |
| Office expenses (recovery)                | -  | (10)             | -         |
| Professional fees                         | 10,000   | 168,613          | 50,673    |
| Rent                                      | -  | 4,747            | 4,587     |
| Repairs and maintenance                   | 422,468  | 833,422          | 696,270   |
| Salaries and benefits                     | 120,000  | 134,694          | 147,933   |
| Supplies                                  | 2,500  | 4,495            | 13,961    |
| Telephone and internet                    | 2,500  | 3,112            | 6,951     |
| Training                                  | 3,500  | 1,614            | -         |
| Travel                                    | 2,000  | 2,614            | 2,998     |
| Utilities                                 | -  | 30,006           | 28,855    |
|   | <b>862,968</b>                                   | <b>1,391,380</b> | 1,094,205 |
| <b>Annual surplus (deficit)</b>           | <b>(76,097)</b>                                  | <b>(358,843)</b> | 425,546   |

**Homalco First Nation**  
**Public Works**  
**Schedule 9 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2025*

|                                 | <b>2025</b><br><i>Budget</i><br><i>(Note 17)</i> | <b>2025</b>    | 2024    |
|---------------------------------|--|----------------|---------|
| <b>Revenue</b>                  |  |                |         |
| Indigenous Services Canada      | <b>257,978</b>                                   | <b>607,811</b> | 255,489 |
| <b>Expenses</b>                 |  |                |         |
| Administration                  | 24,717   | 4,276          | 30,000  |
| Bank charges and interest       | -  | -              | 208     |
| Community events                | -  | 1,330          | 500     |
| Food supplies                   | -  | 114            | -       |
| Fuel                            | -  | 4,954          | 4,141   |
| Honouraria                      | -  | 270            | 2,550   |
| Office expenses                 | -  | 7,500          | 15,707  |
| Professional fees               | 14,226   | 231,237        | 33,813  |
| Rent                            | -  | 3,485          | 2,861   |
| Repairs and maintenance         | 39,812   | 167,138        | 56,097  |
| Salaries and benefits           | 50,000   | 21,353         | 124     |
| Supplies                        | 17,204   | 4,071          | 7,384   |
| Training                        | 4,590  | -              | -       |
| Travel                          | 4,800  | 3,735          | 4,800   |
| Utilities                       | 102,629  | 87,151         | 102,605 |
|                                 | <b>257,978</b>                                   | <b>536,614</b> | 260,790 |
| <b>Annual surplus (deficit)</b> | <b>-</b>   | <b>71,197</b>  | (5,301) |

**Homalco First Nation**  
**Social Services**  
**Schedule 10 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2025*

|                                 | <b>2025</b><br><i>Budget</i><br><i>(Note 17)</i> | <b>2025</b>      | 2024             |
|---------------------------------|--|------------------|------------------|
| <b>Revenue</b>                  |  |                  |                  |
| Indigenous Services Canada      | 1,286,081  | 1,711,878        | 1,714,323        |
| Province of British Columbia    | -  | 30,000           | 30,000           |
| Other revenue                   | -  | -                | 7,565            |
|                                 | <b>1,286,081</b>                                 | <b>1,741,878</b> | <b>1,751,888</b> |
| <b>Expenses</b>                 |  |                  |                  |
| Administration                  | 12,722   | 56,209           | 75,677           |
| Advertising                     | -  | 4,500            | -                |
| Community events                | 20,000   | 30,109           | 6,941            |
| Food supplies                   | -  | 2,356            | 2,046            |
| Fuel                            | -  | 313              | 155              |
| Honouraria                      | -  | 4,720            | 3,620            |
| Meetings and workshops          | 2,500  | 12,619           | 2,009            |
| Memberships                     | -  | 22,043           | 39,402           |
| Office expenses                 | -  | 900              | 77               |
| Professional fees               | 65,000   | 7,598            | 34,312           |
| Salaries and benefits           | 179,871  | 128,417          | 113,009          |
| Social assistance               | 1,045,423  | 1,106,958        | 1,265,666        |
| Supplies                        | 3,500  | 23,792           | 10,154           |
| Training                        | 5,000  | 367              | -                |
| Travel                          | 15,000   | 29,764           | 24,310           |
|                                 | <b>1,349,016</b>                                 | <b>1,430,665</b> | <b>1,577,378</b> |
| <b>Annual surplus (deficit)</b> | <b>(62,935)</b>                                  | <b>311,213</b>   | <b>174,510</b>   |