

**LIL'WAT NATION**  
**FINANCIAL STATEMENTS**  
For the year ended March 31, 2021

**LIL'WAT NATION**  
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**For the year ended March 31, 2021**

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## Management's Responsibility for Financial Reporting

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The accompanying financial statements of the Lil'wat Nation are the responsibility of management and have been approved by the Chiefs and Council.

The financial statements have been prepared by management using the basis of accounting described in the summary of significant accounting policies. Financial statements are not precise since they include certain amounts based on estimates and when alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Lil'wat Nation maintains systems of internal accounting and administrative controls, consistent with reasonable costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The Lil'wat Nation is responsible for ensuring that the management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Chiefs and Council carry out this responsibility through the Finance and Audit Committee.

The Finance and Audit Committee reviews the financial statements and recommends their approval. They meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and external auditor's report. The Chiefs and Council also considers the engagement of the external auditors.

The financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP have full and free access to the Chiefs and Council.

Approved on behalf of the Band Council

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Dean Nelson

Chief

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Chairperson of Finance and Audit Committee

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Kerry McHaffey

Chief Administrative Officer

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 Kelowna, BC V1Y 0B5 Canada

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## Independent Auditor's Report

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### To the Members of the Lil'wat Nation

#### Opinion

We have audited the financial statements of Lil'wat Nation ("the First Nation") which comprise the statement of financial position as at March 31, 2021, and the statements of financial activity, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2021, and its results of operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for Opinion

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

#### Other Information - Supplementary Information

The Nation has also prepared another set of consolidated financial statements for the year ended March 31, 2021 in accordance with Canadian public sector accounting standards. However, those consolidated financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures prepared to assist management of the Nation to meet the reporting requirements of various funding agencies. Our audit report on the other set of financial statements was issued to Chiefs and Council and was dated August 3, 2021.



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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in the summary of significant accounting policies, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*BDO Canada LLP*

Chartered Professional Accountants

Kelowna, British Columbia

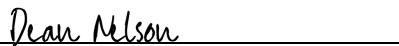
August 3, 2021

**LIL'WAT NATION**  
**Statement of Financial Position**

<b>March 31</b>	<b>2021</b>	<b>2020</b>
<b>Financial Assets</b>		
Cash	\$ 6,132,400	\$ 3,627,621
Restricted cash (Note 1)	9,116,171	5,254,662
Temporary investments (Note 2)	7,634,559	7,460,695
Accounts receivable (Note 3)	3,090,996	1,767,045
Due from related entities (Note 4)	295,003	279,035
Investment in business enterprises and partnerships (Note 5)	21,837,408	21,663,315
Ottawa Trust Funds	430,093	420,161
	<b>48,536,630</b>	<b>40,472,534</b>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	3,199,415	2,793,064
Deferred revenue (Note 8)	9,661,255	4,404,249
Due to related entities (Note 4)	65,321	3,854,224
Obligation under capital lease (Note 9)	180,466	294,137
Long term debt (Note 10)	10,024,324	9,276,403
	<b>23,130,781</b>	<b>20,622,077</b>
<b>Net Financial Assets</b>	<b>25,405,849</b>	19,850,457
<b>Non - Financial Assets</b>		
Tangible capital assets (Note 11)	52,228,114	52,443,113
Prepaid expenses	248,190	218,465
	<b>52,476,304</b>	<b>52,661,578</b>
<b>Accumulated Surplus (Note 12)</b>	<b>\$ 77,882,153</b>	<b>\$ 72,512,035</b>

Approved on behalf of the Band Council

DocuSigned by:

 Dean Nelson

Chief

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Chairperson of Finance and Audit Committee

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 Terry McHaffey

Chief Administrative Officer

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**LIL'WAT NATION**  
**Statement of Financial Activity**

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Indigenous Services Canada	\$ 11,436,035	<b>\$ 12,978,452</b>	\$ 11,190,488
Canada Mortgage and Housing Corporation	246,410	288,940	276,407
Department of Fisheries and Oceans Canada	302,000	490,133	347,500
First Nations Education Steering Committee	1,288,153	1,520,768	1,663,807
First Nations Health Authority	4,331,866	4,093,048	6,558,264
BC First Nations Gaming	-	843,812	786,751
Province of British Columbia	2,016,551	4,071,457	2,066,826
Rental income	384,252	927,698	885,769
Skills & Employment Training income	1,406,546	1,288,114	1,319,917
Other income	8,326,064	4,746,776	4,365,781
Royalty income	1,119,277	1,435,774	1,663,663
Income from business enterprises and partnerships	-	174,093	534,057
	<hr/>	<hr/>	<hr/>
	30,857,154	<b>32,859,065</b>	31,659,230
<b>Expenses (Note 18)</b>			
Operations Fund	18,340,061	20,349,104	19,213,011
Capital Fund	519,189	456,081	851,130
Xet'olacw Housing Fund	681,003	795,438	745,385
Xet'olacw Community School Fund	5,905,033	5,806,675	5,760,042
Funding agency recoveries	-	1,045	4,514
CMHC approved expenditures	-	80,604	148,896
	<hr/>	<hr/>	<hr/>
	25,445,286	<b>27,488,947</b>	26,722,978
<b>Annual surplus</b>	<b>5,411,868</b>	<b>5,370,118</b>	4,936,252
<b>Accumulated surplus, beginning of year</b>	<b>72,512,035</b>	<b>72,512,035</b>	67,575,783
<b>Accumulated surplus, end of year</b>	<b>\$ 77,923,903</b>	<b>\$ 77,882,153</b>	<b>\$ 72,512,035</b>

**LIL'WAT NATION**  
**Statement of Change in Net Financial Assets**

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2021</b>	<b>2020</b>
Annual surplus	\$ 5,411,868	\$ 5,370,118	\$ 4,936,252
Acquisition of tangible capital assets (Note 11)	(5,147,824)	(5,815,925)	(6,669,749)
Amortization of tangible capital assets (Note 11)	350,619	2,271,646	2,239,490
Net book value of disposed tangible capital assets (Note 11)	-	3,759,278	-
Change in prepaid expenses	-	(29,725)	23,401
	614,663	5,555,392	529,394
<b>Net financial assets, beginning of year</b>	<b>19,850,457</b>	<b>19,850,457</b>	<b>19,321,063</b>
<b>Net financial assets, end of year</b>	<b>\$ 20,465,120</b>	<b>\$ 25,405,849</b>	<b>\$ 19,850,457</b>

**LIL'WAT NATION**  
**Statement of Cash Flows**

**For the year ended March 31**

**2021**

**2020**

**Cash flows provided by (used in) operating activities**

Cash receipts from all funding sources	\$ 36,484,034	\$ 33,811,030
Cash paid to employees and suppliers	(24,436,974)	(24,163,723)
Interest paid	<u>(269,708)</u>	<u>(289,038)</u>
	<u><b>11,777,352</b></u>	<u><b>9,358,269</b></u>

**Cash flows provided by (used in) capital activities**

Purchase of tangible capital assets	<u>(5,815,925)</u>	<u>(6,669,749)</u>
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**Cash flows provided by (used in) investing activities**

Change in long term investments	-	(399,449)
Change in restricted temporary investments	(173,864)	(180,271)
Change in Ottawa trust funds	(9,932)	(11,628)
Advances to related parties	<u>(45,594)</u>	<u>1,908,544</u>
	<u><b>(229,390)</b></u>	<u><b>1,317,196</b></u>

**Cash flows provided by (used in) financing activities**

Issuance of long term debt	1,291,318	267,037
Repayment of long term debt and capital leases	<u>(657,067)</u>	<u>(627,795)</u>
	<u><b>634,251</b></u>	<u><b>(360,758)</b></u>

**Increase in cash**

<b>Cash, beginning of year</b>	<b>8,882,283</b>	5,237,325
<b>Cash, end of year</b>	<b>\$ 15,248,571</b>	<b>\$ 8,882,283</b>

**Represented by:**

Cash	\$ 6,132,400	\$ 3,627,621
Restricted cash	<u>9,116,171</u>	<u>5,254,662</u>
	<u><b>\$ 15,248,571</b></u>	<u><b>\$ 8,882,283</b></u>

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## LIL'WAT NATION

### Summary of Significant Accounting Policies

**March 31, 2021**

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<b>Basis of Presentation</b>	It is the policy of the Lil'wat Nation (the "First Nation") to follow accounting principles generally accepted for First Nations in the Province of British Columbia. They have been prepared using guidelines issued by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The First Nation provides services such as band government, public works, social development, community health, advanced education, economic development, land and resources, housing and community school.
<b>Reporting Entity</b>	The Lil'wat Nation reporting entity includes the Lil'wat Nation and all related entities which are accountable for the administration of their financial affairs and resources to the First Nation and are either owned or controlled by the First Nation.
<b>Principles of Financial Reporting</b>	These financial statements include on a modified equity basis the assets, liabilities and results of operations of the following organizations which use accounting principles which lend themselves to combine on a modified equity basis with the Lil'wat Nation: <ul style="list-style-type: none"><li>- Lil'wat Holdings Limited Partnership</li><li>- 0773099 BC Ltd.</li><li>- 0780174 BC Ltd.</li><li>- 0780176 BC Ltd.</li><li>- 0780179 BC Ltd.</li><li>- 0780182 BC Ltd.</li><li>- 0780185 BC Ltd.</li><li>- 0781316 BC Ltd.</li><li>- 0781242 BC Ltd.</li><li>- 0915799 BC Ltd.</li></ul>
<b>Fund Accounting</b>	The Lil'wat Nation is segregated into various funds for accounting and financial reporting purposes. Each fund is treated as a separate entity with responsibility for stewardship of the assets allocated to it.  The funds and enterprises of the Lil'wat Nation are as follows: <ul style="list-style-type: none"><li>- Operations Fund</li><li>- Capital Fund</li><li>- Xet'olacw Housing Fund</li><li>- Xet'olacw Community School Fund</li></ul>
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents includes cash and investments in money market funds with maturity dates of three months or less.

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## LIL'WAT NATION

### Summary of Significant Accounting Policies

**March 31, 2021**

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<b>Portfolio Investments</b>	Portfolio investments are stated at the lower of cost and market value and have a maturity date that exceeds three months.
<b>Leased Assets</b>	Leases entered into, that transfer substantially all the benefits and risks associated with ownership, are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the First Nation, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.
<b>Government Transfers</b>	Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
<b>Budget Figures</b>	The budget figures are approved annually by the Chiefs and Council. They have been reallocated to conform to public sector financial statement presentation. Subsequent amendments have been made by the Chiefs and Council to reflect changes in the budget, as required.
<b>Tangible Capital Assets</b>	Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Buildings	25 years
Community infrastructure	20 - 75 years
Equipment	5 - 20 years
Assets under construction	Nil

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## LIL'WAT NATION

### Summary of Significant Accounting Policies

**March 31, 2021**

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**Impairment of Long  
Lived Assets**

In the event that facts and circumstances indicate that the First Nation's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. The First Nation considers that no circumstances exist that would require such an evaluation.

**Revenue Recognition**

Government funding is recognized as it becomes receivable under the terms of applicable funding agreements. Revenue received under funding agreements which relates to a subsequent fiscal period is recognized as revenue in the period in which the resources are used for the purpose or purposes specified.

Rental revenue is recognized as it becomes receivable under the terms of the rental agreement.

Sales of service and other revenue is recognized on an accrual basis.

All other revenue is recognized as it is earned.

**Deferred Revenue**

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

**Use of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**1. Restricted Cash**

	<b>2021</b>	<b>2020</b>
Xet'olacw Housing Operations		
Replacement reserve (Note 13)	\$ 642,915	\$ 641,232
Operating reserve (Note 14)	40,778	40,798
Funds held in trust	4,505	4,505
Restricted funds	<u>16,062,532</u>	12,028,822
	<u><b>\$ 16,750,730</b></u>	<u><b>\$ 12,715,357</b></u>

**Restricted Cash is represented by:**

Restricted cash	\$ 9,116,171	\$ 5,254,662
Restricted temporary investments (Note 2)	<u>7,634,559</u>	7,460,695
	<u><b>\$ 16,750,730</b></u>	<u><b>\$ 12,715,357</b></u>

**2. Restricted Temporary Investments**

Included in the restricted cash amounts in Note 1 are short term investments. The First Nation holds the following temporary investments in a chartered bank with the following terms:

	<b>2021</b>	<b>2020</b>
Monthly Income Fund	\$ 365,837	\$ 36,587
GIC's, with rates between 0.65% and 3.05%, maturing between April, 2021 and September, 2025.	6,770,459	6,429,514
Extendable step-up bonds, matured in the year.	-	994,594
Extendable step-up bonds, with coupons paid semi-annually between 1.60% and 2.75%, maturing March, 2029.	<u>498,263</u>	-
	<u><b>\$ 7,634,559</b></u>	<u><b>\$ 7,460,695</b></u>

Funds held in restricted temporary investments represent those monies that the Lil'wat Nation has committed for expenditures for future capital and economic development projects.

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**3. Accounts Receivable**

	<b>2021</b>	<b>2020</b>
Current	\$ 5,180,405	\$ 3,730,218
Long term	500,195	500,195
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Allowance for doubtful accounts	5,680,600	4,230,413
	(2,589,604)	(2,463,368)
	<hr/>	<hr/>
	\$ 3,090,996	\$ 1,767,045

**4. Due To/From Related Entities**

The amounts due to and from related parties bear no interest and have no fixed terms of repayment. The entities below are all owned, controlled or significantly influenced by the First Nation.

**Due From Related Entities**

	<b>2021</b>	<b>2020</b>
Lil'wat Construction Enterprises Limited Partnership	\$ -	\$ 2,457
Lil'wat Capital Assets Limited Partnership	163,635	163,635
Lil'wat Forestry Ventures Limited Partnership	-	53,713
Lil'wat Management Services Limited Partnership	123,835	59,230
Lil'wat Retail Operations Limited Partnership	7,533	-
	<hr/>	<hr/>
	\$ 295,003	\$ 279,035

**Due To Related Entities**

	<b>2021</b>	<b>2020</b>
Lil'wat Construction Enterprises Limited Partnership	\$ 7,797	\$ -
Lil'wat Forestry Ventures Limited Partnership	57,523	-
Lil'wat Retail Operations Limited Partnership	-	3,854,223
0915799 BC Ltd.	1	1
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	\$ 65,321	\$ 3,854,224

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## LIL'WAT NATION

### Notes to Financial Statements

**March 31, 2021**

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#### 4. Due To/From Related Entities (continued)

##### Related Party Transactions

During the year, the Lil'wat Nation received administration fees from a related party, Lil'wat Management Services Limited Partnership, in the amount of \$62,747 (2020 - \$91,021).

During the year, the Lil'wat Nation received administration fees from a related party, Lil'wat Construction Enterprises Limited Partnership, in the amount of \$10,962 (2020 - \$8,694).

During the year, the Lil'wat Nation received royalty and other income from a related party, Lil'wat Forestry Ventures Limited Partnership, in the amount of \$27,216 (2020 - \$102,175).

During the year, the Lil'wat Nation received administration fees and off reserve lands income from a related party, Lil'wat Retail Operations Limited Partnership, in the amount of \$14,008 (2020 - \$12,895).

During the year, the Lil'wat Nation incurred expenses on behalf of Lil'wat Construction Enterprises Limited Partnership in the amount of \$103,635 (2020 - \$83,712).

During the year, the Lil'wat Nation paid fees to Lil'wat Forestry Ventures Limited Partnership in the amount of \$86,464 (2020 - \$49,500).

During the year, the Lil'wat Nation contributed \$330,729 (2020 - \$234,980) to the Squamish Lil'wat Cultural Centre.

During the year, the Lil'wat Nation paid management fees to Lil'wat Management Services Limited Partnership, in the amount of \$73,012 (2020 - \$25,607).

During the year, the Lil'wat Nation contributed funds to be used towards a construction project to Lil'wat Capital Assets Limited Partnership in the amount of \$Nil (2020 - \$500,000).

During the year, the Lil'wat Nation incurred expenses on behalf of Squamish Lil'wat Cultural Centre in the amount of \$9,214 (2020 - \$Nil).

During the year, the Lil'wat Nation paid a contribution in the amount of \$75,000 (2020 - \$Nil) to Lil'wat Construction Enterprises Limited Partnership for a mining permit.

During the year, the Lil'wat Nation paid a contribution in the amount of \$200,000 (2020 - \$Nil) to Lil'wat Holdings Limited Partnership for the Squamish Mills purchase.

During the year, the Lil'wat Nation incurred expenses on behalf of Lil'wat Holdings Limited Partnership in the amount of \$30,000 (2020 - \$Nil).

During the year, the Lil'wat Nation transferred assets to a related party, Lil'wat Retail Operations Limited Partnership, in the amount of \$3,759,278 (2020 - \$Nil). The assets transferred relate to the Mount Currie Chevron gas station that was previously constructed in the Lil'wat Nation, and financed through debt in the partnership. The transfer occurred at the exchange amount which is equal to the fair value of the assets.

The transactions have occurred in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties).

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**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

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**5. Investments in Business Enterprises and Partnerships**

The First Nation has the following long term investments:

	<b>2021</b>	<b>2020</b>
0773099 BC Ltd., 50% owned by the Lil'wat Nation	\$ 1	\$ 1
0780174 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0780176 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0780179 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0780182 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0780185 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0781242 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0781316 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0915799 BC Ltd., wholly owned by the Lil'wat Nation	1	1
Baxter Creek Limited Partnership, 25% held by the Lil'wat Nation	-	-
Lil'wat Holdings Limited Partnership, 99.99% of partnership shares held by the Lil'wat Nation	<b>21,837,289</b>	21,663,196
BC First Nations Gaming Revenue Sharing LP	<b>110</b>	110
	<hr/> <b>\$ 21,837,408</b>	<hr/> <b>\$ 21,663,315</b>

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**5. Investment in Business Enterprises and Partnerships (continued)**

The following summary discloses the condensed financial information of the business enterprises and partnerships:

(a) Summary of Financial Position	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash	\$ 575,627	\$ 305,894
Accounts receivable	793,274	786,900
Inventory	524,972	740,090
Prepaid expenses	79,480	4,480
Due from related party	-	3,699,815
Deferred logging and engineering expenses	2,908,628	2,540,397
Forestry licenses	1,281,780	962,606
Long term investments	21,855	38,466
Tangible capital assets	<u>21,739,120</u>	<u>17,749,023</u>
 Total Assets	 <u>27,924,736</u>	 <u>26,827,671</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,181,344	788,088
Due to related party	154,187	-
Reforestation obligation	197,855	209,894
Long term debt	<u>4,075,213</u>	<u>3,687,646</u>
 Total Liabilities	 <u>5,608,599</u>	 <u>4,685,628</u>
 Net Assets	 <u>\$ 22,316,137</u>	 <u>\$ 22,142,043</u>
 <b>(b) Summary of Financial Activities</b>	 <b>2021</b>	 <b>2020</b>
 Total Revenues	 <u>\$ 17,453,752</u>	 <u>\$ 18,932,880</u>
Total Expenses	 <u>17,279,659</u>	 <u>18,398,823</u>
 Income for the year	 <u>\$ 174,093</u>	 <u>\$ 534,057</u>

**6. Bank Indebtedness**

The First Nation has a line of credit with a total credit limit of \$2,000,000 (2020 - \$2,000,000), bearing interest at prime plus 0.5% (2020 - prime plus 0.5%), secured by a general security agreement, payable in monthly payments of interest only. At March 31, 2021 the amount of line of credit utilized was \$Nil (2020 - \$Nil).

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**7. Accounts Payable and Accrued Liabilities**

	<b>2021</b>	<b>2020</b>
Trade accounts payable	\$ 1,729,277	\$ 1,299,022
Indigenous Services Canada (i)	122,264	121,219
Accrued wages and benefits payable	869,092	930,616
Accrued liabilities	365,725	359,710
Other	<u>113,057</u>	<u>82,497</u>
	<b><u>\$ 3,199,415</u></b>	<b><u>\$ 2,793,064</u></b>

(i) The following amounts are repayable to Indigenous Services Canada ("ISC"):

	<b>2021</b>	<b>2020</b>
NP85-Basic Needs (2016/17) #4093	\$ 31,822	\$ 31,822
NCBO-3-NCB Re-Investment (2016/17) #4093	25,915	25,915
AW2X2-ICMS #9-00126373 Individual Housing (2016/17)	9,216	9,216
Rockfall Mitigation Project (2017/18)	8,705	8,705
NT93-Corporate Business (2015/16) #4091	4,911	4,911
DISC-NP8X-ESD-Client Supports (Active Measure) (2016-17)	2,476	2,476
NP8L-002 Special Needs (2017/18)	72	72
NPC5-In-Home Care (2017/18)	133	133
NPC9-Institutional Care (2017/18)	45	45
NP99- Industry Training/Carpentry Foundation (2017/18)	1,309	1,309
NTKB - Planning Design and Construction (2019/20)	1,045	-
NTMC FIXED Special Services (ICMS#9-00126574)ACRS 2017 Group 2	32,101	32,101
NPC9 SET Institutional Care-Co-Payment	2,954	2,954
NP99 SET SOCIAL ASS. EMPL & TRAINING (Support to Parents)	908	908
NP99 SET SOCIAL ASS. EMPL & TRAINING (Child Care)	<u>652</u>	<u>652</u>
	<b><u>\$ 122,264</u></b>	<b><u>\$ 121,219</u></b>

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**8. Deferred Revenue**

Deferred revenue represents monies received in advance for contributions received from the federal, provincial and local governments along with other sources for specific projects or programs in which the expenditures have not yet been incurred.

	Balance, beginning of year	Contributions	Revenue Recognized	Balance, end of year
Indigenous Services Canada	\$ 885,083	\$ 2,504,708	\$ (841,965)	\$ 2,547,826
First Nations Education Steering Committee	168,890	438,700	(168,890)	438,700
First Nations Health Authority	1,047,695	1,404,082	(1,047,695)	1,404,082
Lil'wat Housing Legacy	1,257,040	-	(62,425)	1,194,615
Province of British Columbia	95,000	2,969,634	(95,000)	2,969,634
BC Arts Council	24,000	-	(24,000)	-
BC Law Institute	101,337	-	(101,337)	-
Corporation transfer to Agriculture	32,345	-	(32,345)	-
UBCM Flood Mitigation	375,000	436,955	(375,000)	436,955
Gov of Canada - LHOV-1-023	43,320	-	(43,320)	-
EcoAction - Agriculture grant	6,414	-	(6,414)	-
BC Dividend Grant	228,077	84,114	(228,077)	84,114
Indigenous Skills and Employment Training	100,949	224,211	(100,949)	224,211
Fisheries Proposal	39,099	190,295	(39,099)	190,295
Department of Fisheries and Oceans	-	89,283	-	89,283
Naut'sa Mawt Tribal Council	-	25,000	-	25,000
Local Food Infrastructure Fund	-	1,209	-	1,209
Habitat Trust Funds	-	2,500	-	2,500
Work BC	-	15,723	-	15,723
Squamish Mills	-	2,000	-	2,000
Provincial Health Services Authority	-	3,000	-	3,000
Stó:Lo Aboriginal Skills and Employment Training	-	20,900	-	20,900
First People's Cultural Council	-	11,208	-	11,208
<b>2021 Totals</b>	<b>\$ 4,404,249</b>	<b>\$ 8,423,522</b>	<b>\$ (3,166,516)</b>	<b>\$ 9,661,255</b>
<b>2020 Totals</b>	<b>\$ 3,749,587</b>	<b>\$ 3,104,090</b>	<b>\$ (2,449,428)</b>	<b>\$ 4,404,249</b>

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**9. Obligation Under Capital Lease**

	<b>2021</b>	<b>2020</b>
Royal Bank - Capital Fund - Payable in monthly payments of \$2,313 including interest at 3.66%, secured by specific assets, maturing February 2024	71,793	96,431
Royal Bank - Capital Fund - Payable in monthly payments of \$2,056 including interest at 3.26%, secured by specific assets, maturing August 2021	8,169	32,147
Royal Bank - Capital Fund - Payable in monthly payments of \$1,760 including interest at 3.63%, secured by specific assets, maturing December 2022	34,102	53,596
Royal Bank - Capital Fund - Payable in monthly payments of \$1,217 including interest at 4.27%, secured by specific assets, maturing August 2023	26,875	40,029
Royal Bank - Capital Fund - Payable in monthly payments of \$2,896 including interest at 4.11%, secured by specific assets, maturing May 2022	<u>39,527</u>	<u>71,934</u>
	180,466	294,137
Less current portion	<u>101,427</u>	<u>113,671</u>
	<u><u>\$ 79,039</u></u>	<u><u>\$ 180,466</u></u>

The future minimum lease payments for the next four years are as follows:

2022	\$ 106,462
2023	61,018
2024	<u>20,819</u>
	188,299
Less imputed interest	<u>(7,833)</u>
	<u><u>\$ 180,466</u></u>

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**10. Long Term Debt**

**Lil'wat Nation - Operations Fund**

	<b>2021</b>	<b>2020</b>
CIBC - renovation loan, repayable in monthly installments of \$820, including interest at 3.94% per annum, secured by ministerial guarantee agreement and CMHC insurance.	\$ 19,678	\$ 28,555
Royal Bank - loan repayable in monthly installments of \$3,690, including interest at 3.25% per annum, maturing January 11, 2022, secured by assignment of assets.	546,726	572,770
Royal Bank - loan repayable in monthly installments of \$2,510, including interest at 3.25% per annum, maturing April 13, 2022, secured by assignment of assets and a ministerial guarantee agreement.	165,665	189,938
Royal Bank - non-revolving demand loan, repayable in monthly installments of \$3,445, including interest at 2.38% per annum, maturing December 1, 2021, secured by assignment of assets and a ministerial guarantee agreement.	70,986	110,132
Bank of Montreal - non-revolving demand construction loan, repayable in monthly installments of \$4,858, including interest at 4.39% per annum, secured by assignment of assets.	795,993	816,969
Bank of Montreal - non-revolving demand loan repayable in monthly installments of \$7,171, including interest at prime plus 0.75% per annum, secured by assignment of assets.	1,294,483	1,334,772
All Nations Trust Company - loan repayable in monthly installments of \$3,202, including interest at 5.24% per annum, maturing March 1, 2024, secured by ministerial guarantee agreement.	252,507	276,633
Royal Bank - loan repayable in monthly installments of \$1,411, including interest at 2.93% per annum, maturing February, 2026, secured by assignment of assets.	299,215	-
Royal Bank - loan advance with no specific repayment terms finalized at year end.	321,304	-
Balance carried forward	<b><u>\$ 3,766,557</u></b>	<b><u>\$ 3,329,769</u></b>

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**10. Long Term Debt (continued)**

	<b>2021</b>	<b>2020</b>
Balance brought forward	<b>\$ 3,766,557</b>	<b>\$ 3,329,769</b>
Royal Bank - loan advance with no specific repayment terms finalized at year end.	107,000	-
BC Housing - loan advance with no specific repayment terms finalized at year end.	106,069	-
<b>Xet'olacw Housing Operations</b>		
All Nations Trust Company - Phase 14 mortgage repayable in monthly installments of \$331 including interest at 1.86% per annum, renewal date of March 1, 2024, maturing March 1, 2024, secured by ministerial guarantee.	11,553	15,271
All Nations Trust Company - Phase 14-2 mortgage repayable in monthly installments of \$1,677 including interest at 1.86% per annum, renewal date of March 1, 2024, maturing March 1, 2024, secured by ministerial guarantee.	58,684	77,534
All Nations Trust Company - Phase 15 mortgage repayable in monthly installments of \$2,142 including interest at 1.08% per annum, maturing April 1, 2025, secured by ministerial guarantee.	102,532	127,109
All Nations Trust Company - Phase 16-2 mortgage repayable in monthly installments of \$755 including interest at 1.30% per annum, maturing October 1, 2025, secured by ministerial guarantee.	40,249	48,751
All Nations Trust Company - Phase 16-4 mortgage repayable in monthly installments of \$1,476 including interest at 1.30% per annum, maturing October 1, 2025, secured by ministerial guarantee.	<b>78,734</b>	<b>95,364</b>
<b>Balance carried forward</b>	<b><u>\$ 4,271,378</u></b>	<b><u>\$ 3,693,798</u></b>

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**10. Long Term Debt (continued)**

	<b>2021</b>	<b>2020</b>
Balance brought forward	<b>\$ 4,271,378</b>	<b>\$ 3,693,798</b>
Xet'olacw Housing Operations		
All Nations Trust Company - Phase 17 mortgage repayable in monthly installments of \$1,951 including interest at 1.31% per annum, renewal date December 1, 2021, maturing August 1, 2026, secured by ministerial guarantee.	122,503	144,032
All Nations Trust Company - Phase 18 mortgage repayable in monthly installments of \$2,196 including interest at 1.43% per annum, renewal date April 1, 2022, maturing November 1, 2026, secured by ministerial guarantee.	143,524	167,473
All Nations Trust Company - Elders Complex mortgage repayable in monthly installments of \$1,784 including interest at 1.30% per annum, renewal date June 1, 2022, maturing June 1, 2027, secured by ministerial guarantee.	128,564	148,025
All Nations Trust Company - Phase 19 mortgage repayable in monthly installments of \$9,200 including interest at 1.30% per annum, renewal date December 1, 2020, maturing November 1, 2035, secured by ministerial guarantee.	1,472,826	1,564,430
All Nations Trust Company - Phase 21 mortgage repayable in monthly installments of \$3,557 including interest at 1.21% per annum, renewal date May 1, 2021, maturing May 1, 2041, secured by ministerial guarantee.	763,703	796,929
All Nations Trust Company - Phase 22 mortgage repayable in monthly installments of \$5,192 including interest at 1.03% per annum, renewal date November 1, 2021, maturing November 1, 2041, secured by ministerial guarantee.	1,148,004	1,198,201
All Nations Trust Company - Phase 23 mortgage repayable in monthly installments of \$6,124 including interest at 2.50% per annum, renewal date June 1, 2023, maturing June 1, 2043, secured by ministerial guarantee.	<u>1,254,695</u>	<u>1,296,478</u>
Balance carried forward	<b><u>\$ 9,305,197</u></b>	<b><u>\$ 9,009,366</u></b>

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**10. Long Term Debt (continued)**

	<b>2021</b>	<b>2020</b>
Balance brought forward	\$ 9,305,197	\$ 9,009,366
Xet'olacw Housing Operations		
All Nations Trust Company - Phase 24 mortgage repayable in monthly installments including interest at 3.04% per annum, renewal date June 1, 2025, maturing June 1, 2045, secured by ministerial guarantee.	<u>719,127</u>	<u>267,037</u>
	\$ 10,024,324	\$ 9,276,403
Less current portion	<u>572,226</u>	<u>522,512</u>
	<u><u>\$ 9,452,098</u></u>	<u><u>\$ 8,753,891</u></u>

Principal repayments on long term debt for the next five years and thereafter are as follows, assuming mortgages are renewed on similar terms:

2022	\$ 572,226
2023	570,567
2024	542,361
2025	527,422
2026	504,483
Thereafter	<u>7,307,265</u>
	<u><u>\$ 10,024,324</u></u>

**LIL'WAT NATION**  
**Notes to Financial Statements**

March 31, 2021

**11. Tangible Capital Assets**

	2021					
	Land	Buildings	Community infrastructure	Equipment	Assets under construction	Total
Cost, beginning of year	\$ 5,516,435	\$ 48,413,603	\$ 14,276,354	\$ 3,936,121	\$ 8,266,473	\$ 80,408,986
Additions	-	-	74,378	467,585	5,273,962	5,815,925
Disposals	-	(4,086,172)	-	-	-	(4,086,172)
Asset transfers	-	10,391,944	-	-	(10,391,944)	-
Cost, end of year	\$ 5,516,435	\$ 54,719,375	\$ 14,350,732	\$ 4,403,706	\$ 3,148,491	\$ 82,138,739
Accumulated amortization, beginning of year	\$ -	\$ 18,442,664	\$ 7,081,410	\$ 2,441,799	\$ -	\$ 27,965,873
Amortization	-	1,623,714	362,725	285,207	-	2,271,646
Disposals	-	(326,894)	-	-	-	(326,894)
Accumulated amortization, end of year	\$ -	\$ 19,739,484	\$ 7,444,135	\$ 2,727,006	\$ -	\$ 29,910,625
Net carrying amount, end of year	\$ 5,516,435	\$ 34,979,891	\$ 6,906,597	\$ 1,676,700	\$ 3,148,491	\$ 52,228,114

Assets under capital leases in the amount of \$644,323 (2020 - \$644,323) with related accumulated amortization of \$289,724 (2020 - \$227,963) are included in equipment.

**LIL'WAT NATION**  
**Notes to Financial Statements**

March 31, 2021

**11. Tangible Capital Assets (continued)**

	2020					
	Land	Buildings	Community infrastructure	Equipment	Assets under construction	Total
Cost, beginning of year	\$ 5,516,435	\$ 43,802,191	\$ 14,276,354	\$ 3,544,704	\$ 6,599,553	\$ 73,739,237
Additions	-	-	-	391,417	6,278,332	6,669,749
Asset transfers	-	4,611,412	-	-	(4,611,412)	-
Cost, end of year	\$ 5,516,435	\$ 48,413,603	\$ 14,276,354	\$ 3,936,121	\$ 8,266,473	\$ 80,408,986
Accumulated amortization, beginning of year	\$ -	\$ 16,853,458	\$ 6,717,333	\$ 2,155,592	\$ -	\$ 25,726,383
Amortization	-	1,589,206	364,077	286,207	-	2,239,490
Accumulated amortization, end of year	\$ -	\$ 18,442,664	\$ 7,081,410	\$ 2,441,799	\$ -	\$ 27,965,873
Net carrying amount, end of year	\$ 5,516,435	\$ 29,970,939	\$ 7,194,944	\$ 1,494,322	\$ 8,266,473	\$ 52,443,113

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**12. Accumulated Surplus**

The Lil'wat Nation segregates its accumulated surplus into the following categories:

	<b>2021</b>	<b>2020</b>
Equity in business enterprises and partnerships (Note 5)	\$ 21,837,408	\$ 21,663,315
Replacement reserve (Note 13)	481,648	482,309
Operating reserve (Note 14)	40,801	40,801
Equity in tangible capital assets (Note 15)	44,047,629	44,896,628
Equity in Ottawa Trust Funds (Note 16)	430,093	420,161
Restricted equity - Other (Note 17)	14,451,531	12,758,749
Restricted equity for Xet'olacw Community School	231,384	231,384
Deficit	<u>(3,638,341)</u>	<u>(7,981,312)</u>
	<u><b>\$ 77,882,153</b></u>	<u><b>\$ 72,512,035</b></u>

**13. Replacement Reserve**

	<b>2021</b>	<b>2020</b>
Balance, beginning of year	\$ 482,309	\$ 550,657
Add:		
Current year allocation	78,200	75,210
Interest	1,743	5,338
Less:		
Approved expenditures	<u>80,604</u>	<u>148,896</u>
Balance, end of year	481,648	482,309
Funded balance (Note 1)	<u>642,915</u>	<u>641,232</u>
Over funded balance	<u><b>\$ (161,267)</b></u>	<u><b>\$ (158,923)</b></u>

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$78,200 annually. These funds, along with accumulated interest, must be held in separate bank accounts and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation, or as may otherwise be approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal.

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**14. Operating Reserve**

	<b>2021</b>	<b>2020</b>
Balance, beginning of year	<u>\$ 40,801</u>	\$ 40,801
Balance, end of year	40,801	40,801
Funded balance (Note 1)	<u>40,778</u>	<u>40,798</u>
Under funded balance	<u>\$ 23</u>	\$ 3

Under the terms of the agreement with Canada Mortgage and Housing Corporation, any surplus from the Full Subsidy Program must be retained by the First Nation in an operating reserve fund. These funds along with the accumulating interest are to be held in a separate bank account and may only be used for the ongoing costs of the housing projects. Accordingly, future years deficits may be recovered from the operating reserve.

**15. Equity in Tangible Capital Assets**

	<b>2021</b>	<b>2020</b>
Balance, beginning of the year	<u>\$ 44,896,628</u>	\$ 40,105,905
Add:		
Purchases of tangible capital assets	5,815,925	6,669,749
Debt and capital lease repayment	<u>657,318</u>	<u>627,501</u>
	<u>6,473,243</u>	<u>7,297,250</u>
Less:		
Amortization of tangible capital assets	2,271,646	2,239,490
New debt and capital leases	1,291,318	267,037
Transfer of a gas station to Lil'wat Retail Operations LP	<u>3,759,278</u>	-
	<u>7,322,242</u>	<u>2,506,527</u>
	<u><u>\$ 44,047,629</u></u>	<u><u>\$ 44,896,628</u></u>

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**16. Equity in Ottawa Trust Funds**

Trust funds on deposit with Indigenous Services Canada consist of the following:

	<b>Revenue</b>	<b>Capital</b>	<b>2021 Total</b>	<b>2020 Total</b>
Balance, beginning of year	\$ 91,199	\$ 328,962	\$ 420,161	\$ 408,533
Add:				
Interest on trust balances	4,938	-	4,938	6,608
BC Special Grant	4,994	-	4,994	5,020
Stumpage fees	-	-	-	-
	<hr/> 9,932	<hr/> -	<hr/> 9,932	<hr/> 11,628
Balance, end of year	<hr/> \$ 101,131	<hr/> \$ 328,962	<hr/> \$ 430,093	<hr/> \$ 420,161

The Ottawa Trust Funds relate to capital or revenue sources 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.

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**LIL'WAT NATION**  
**Notes to Financial Statements**

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**March 31, 2021**

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**17. Restricted Equity - Other**

**Whistler Blackcomb Master Development Agreement "MDA"**

The Lil'wat Nation has internally restricted Whistler Blackcomb and Province of BC monies for future capital and economic development projects of the First Nation.

**BC Hydro**

The Lil'wat Nation has internally restricted the BC Hydro settlement moneys for future capital and economic development projects of the First Nation.

**Baxter Creek Developments LP**

The Lil'wat Nation has internally restricted the monies received from the sale of the investment in Baxter Creek Developments for future capital and economic development projects of the First Nation.

**BC Gaming Revenue**

The Lil'wat Nation has internally restricted a portion of the monies received from the BC First Nations Gaming Revenue Sharing agreement for future capital and economic development projects of the First Nation.

	<b>Balance, beginning of year</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Balance, end of year</b>
Whistler Blackcomb MDA	\$ 4,616,217	\$ 2,020,721	\$ (33,000)	\$ 6,603,938
BC Hydro	4,494,727	-	(219,939)	4,274,788
Baxter Creek Development Agreement	3,572,805	-	-	3,572,805
BC Gaming Revenue	75,000	-	(75,000)	-
<b>2021 Totals</b>	<b>\$ 12,758,749</b>	<b>\$ 2,020,721</b>	<b>\$ (327,939)</b>	<b>\$ 14,451,531</b>
<b>2020 Totals</b>	<b>\$ 11,592,151</b>	<b>\$ 2,259,357</b>	<b>\$ (1,092,759)</b>	<b>\$ 12,758,749</b>

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**18. Expenses By Object**

	Budget	2021	2020
Administration	\$ 19,760	\$ 34,266	\$ 30,489
Advertising	19,668	12,688	12,601
Amortization	350,619	2,271,646	2,239,490
Bad debts	-	133,991	177,325
CMHC approved expenses	-	80,604	148,896
Consulting	606,077	599,056	604,665
Contribution to Squamish Lil'wat Cultural Centre	234,000	309,980	234,980
Funding agency recoveries	-	1,045	4,514
Honoraria	380,197	285,506	327,649
Insurance	578,431	571,401	529,463
Interest and bank charges	41,700	47,909	48,846
Interest on long term debt	158,436	221,799	240,192
Local revenue - property tax expenses	-	29,047	25,697
Office	153,310	39,925	105,281
Other services and materials	3,174,712	3,462,173	4,177,507
Professional fees	267,547	307,131	207,927
Repairs and maintenance	710,539	439,299	564,740
Social development	2,045,822	2,931,282	1,979,004
Student allowances	30,000	10,870	14,825
Supplies	1,157,248	1,814,393	1,509,819
Telephone and utilities	651,511	821,187	636,113
Training and workshops	918,821	670,916	571,872
Travel	808,816	471,967	1,004,250
Wages and benefits	13,138,072	11,920,866	11,326,833
 Total expenses for the year	 25,445,286	 \$ 27,488,947	 \$ 26,722,978

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**LIL'WAT NATION**  
**Notes to Financial Statements**

March 31, 2021

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**19. Contingencies and Commitments**

- (a) The First Nation passed a resolution to guarantee a loan securing a \$2.5 million letter of credit given to the Resort Municipality of Whistler ("RMOW") by the Spo7ez Cultural Centre and Community Society ("Spo7ez"). Their bank issued a \$2.5 million letter of credit on behalf of Spo7ez to the RMOW to secure the construction of off-site services and accommodate the subdivision that created the Alpine North Lands. The First Nation delivers a guarantee and postponement of claim whereby the First Nation guarantees all present and future debts and liabilities, of Spo7ez limited to the sum of \$2.5 million and also assigns all present and future indebtedness of the Spo7ez to the First Nation as collateral security for the letter of credit.
- (b) The First Nation is involved in various ongoing legal claims. In the opinion of management, the overall estimation of loss is not determinable. These claims have not been provided for in the financial statements. Settlement, if any, made with respect to these actions would be expected to be accounted for as a charge to expenses in the period in which realization is known.

**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

**20. Segmented Information**

Lil'wat Nation is a First Nation community in the province of British Columbia that provides a wide range of services to its members. Certain functional areas have been combined and separately disclosed in the segmented information. The segments and the services they provide are as follows:

	Band Housing Rentals	Governance, Finance and Administration	Public Works	Social Development	Community Health and Daycare	Advanced Education	Economic Development	Lil'wat Lands and Resources	Capital Fund	Xet'olacw Housing Operations	Xet'olacw Community School	Local Revenue	Total 2021 Actual	Total 2021 Budget
<b>Revenues</b>														
Indigenous Services Canada	\$ -	\$ 1,787,302	\$ 1,129,975	\$ 3,409,975	\$ 190,992	\$ 1,224,021	\$ 308,264	\$ 36,003	\$ 177,232	\$ -	\$ 4,714,688	\$ -	\$ 12,978,452	\$ 11,436,035
First Nations Health Authority	-	560	-	-	3,195,982	-	-	-	896,506	-	-	-	4,093,048	4,331,866
Province of British Columbia	-	1,524,683	-	240,474	635,675	123,347	200,000	164,636	1,182,642	-	-	-	4,071,457	2,016,551
Income from business enterprises	-	174,093	-	-	-	-	-	-	-	-	-	-	174,093	-
Other	698,769	3,112,102	370,018	42,422	376,913	1,977,317	20,000	735,592	1,779,546	702,640	1,695,630	31,066	11,542,015	13,072,702
	<b>698,769</b>	<b>6,598,740</b>	<b>1,499,993</b>	<b>3,692,871</b>	<b>4,399,562</b>	<b>3,324,685</b>	<b>528,264</b>	<b>936,231</b>	<b>4,035,926</b>	<b>702,640</b>	<b>3,019,058</b>	<b>31,066</b>	<b>32,859,065</b>	<b>30,857,154</b>
<b>Expenses</b>														
Purchases	478,190	2,995,278	1,018,177	3,055,630	1,062,954	1,779,499	638,354	359,876	222,142	275,457	1,095,280	29,047	13,009,884	11,576,398
Payroll	72,238	1,986,073	820,042	567,671	2,061,862	1,274,195	51,791	715,037	-	42,269	4,615,194	-	12,206,372	13,518,269
Amortization	167,347	229,940	826,203	22,577	53,615	371,504	25,600	947	-	477,712	96,201	-	2,271,646	350,619
Funding agency recoveries	-	-	-	-	-	-	-	-	-	-	-	-	1,045	-
Transfers	-	1,123,656	(495,095)	(117,456)	46,097	(67,130)	(44,079)	(401,362)	-	-	(44,631)	-	-	-
	<b>717,775</b>	<b>6,334,947</b>	<b>2,169,327</b>	<b>3,528,422</b>	<b>3,224,528</b>	<b>3,358,068</b>	<b>671,666</b>	<b>674,498</b>	<b>223,187</b>	<b>795,438</b>	<b>5,762,044</b>	<b>29,047</b>	<b>27,488,947</b>	<b>25,445,286</b>
<b>Surplus (deficit) for the year</b>	<b>\$ (19,006)</b>	<b>\$ 263,793</b>	<b>\$ (669,334)</b>	<b>\$ 164,449</b>	<b>\$ 1,175,034</b>	<b>\$ (33,383)</b>	<b>\$ (143,402)</b>	<b>\$ 261,733</b>	<b>\$ 3,812,739</b>	<b>\$ (92,798)</b>	<b>\$ (2,742,986)</b>	<b>\$ 2,019</b>	<b>\$ 5,370,118</b>	<b>\$ 5,411,868</b>

	Band Housing Rentals	Governance, Finance and Administration	Public Works	Social Development	Community Health and Daycare	Advanced Education	Economic Development	Lil'wat Lands and Resources	Capital Fund	Xet'olacw Housing Operations	Xet'olacw Community School	Local Revenue	Total 2020 Actual	Total 2020 Budget
<b>Revenues</b>														
Indigenous Services Canada	\$ -	\$ 958,001	\$ 794,895	\$ 2,732,974	\$ 278,783	\$ 1,003,277	\$ 105,969	\$ 14,548	\$ 1,006,966	\$ -	\$ 4,295,075	\$ -	\$ 11,190,488	\$ 10,675,536
First Nations Health Authority	-	-	-	-	2,909,495	-	-	-	3,648,769	-	-	-	6,558,264	7,708,767
Province of British Columbia	-	1,047,979	-	261,203	675,863	28,721	5,000	48,060	-	-	-	-	2,066,826	1,541,387
Partnership income	-	534,057	-	-	-	-	-	-	-	-	-	-	534,057	-
Other	677,552	3,214,620	440,792	559,382	402,435	1,890,688	86,313	758,031	631,334	673,919	1,944,172	30,357	11,309,595	10,891,483
	<b>677,552</b>	<b>5,754,657</b>	<b>1,235,687</b>	<b>3,553,559</b>	<b>4,266,576</b>	<b>2,922,686</b>	<b>197,282</b>	<b>820,639</b>	<b>5,287,069</b>	<b>673,919</b>	<b>6,239,247</b>	<b>30,357</b>	<b>31,659,230</b>	<b>30,817,173</b>
<b>Expenses</b>														
Purchases	572,747	2,727,819	853,833	2,586,284	1,387,004	1,777,980	306,980	306,178	676,130	279,132	1,320,709	29,697	12,824,493	11,036,386
Payroll	101,231	1,843,344	911,794	802,102	2,101,922	799,255	58,794	693,542	-	23,049	4,319,448	-	11,654,481	12,246,231
Amortization	167,347	223,031	830,604	4,104	30,935	392,060	25,600	2,720	-	443,204	119,885	-	2,239,490	1,982,901
Funding agency transactions	-	992,423	(410,095)	(82,898)	64,025	(177,506)	(50,689)	(290,260)	-	-	(45,000)	-	4,514	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>841,325</b>	<b>5,786,617</b>	<b>2,186,136</b>	<b>3,311,152</b>	<b>3,586,840</b>	<b>2,791,789</b>	<b>340,685</b>	<b>712,180</b>	<b>676,130</b>	<b>745,385</b>	<b>5,715,042</b>	<b>29,697</b>	<b>26,722,978</b>	<b>25,265,518</b>
<b>Surplus (deficit) for the year</b>	<b>\$ (163,773)</b>	<b>\$ (31,960)</b>	<b>\$ (950,449)</b>	<b>\$ 242,407</b>	<b>\$ 679,736</b>	<b>\$ 130,897</b>	<b>\$ (143,403)</b>	<b>\$ 108,459</b>	<b>\$ 4,610,939</b>	<b>\$ (71,466)</b>	<b>\$ 524,205</b>	<b>\$ 660</b>	<b>\$ 4,936,252</b>	<b>\$ 5,551,655</b>

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## LIL'WAT NATION Notes to Financial Statements

**March 31, 2021**

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### **20. Segmented Information (continued)**

The Lil'wat Nation is First Nation community of over 2,000 members located in the Pemberton Valley of British Columbia. The Lil'wat Nation provides a variety of services to community members, and receives funding from various federal and provincial government agencies to support the delivery of these services. Segmented reporting by program is used to account for the scope and significance of each service.

#### **Band Housing Rentals**

This program includes the revenues and expenses relating to the operation of the band housing rental units and the provision of various housing services to the Lil'wat Nation members.

#### **Governance, Finance and Administration**

This program includes revenues and expenses relating to governance activities undertaken by the Chiefs and Council, band membership activities, administrative services of the First Nation, and finance and accounting activities for the First Nation and its business ventures.

#### **Public Works and the Capital Fund**

These programs include the revenue and expenses relating to the construction, maintenance and operation of community infrastructure and buildings, and the provision of community services to the Lil'wat Nation members.

#### **Social Development**

This program includes the revenue and expenses relating to the delivery of social assistance programs to the Lil'wat Nation members, and the delivery of cultural activities in the community. Certain social development activities are funded through agreements with ISC and have specific eligibility criteria.

#### **Community Health and Daycare**

The Community Health program provides a variety of health services to the community pursuant to a funding agreement with First Nations Health Authority. The Community Health program also includes revenues and expenses relating to daycare and recreation activities for community members.

#### **Advanced Education**

This employment and training program includes the revenue and expenses relating to the provision of support services to community members for advanced education and skills training.

#### **Economic Development**

The economic development program provides support services for the economic development and land investment activities of the Lil'wat Nation.

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**LIL'WAT NATION**  
**Notes to Financial Statements**

**March 31, 2021**

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**20. Segmented Information (continued)**

**Lil'wat Lands & Resources**

The lands and resources program includes the revenue and expenses relating to the First Nation's lands and fisheries programs.

**Xet'olacw Housing Operations**

The Xet'olacw Housing Operations program includes the revenues and expenses relating to the operation of the First Nation's CMHC Social Housing Units, including individual houses and multi family units.

**Xet'olacw Community School**

The Xet'olacw Community School program includes the revenues and expenses relating to the operation and maintenance of the Xet'olacw Community School located on the reserve lands of the Lil'wat Nation.

**Local Revenue**

The local revenue program includes revenue and expenses relating to Lil'wat Nation's property tax program.