

**LIL'WAT NATION**  
**FINANCIAL STATEMENTS**  
For the year ended March 31, 2024

**LIL'WAT NATION**  
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**For the year ended March 31, 2024**

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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.

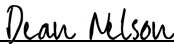

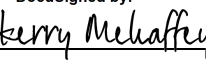
The Lil'wat Nation maintains systems of internal accounting and administrative controls, consistent with reasonable costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted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

Signed by: 	Chief
568967812465495... DocuSigned by: 	Chairperson of Finance and Audit Committee
4DD3D1DA48FF486... DocuSigned by: 	Chief Administrative Officer



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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, 2024, 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, 2024, 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, 2024 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 July 30, 2024.

#### 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  
July 30, 2024

## LIL'WAT NATION

### Statement of Financial Position

**March 31** **2024** **2023**

#### Financial Assets

Cash	\$ 16,105,331	\$ 10,592,776
Restricted cash (Note 1)	14,031,022	13,516,428
Temporary investments (Note 2)	22,082,091	21,117,498
Accounts receivable (Note 3)	6,808,909	6,051,405
Due from related entities (Note 4)	8,729,409	8,001,581
Investment in business enterprises and partnerships (Note 5)	22,899,199	20,094,344
Ottawa Trust Funds	496,745	471,580
	91,152,706	79,845,612

#### Financial Liabilities

Accounts payable and accrued liabilities (Note 7)	7,103,041	3,817,363
Deferred revenue (Note 8)	18,727,613	12,543,067
Due to related entities (Note 4)	271,750	278,307
Obligation under capital lease	-	19,732
Long term debt (Note 9)	17,515,009	18,229,101
Asset retirement obligation (Note 11)	195,904	190,754
	43,813,317	35,078,324

#### Net Financial Assets

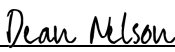

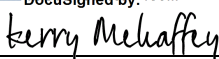
**47,339,389** **44,767,288**

#### Non - Financial Assets

Tangible capital assets (Note 10)	69,657,221	61,567,224
Prepaid expenses	659,846	561,243
	70,317,067	62,128,467

**Accumulated Surplus (Note 12)** **\$ 117,656,456** **\$ 106,895,755**

Approved on behalf of the Band Council

<p>Signed by:</p> <p></p> <p></p> <p></p>	<p>Chief</p> <p>Chairperson of Finance and Audit Committee</p> <p>Chief Administrative Officer</p>
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## LIL'WAT NATION

### Statement of Financial Activity

For the year ended March 31	Budget	2024	2023
<b>Revenue</b>			
Indigenous Services Canada	\$ 17,745,884	\$ 18,034,150	\$ 26,835,146
Canada Mortgage and Housing Corporation	370,059	389,223	837,721
Department of Fisheries and Oceans Canada	375,600	696,804	518,206
First Nations Education Steering Committee	2,467,126	2,817,189	3,409,393
Education Jurisdiction funding (CIRNAC)	-	7,361,441	3,752,500
First Nations Health Authority	4,404,155	4,208,983	3,589,616
BC First Nations Gaming	-	1,019,815	1,113,490
Province of British Columbia	4,538,938	4,622,134	4,362,604
Rental income	1,009,080	1,003,234	995,380
Skills & Employment Training income	1,493,477	1,384,842	1,276,179
Other income	9,343,943	7,630,706	7,639,981
Royalty income	1,710,348	2,256,929	1,941,056
	<u>43,458,610</u>	<u>51,425,450</u>	<u>56,271,272</u>
<b>Expenses (Note 17)</b>			
Operations Fund	26,808,950	29,418,129	24,120,644
Capital Fund	7,291,763	1,703,055	409,961
Xet'olacw Housing Fund	887,842	1,045,419	1,036,366
Xet'olacw Community School Fund	8,172,253	7,984,017	7,122,670
Business enterprises and partnerships	-	(64,214)	2,140,234
Funding agency recoveries	-	-	2,354
CMHC approved expenditures	-	578,343	47,855
	<u>43,160,808</u>	<u>40,664,749</u>	<u>34,880,084</u>
<b>Annual surplus</b>	<u>297,802</u>	<u>10,760,701</u>	<u>21,391,188</u>
<b>Accumulated surplus, beginning of year</b>	<u>106,895,755</u>	<u>106,895,755</u>	<u>85,504,567</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 107,193,557</u>	<u>\$ 117,656,456</u>	<u>\$ 106,895,755</u>



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

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2024</b>	<b>2023</b>
<b>Annual surplus</b>	\$ 297,802	\$10,760,701	\$ 21,391,188
Acquisition of tangible capital assets (Note 10)	-	(14,704,648)	(9,069,964)
Transfer of tangible capital assets (Note 10)	-	3,351,679	-
Amortization of tangible capital assets (Note 10)	-	3,262,972	2,919,984
Change in prepaid expenses	-	(98,603)	(67,845)
	297,802	2,572,101	15,173,363
<b>Net financial assets, beginning of year</b>	44,767,288	44,767,288	29,593,925
<b>Net financial assets, end of year</b>	\$ 45,065,090	\$47,339,389	\$ 44,767,288

## LIL'WAT NATION Statement of Cash Flows

<b>For the year ended March 31</b>	<b>2024</b>	<b>2023</b>
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**Cash flows provided by (used in) operating activities**

Cash receipts from all funding sources	\$57,237,859	\$ 53,819,031
Cash paid to employees and suppliers	(32,836,964)	(29,315,131)
Interest paid	(355,530)	(356,804)
	24,045,365	24,147,096

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

Purchase of tangible capital assets	(14,704,648)	(9,064,486)
Transfer of tangible capital assets	3,351,679	-
	(11,352,969)	(9,064,486)

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

Change in long term investments	(3,340,640)	-
Change in restricted temporary investments	(964,593)	(13,448,110)
Change in Ottawa trust funds	(25,165)	(18,948)
Advances to related parties	(1,601,023)	(489,466)
	(5,931,421)	(13,956,524)

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

Repayment of long term debt and capital leases	(733,826)	322,626
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**Increase in cash**

	6,027,149	1,448,712
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**Cash, beginning of year**

	24,109,204	22,660,492
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**Cash, end of year**

	\$30,136,353	\$ 24,109,204
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**Represented by:**

Cash	\$16,105,331	\$ 10,592,776
Restricted cash	14,031,022	13,516,428
	\$30,136,353	\$ 24,109,204

## LIL'WAT NATION

### Summary of Significant Accounting Policies

**March 31, 2024**

<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>	<p>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:</p> <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> <li>- Spel'kúmtn Community Forest Limited Partnership</li> </ul>
<b>Fund Accounting</b>	<p>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.</p> <p>The funds and enterprises of the Lil'wat Nation are as follows:</p> <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.

LIL'WAT NATION

Summary of Significant Accounting Policies

March 31, 2024

Portfolio Investments	Portfolio investments are stated at the lower of cost and market value and have a maturity date that exceeds three months.								
Government Transfers	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.								
Budget Figures	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.								
Tangible Capital Assets	<p>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:</p> <table><tr><td>Buildings</td><td>25 years</td></tr><tr><td>Community infrastructure</td><td>20 - 75 years</td></tr><tr><td>Equipment</td><td>5 - 20 years</td></tr><tr><td>Assets under construction</td><td>Nil</td></tr></table>	Buildings	25 years	Community infrastructure	20 - 75 years	Equipment	5 - 20 years	Assets under construction	Nil
Buildings	25 years								
Community infrastructure	20 - 75 years								
Equipment	5 - 20 years								
Assets under construction	Nil								
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	<p>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.</p> <p>Rental revenue is recognized as it becomes receivable under the terms of the rental agreement.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p> <p>All other revenue is recognized as it is earned.</p>								

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LIL'WAT NATION

Summary of Significant Accounting Policies

March 31, 2024

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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.
Asset Retirement Obligations	<p>An asset retirement obligation is recognized when, at the financial reporting date, all of the following criteria are met:</p> <div><div>1) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;</div><div>2) The past transaction or event giving rise to the liability has occurred;</div><div>3) It is expected that future economic benefits will be given up; and</div><div>4) A reasonable estimate of the amount can be made.</div><p>The liability for the removal of asbestos in several of the buildings owned by the First Nation has been recognized based on estimated future expenses. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the first date of the current period. Assumptions used in subsequent calculations are revised annually.</p></div>
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.

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LIL'WAT NATION  
Summary of Significant Accounting Policies

March 31, 2024

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Financial Instruments	<p>Cash, guaranteed investment certificates, accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.</p> <p>When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.</p> <p>For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.</p> <p>All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.</p> <p>Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.</p>
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## LIL'WAT NATION

### Notes to Financial Statements

**March 31, 2024**

#### 1. Restricted Cash

	2024	2023
Xet'olacw Housing Operations		
Replacement reserve (Note 13)	\$ 665,248	\$ 650,042
Operating reserve (Note 14)	47,788	47,788
Funds held in trust	4,505	4,505
Restricted funds	<u>35,395,572</u>	<u>33,931,591</u>
	<u>\$36,113,113</u>	<u>\$ 34,633,926</u>

**Restricted Cash is represented by:**

Restricted cash	\$14,031,022	\$ 13,516,428
Restricted temporary investments (Note 2)	<u>22,082,091</u>	<u>21,117,498</u>
	<u>\$36,113,113</u>	<u>\$ 34,633,926</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:

	2024	2023
GIC's, with rates between 0.80% and 5.45%, maturing between April, 2024 and April, 2027.	\$ 7,196,563	\$ 6,918,573
GIC's, with rates between 5.00% and 5.40%, maturing between July, 2024 and February, 2025.	13,973,226	13,320,085
Extendable step-up bonds, with coupons paid semi-annually between 1.60% and 2.75%, maturing April, 2029.	<u>912,302</u>	<u>878,840</u>
	<u>\$22,082,091</u>	<u>\$ 21,117,498</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, 2024**

#### 3. Accounts Receivable

	2024	2023
Current	\$ 9,690,164	\$ 8,718,637
Long term	500,195	500,195
	<u>10,190,359</u>	<u>9,218,832</u>
Allowance for doubtful accounts	<u>(3,381,450)</u>	<u>(3,167,427)</u>
	<u>\$ 6,808,909</u>	<u>\$ 6,051,405</u>

#### 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

	2024	2023
Lil'wat Cultural Lands Society - School	\$ 85,481	\$ 65,850
Lil'wat Capital Assets Limited Partnership	163,707	-
Lil'wat Forestry Ventures Limited Partnership	253,603	63,929
Loan from Lil'wat Forestry Ventures Limited Partnership (i)	6,541,908	7,186,433
Lil'wat Holdings Limited Partnership	1,265,202	600,000
Lil'wat Management Services Limited Partnership	303,152	60,734
Lil'wat Retail Operations Limited Partnership	116,356	24,635
	<u>\$ 8,729,409</u>	<u>\$ 8,001,581</u>

##### Due To Related Entities

	2024	2023
Lil'wat Construction Enterprises Limited Partnership	\$ 1,685	\$ 3,435
Lil'wat Capital Assets Limited Partnership	72	274,871
Lil'wat Forestry Ventures Limited Partnership	269,992	-
0915799 BC Ltd.	1	1
	<u>\$ 271,750</u>	<u>\$ 278,307</u>

(i) The First Nation is party to an agreement with a related party, Lil'wat Forestry Ventures Limited Partnership, to provide a loan of \$6,541,908 (2023 - \$7,183,433). The purpose of this loan was to finance costs, outlays and expenses related to the initiative to acquire specific forestry tenures and related assets. The loan has a 30-year term and carries an annual interest of 1.75%.



## LIL'WAT NATION

### Notes to Financial Statements

**March 31, 2024**

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

##### Related Party Transactions

During the year, the Lil'wat Nation invoiced a related party, Lil'wat Holdings Limited Partnership, \$600,000 (2023 - \$600,000) for its annual distribution allocation.

During the year, Lil'wat Nation invoiced the related party, Lil'wat Management Services Limited Partnership, for administration fees in the amount \$187,418 (2023 - \$72,000).

During the year, the Lil'wat Nation made purchases from a related party, Lil'wat Retail Operations Limited Partnership, in the amount of \$796,274 (2023 - \$452,966).

During the year, the Lil'wat Nation incurred expenses on behalf of Lil'wat Construction Enterprises Limited Partnership in the amount of \$109,556 (2023 - \$117,402).

During the year, the Lil'wat Nation incurred expenses on behalf of Lil'wat Forestry Ventures Limited Partnership in the amount of \$455,754 (2023 - \$189,612).

During the year, the Lil'wat Nation incurred expenses on behalf of Lil'wat Management Services Limited Partnership in the amount of \$145,000 (2023 - \$Nil).

During the year, the Lil'wat Nation paid an ISC ICBF contribution to Lil'wat Capital Assets Limited Partnership in the amount of \$487,600 (2023 - \$438,506).

During the year, the Lil'wat Nation contributed \$Nil (2023 - \$204,377) to the Squamish Lil'wat Cultural Centre.

During the year, Lil'wat Nation made purchases from a related party, Mumleqs Contruction Ltd, in the amount of \$227,480 (2023 - \$459,212).

During the year, Lil'wat Nation incurred expenses on behalf of Lil'wat Cultural Lands Society of \$85,481 (2023 - \$65,850).

During the year, the Lil'wat Nation incurred expenses of \$3,380,826 (2023 - \$Nil) on behalf of Lil'wat Capital Assets Limited Partnership for the purchase of three properties. Lil'wat Holdings Limited Partnership issued 334,064 partnership units in exchange of the transaction. Lil'wat Nation incurred expenses of \$40,186 over this exchange of units, owed by Lil'wat Holdings Limited Partnership.

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 be the related parties).

## LIL'WAT NATION

### Notes to Financial Statements

**March 31, 2024**

#### 5. Investment in Business Enterprises and Partnerships

The First Nation has the following long term investments:

	2024	2023
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
Spel'kúmtn Community Forest Limited Partnership	865,687	914,889
Lil'wat Holdings Limited Partnership, 99.99% of partnership shares held by the Lil'wat Nation	22,033,393	19,179,336
BC First Nations Gaming Revenue Sharing LP	110	110
	<b>\$22,899,199</b>	<b>\$ 20,094,344</b>

## LIL'WAT NATION

### Notes to Financial Statements

**March 31, 2024**

#### 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	2024	2023
Assets		
Cash	\$ 1,689,366	\$ 2,062,768
Restricted cash	411,620	-
Accounts receivable	680,148	1,506,281
Inventory	475,429	1,019,363
Prepaid expenses	85,911	112,531
Due from related party	21	21
Deferred logging and engineering expenses	2,509,311	1,716,017
Forestry licenses	7,972,987	6,998,388
Long term investments	11,478	85,275
Tangible capital assets	<u>25,220,492</u>	<u>21,745,878</u>
Total Assets	<u>39,056,763</u>	<u>35,246,522</u>
Liabilities		
Accounts payable and accrued liabilities	2,866,406	1,293,547
Deferred revenue	502,169	681,353
Due to related party	7,957,357	7,365,265
Reforestation obligation	1,250,945	1,235,349
Long term debt	<u>3,294,092</u>	<u>3,582,931</u>
Total Liabilities	<u>15,870,969</u>	<u>14,158,445</u>
Net Assets	<u>\$23,185,794</u>	<u>\$ 21,088,077</u>
(b) Summary of Financial Activities	2024	2023
Total Revenues	\$26,956,366	\$ 22,487,221
Total Expenses	<u>26,941,354</u>	<u>24,002,686</u>
Loss (income) for the year	<u>\$ 15,012</u>	<u>\$ (1,515,465)</u>

#### 6. Bank Indebtedness

The First Nation has a line of credit with a total credit limit of \$2,000,000 (2023 - \$2,000,000), bearing interest at prime plus 0.5% (2023 - prime plus 0.5%), secured by a general security agreement, payable in monthly payments of interest only. At March 31, 2024 the amount of line of credit utilized was \$Nil (2023 - \$Nil).

## LIL'WAT NATION

### Notes to Financial Statements

**March 31, 2024**

#### 7. Accounts Payable and Accrued Liabilities

	2024	2023
Trade accounts payable	\$ 3,164,148	\$ 1,916,764
Accrued wages and benefits payable	1,534,984	1,081,986
Accrued liabilities	2,271,742	692,494
Other	132,167	126,119
	<u>\$ 7,103,041</u>	<u>\$ 3,817,363</u>

#### 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	\$ 7,912,263	\$ 9,065,371	\$ (5,439,003)	\$11,538,631
Community Food Centres Canada	-	30,000	-	30,000
First Nations Education Steering Committee	114,467	324,122	(114,467)	324,122
First Nations Health Authority	2,429,831	4,284,818	(2,429,831)	4,284,818
Lil'wat Housing Legacy	815,899	-	(358,958)	456,941
Province of British Columbia	1,019,189	1,206,108	(891,189)	1,334,108
UBCM Community Engagement	25,000	-	-	25,000
Indigenous Skills and Employment Training	203,955	376,133	(224,418)	355,670
Naut'sa Mawt Tribal Council	20,463	-	(20,463)	-
Squamish Mills	2,000	-	(2,000)	-
First People's Cultural Council	-	110,409	-	110,409
Health Care Excellence	-	40,000	-	40,000
Red Cross	-	26,266	-	26,266
Fisheries External Billing	-	201,648	-	201,648
<b>2024 Totals</b>	<b>\$12,543,067</b>	<b>\$15,664,875</b>	<b>\$ (9,480,329)</b>	<b>\$18,727,613</b>
<b>2023 Totals</b>	<b>\$ 14,811,185</b>	<b>\$ 11,684,050</b>	<b>\$ (13,952,168)</b>	<b>\$ 12,543,067</b>

## LIL'WAT NATION

### Notes to Financial Statements

**March 31, 2024**

#### 9. Long Term Debt

	2024	2023
Lil'wat Nation - Operations Fund		
Royal Bank - loan repayable in monthly installments of \$3,760, including interest at 3.54% per annum, maturing April 2027, secured by assignment of assets.	463,492	491,442
Royal Bank - loan repayable in monthly installments of \$2,510, including interest at 4.93% per annum, maturing April 2027, secured by assignment of assets and a ministerial guarantee agreement.	89,288	115,480
Bank of Montreal - loan repayable in monthly installments of \$4,858, including interest at prime plus 0.5% annum, maturing November 2028, secured by assignment of assets.	720,269	747,259
Bank of Montreal - loan repayable in monthly installments of \$7,171, including interest at prime plus 0.75% per annum, secured by assignment of assets.	1,247,756	1,236,414
All Nations Trust Company - loan repayable in monthly installments of \$3,202, including interest at 7.75% per annum, maturing March 2029, secured by ministerial guarantee agreement.	171,088	199,659
Royal Bank - loan repayable in monthly installments of \$1,411, including interest at 2.95% per annum, maturing February 2026, secured by assignment of assets.	273,710	282,418
Royal Bank - loan repayable in monthly installments of \$3,797, including interest at 1.91% per annum, maturing October 2025, secured by assignment of assets.	509,757	545,066
Balance carried forward	<u>\$ 3,475,360</u>	<u>\$ 3,617,738</u>

## LIL'WAT NATION

### Notes to Financial Statements

**March 31, 2024**

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

	<u>2024</u>	<u>2023</u>
Balance brought forward	\$ 3,475,360	\$ 3,617,738
Lil'wat Nation - Operations Fund		
First Nations Finance Authority - promissory note due June 2032 with semi-annual interest payments of \$123,941 due in June and December of each year, and principal payments of \$184,516 due in June each year. Interest is calculated at 3.18% per annum.	7,710,341	7,900,839
BC Housing - non-interest bearing loan advance with no specific repayment terms finalized at year end.	179,048	132,764
Xet'olacw Housing Operations		
All Nations Trust Company - Phase 15 mortgage repayable in monthly installments of \$2,122 including interest at 0.68% per annum, maturing April 2025, secured by ministerial guarantee.	27,480	52,668
All Nations Trust Company - Phase 16-2 mortgage repayable in monthly installments of \$745 including interest at 0.76% annum, maturing October 2025, secured by ministerial guarantee.	14,063	22,858
All Nations Trust Company - Phase 16-4 mortgage repayable in monthly installments of \$1,457 including interest at 0.76% per annum, maturing October 2025, secured by ministerial guarantee.	27,510	44,714
Balance carried forward	<u>\$11,433,802</u>	<u>\$ 11,771,581</u>

## LIL'WAT NATION

### Notes to Financial Statements

**March 31, 2024**

#### 9. Long Term Debt (continued)

	2024	2023
Balance brought forward	\$11,433,802	\$ 11,771,581
Xet'olacw Housing Operations		
All Nations Trust Company - Phase 17 mortgage repayable in monthly installments of \$1,963 including interest at 1.57% per annum, renewal date August 2026, maturing August 2026, secured by ministerial guarantee.	55,827	78,314
All Nations Trust Company - Phase 18 mortgage repayable in monthly installments of \$2,238 including interest at 2.27% per annum, renewal date November 2026, maturing November 2026, secured by ministerial guarantee.	69,448	94,425
All Nations Trust Company - Elders Complex mortgage repayable in monthly installments of \$1,861 including interest at 3.04% per annum, renewal date June 2027, maturing June 2027, secured by ministerial guarantee.	69,083	89,004
All Nations Trust Company - Phase 19 mortgage repayable in monthly installments of \$8,845 including interest at 0.76% per annum, renewal date December 2025, maturing November 2035, secured by ministerial guarantee.	1,184,767	1,281,502
All Nations Trust Company - Phase 21 mortgage repayable in monthly installments of \$3,560 including interest at 1.22% per annum, renewal date May 2026, maturing May 2041, secured by ministerial guarantee.	661,585	696,010
All Nations Trust Company - Phase 22 mortgage repayable in monthly installments of \$5,379 including interest at 1.51% per annum, renewal date November 2026, maturing November 2041, secured by ministerial guarantee.	1,000,801	1,049,851
All Nations Trust Company - Phase 23 mortgage repayable in monthly installments of \$6,836 including interest at 3.74% per annum, renewal date June 2028, maturing June 2043, secured by ministerial guarantee.	1,127,352	1,168,098
Balance carried forward	\$15,602,665	\$ 16,228,785

## LIL'WAT NATION

### Notes to Financial Statements

**March 31, 2024**

#### 9. Long Term Debt (continued)

	2024	2023
Balance brought forward	\$15,602,665	\$ 16,228,785
Xet'olacw Housing Operations		
All Nations Trust Company - Phase 24 mortgage repayable in monthly installments of \$2,656 including interest at 0.76% per annum, renewal date December 2025 maturing December 2045, secured by ministerial guarantee.	638,988	665,897
All Nations Trust Company - Duplex loan repayable in monthly installments of \$6,387 including interest at 3.06% per annum, renewal date May 2027, maturing May 2047, secured by ministerial guarantee.	1,273,356	1,310,568
Mortgages, repaid during the year.	-	23,851
	\$17,515,009	\$ 18,229,101
Less current portion	736,776	787,608
	<u>\$16,778,233</u>	<u>\$ 17,441,493</u>

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

2025	\$ 736,776
2026	719,726
2027	694,940
2028	633,476
2029	690,340
Thereafter	<u>14,039,751</u>
	<u>\$17,515,009</u>



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

**March 31, 2024**

**10. Tangible Capital Assets**

	<b>2024</b>					
	Land	Buildings	Community infrastructure	Equipment	Assets under construction	Total
Cost, beginning of year	\$ 5,516,435	\$ 60,633,588	\$ 14,909,071	\$ 5,437,947	\$ 10,627,710	\$ 97,124,751
Additions	-	12,045,305	6,906	1,101,860	1,550,577	14,704,648
Asset transfers	-	(3,351,679)	-	-	-	(3,351,679)
Cost, end of year	\$ 5,516,435	\$ 69,327,214	\$ 14,915,977	\$ 6,539,807	\$ 12,178,287	\$ 108,477,720
Accumulated amortization, beginning of year	\$ -	\$ 23,696,711	\$ 8,181,807	\$ 3,679,009	\$ -	\$ 35,557,527
Amortization	-	2,249,008	358,058	655,906	-	3,262,972
Accumulated amortization, end of year	\$ -	\$ 25,945,719	\$ 8,539,865	\$ 4,334,915	\$ -	\$ 38,820,499
Net carrying amount, end of year	\$ 5,516,435	\$ 43,381,495	\$ 6,376,112	\$ 2,204,892	\$ 12,178,287	\$ 69,657,221

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

**March 31, 2024**

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

	2023					
	Land	Buildings	Community infrastructure	Equipment	Assets under construction	Total
Cost, beginning of year	\$ 5,516,435	\$ 59,736,721	\$ 14,392,952	\$ 4,965,120	\$ 3,443,559	\$ 88,054,787
Additions	-	896,867	516,119	472,827	7,184,151	9,069,964
Cost, end of year	\$ 5,516,435	\$ 60,633,588	\$ 14,909,071	\$ 5,437,947	\$ 10,627,710	\$ 97,124,751
Accumulated amortization, beginning of year	\$ -	\$ 21,655,245	\$ 7,808,048	\$ 3,174,250	\$ -	\$ 32,637,543
Amortization	-	2,041,466	373,759	504,759	-	2,919,984
Accumulated amortization, end of year	\$ -	\$ 23,696,711	\$ 8,181,807	\$ 3,679,009	\$ -	\$ 35,557,527
Net carrying amount, end of year	\$ 5,516,435	\$ 36,936,877	\$ 6,727,264	\$ 1,758,938	\$ 10,627,710	\$ 61,567,224

LIL'WAT NATION

Notes to Non-Consolidated Financial Statements

March 31, 2024

11. Asset Retirement Obligation

The First Nation's Asset Retirement Obligation consists of buildings. The First Nation owns 6 buildings throughout its operations that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS3280 - *Asset Retirement Obligations*, the First Nation recognized an obligation relating to the removal and post-removal care of asbestos in these buildings as estimated at April 1, 2022. The buildings have estimate remaining useful lives ranging from 9 to 24 years.

Key variables used in determining the First Nation's asset retirement obligations include the weighted average cost of capital (discount rate), inflation rate and timing of future costs. In 2024, estimated expenses were calculated at the net present value of future cash flows, discounted using the Nation's weighted average cost of capital of 2.70% and inflated using an average inflation rate of 2.02% (British Columbia CPI over the last 20 years).

In management's opinion, the assumptions used represent the most likely scenario. As projections are made over a long period of time, the amount of the obligation is very sensitive to changes in variables.

Changes to the asset retirement obligations in the year are as follows:

	Balance as at March 31, 2023	Change in Estimate	Accretion Expense	Balance as at March 31, 2023
Buildings	\$ 190,754	\$ -	\$ 5,150	\$ 195,904

## LIL'WAT NATION

### Notes to Financial Statements

**March 31, 2024**

#### 12. Accumulated Surplus

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

	2024	2023
Equity in business enterprises and partnerships (Note 5)	\$22,899,199	\$ 20,094,344
Replacement reserve (Note 13)	568,884	1,039,371
Operating reserve (Note 14)	40,801	40,801
Equity in tangible capital assets	60,256,521	52,420,400
Equity in Ottawa Trust Funds (Note 15)	496,745	471,580
Restricted equity - Other (Note 16)	21,026,138	19,483,698
Restricted equity for Xet'olacw Community School	-	231,384
Restricted equity for child and family services	5,656,647	11,343,222
Surplus	6,711,521	1,770,955
	<u>\$ 117,656,456</u>	<u>\$ 106,895,755</u>

#### 13. Replacement Reserve

	2024	2023
Balance, beginning of year	\$ 1,039,371	\$ 529,285
Add:		
Current year allocation	92,650	92,403
Special contribution	-	460,000
Interest	15,206	5,538
	107,856	557,941
Less:		
Approved expenditures	578,343	47,855
Balance, end of year	568,884	1,039,371
Funded balance (Note 1)	665,248	650,042
Under (over) funded balance	<u>\$ (96,364)</u>	<u>\$ 389,329</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 \$92,650 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, 2024

#### 14. Operating Reserve

	2024	2023
Balance, beginning of year	\$ 40,801	\$ 40,801
Balance, end of year	40,801	40,801
Funded balance (Note 1)	47,788	47,788
Under (over) funded balance	\$ (6,987)	\$ (6,987)

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 Ottawa Trust Funds

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

	Revenue	Capital	2024 Total	2023 Total
Balance, beginning of year	\$ 133,450	\$ 338,130	\$ 471,580	\$ 452,632
Add:				
Interest on trust balances	16,245	-	16,245	14,062
BC Special Grant	4,828	-	4,828	4,886
Stumpage fees	-	4,092	4,092	-
	21,073	4,092	25,165	18,948
Balance, end of year	\$ 154,523	\$ 342,222	\$ 496,745	\$ 471,580

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.

## LIL'WAT NATION

### Notes to Financial Statements

March 31, 2024

#### 16. 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.

	Balance, beginning of year	Revenues	Expenses	Balance, end of year
Whistler Blackcomb MDA	\$ 10,607,615	\$ 2,754,929	\$ (757,489)	\$ 12,605,055
BC Hydro	4,274,788	-	(455,000)	3,819,788
Baxter Creek Development Agreement	3,572,805	-	-	3,572,805
BC Gaming Revenue	1,028,490	-	-	1,028,490
<b>2024 Totals</b>	<b>\$19,483,698</b>	<b>\$ 2,754,929</b>	<b>\$ (1,212,489)</b>	<b>\$21,026,138</b>
<b>2023 Totals</b>	<b>\$ 16,102,156</b>	<b>\$ 4,142,273</b>	<b>\$ (760,731)</b>	<b>\$ 19,483,698</b>

## LIL'WAT NATION

### Notes to Financial Statements

March 31, 2024

#### 17. Expenses By Object

	2024	2023
Administration	\$ 90,149	\$ 71,393
Advertising	14,105	22,788
Amortization	3,262,971	2,919,984
Bad debts	214,634	353,663
CMHC approved expenses	578,343	47,855
Consulting	971,148	675,096
Contribution to Lil'wat Business Group	1,354,238	-
Contribution to Squamish Lil'wat Cultural Centre	-	204,377
Funding agency recoveries	-	2,354
Honoraria	406,810	321,809
Insurance	674,842	623,581
Interest and bank charges	14,744	46,122
Interest on long term debt	340,787	310,682
Local revenue - property tax expenses	328	28,494
Loss (income) from business enterprises and partnerships	(64,214)	2,140,234
Office	212,385	131,680
Other services and materials	5,329,534	3,881,500
Professional fees	370,719	269,123
Rent	76,309	5,551
Repairs and maintenance	662,921	913,788
Social development	3,080,917	2,466,672
Student allowances	49,735	53,930
Supplies	2,490,414	2,153,290
Telephone and utilities	869,422	1,180,488
Training and workshops	835,065	644,094
Travel	1,357,745	994,904
Wages and benefits	17,470,698	14,416,632
Total expenses for the year	<u>\$40,664,749</u>	<u>\$ 34,880,084</u>

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

**March 31, 2024**

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**18. Contingencies and Commitments**

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.

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**19. Subsequent Event**

Subsequent to the year end, the First Nation acquired 78,685 partnership units in Lil'wat Holdings Limited Partnership at \$10 per unit, for a total cost of \$786,856. These units were issued for Lil'wat Holdings Limited Partnership to purchase property at 2027 Highway 99, Pemberton BC for \$785,856.



# LIL'WAT NATION

## Notes to Financial Statements

### 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	Community Programs	Community Development	Capital Fund	Xet'olacw Housing Operations	Xet'olacw Community School	Local Revenue	Total 2024 Actual
<b>Revenues</b>															
Indigenous Services Canada	\$ 68,299	\$ 3,946,272	\$ 1,866,169	\$ 2,432,697	\$ 392,623	\$ 1,189,966	\$ -	\$ 26,084	\$ -	\$ 3,379,013	\$ 4,669,490	\$ -	\$ 63,537	\$ -	\$ 18,034,150
First Nations Health Authority	-	1,622	-	-	3,781,231	-	-	-	426,130	-	-	-	-	-	4,208,983
Province of British Columbia	-	2,434,638	-	362,591	124,505	-	-	334,657	533,965	2,100	829,678	-	-	-	4,622,134
Other	713,553	5,765,009	386,600	900	83,506	3,795,662	-	1,067,560	577,980	647,294	2,254,717	860,685	8,404,638	2,079	24,560,183
	<b>781,852</b>	<b>12,147,541</b>	<b>2,252,769</b>	<b>2,796,188</b>	<b>4,381,865</b>	<b>4,985,628</b>	<b>-</b>	<b>1,428,301</b>	<b>1,538,075</b>	<b>4,028,407</b>	<b>7,753,885</b>	<b>860,685</b>	<b>8,468,175</b>	<b>2,079</b>	<b>51,425,450</b>
<b>Expenses</b>															
Purchases	637,504	9,735,259	1,433,881	460,587	1,631,982	2,498,030	(387,608)	663,139	541,630	3,475,315	(3,733,635)	969,477	1,611,012	328	19,536,901
Payroll	102,934	2,566,672	1,341,486	947,243	2,448,434	1,652,687	-	993,842	913,000	634,892	26,995	44,906	6,204,416	-	17,877,507
Amortization	207,461	312,618	790,089	185,318	341,181	461,310	-	73,285	100,494	13,246	-	609,379	168,589	-	3,262,970
Funding agency recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss (income) from business enterprises	-	(64,214)	-	-	-	-	-	-	-	-	-	-	-	-	(64,214)
Transfers	(148,514)	2,338,366	(331,290)	557,946	(11,489)	(178,292)	-	(496,491)	(790,988)	(292,170)	(407,000)	-	(188,493)	-	51,585
	<b>799,385</b>	<b>14,888,701</b>	<b>3,234,166</b>	<b>2,151,094</b>	<b>4,410,108</b>	<b>4,433,735</b>	<b>(387,608)</b>	<b>1,233,775</b>	<b>764,136</b>	<b>3,831,283</b>	<b>(4,113,640)</b>	<b>1,623,762</b>	<b>7,795,524</b>	<b>328</b>	<b>40,664,749</b>
<b>Surplus (deficit) for the year</b>	<b>\$ (17,533)</b>	<b>\$ (2,741,160)</b>	<b>\$ (981,397)</b>	<b>\$ 645,094</b>	<b>\$ (28,243)</b>	<b>\$ 551,893</b>	<b>\$ 387,608</b>	<b>\$ 194,526</b>	<b>\$ 773,939</b>	<b>\$ 197,124</b>	<b>\$ 11,867,525</b>	<b>\$ (763,077)</b>	<b>\$ 672,651</b>	<b>\$ 1,751</b>	<b>\$ 10,760,701</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	Community Programs	Community Development	Capital Fund	Xet'olacw Housing Operations	Xet'olacw Community School	Local Revenue	Total 2023 Actual
<b>Revenues</b>															
Indigenous Services Canada	\$ -	\$ 2,170,018	\$ 2,146,361	\$ 16,195,870	\$ 342,460	\$ 1,045,278	\$ 548,801	\$ 67,922	\$ -	\$ -	\$ 2,926,698	\$ -	\$ 1,391,738	\$ -	\$ 26,835,146
First Nations Health Authority	-	37,000	-	-	3,189,418	341,198	22,000	-	-	-	-	-	-	-	3,589,616
Province of British Columbia	-	1,510,055	-	270,451	570,066	82,509	760,652	220,000	-	-	948,871	-	-	-	4,362,604
Other	821,856	4,405,156	480,356	77,266	621,201	6,869,498	87,951	1,158,034	-	-	3,006,746	1,310,071	2,613,204	32,567	21,483,906
	<b>821,856</b>	<b>8,122,229</b>	<b>2,626,717</b>	<b>16,543,587</b>	<b>4,723,145</b>	<b>8,338,483</b>	<b>1,419,404</b>	<b>1,445,956</b>	<b>-</b>	<b>-</b>	<b>6,882,315</b>	<b>1,310,071</b>	<b>4,004,942</b>	<b>32,567</b>	<b>56,271,272</b>
<b>Expenses</b>															
Purchases	718,811	2,466,859	1,529,136	2,871,728	1,314,942	2,521,224	910,128	343,211	-	-	376,732	429,461	1,568,344	28,494	15,079,070
Payroll	96,011	2,170,440	1,048,875	963,175	2,533,336	1,532,128	1,250	903,301	-	-	33,229	45,381	5,411,316	-	14,738,442
Amortization	213,317	270,085	812,492	54,432	280,207	450,763	39,428	46,871	-	-	-	609,379	143,010	-	2,919,984
Funding agency transactions	-	-	-	-	2,354	-	-	-	-	-	-	-	-	-	2,354
Loss from business enterprises	-	2,140,234	-	-	-	-	-	-	-	-	-	-	-	-	2,140,234
Transfers	(14,345)	712,219	(244,049)	(38,079)	67,935	(203,943)	(83,586)	(26,152)	-	-	(130,000)	-	(40,000)	-	-
	<b>1,013,794</b>	<b>7,759,837</b>	<b>3,146,454</b>	<b>3,851,256</b>	<b>4,198,774</b>	<b>4,300,172</b>	<b>867,220</b>	<b>1,267,231</b>	<b>-</b>	<b>-</b>	<b>279,961</b>	<b>1,084,221</b>	<b>7,082,670</b>	<b>28,494</b>	<b>34,880,084</b>
<b>Surplus (deficit) for the year</b>	<b>\$ (191,938)</b>	<b>\$ 362,392</b>	<b>\$ (519,737)</b>	<b>\$ 12,692,331</b>	<b>\$ 524,371</b>	<b>\$ 4,038,311</b>	<b>\$ 552,184</b>	<b>\$ 178,725</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,602,354</b>	<b>\$ 225,850</b>	<b>\$ (3,077,728)</b>	<b>\$ 4,073</b>	<b>\$ 21,391,188</b>

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## LIL'WAT NATION

### Notes to Financial Statements

March 31, 2024

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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.

##### **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.

##### **Community Health**

The Community Health program provides a variety of health services to the community pursuant to a funding agreement with First Nations Health Authority.

##### **Lil'wat Lands & Resources**

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

##### **Community Development**

The community development program includes Social development, Agriculture and Food security, and Membership.

##### **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.

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## LIL'WAT NATION

### Notes to Financial Statements

March 31, 2024

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#### 20. Segmented Information (continued)

##### **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.

##### **Community Programs**

These programs are aimed directly at community members and include operations of a youth centre, recreation programs, daycare and Elder's activities.

##### **Local Revenue**

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

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#### 21. Financial Instrument Risk

The First Nation is exposed to risks of varying degrees of significance from its use of financial instruments which could affect its ability to achieve its strategic objectives. The Chiefs and Council ensure that the First Nation has identified its major risks and ensures that management monitors and mitigates these risks.

##### **Market and interest rate risk**

Market risk is the risk that changes in market price, such as interest rates, will affect the First Nation's income. The objective of market risk management is to control market risk exposed within acceptable parameters while optimizing the return on investments. The investment balance comprises of a GIC's and trust. The GIC and trust are deemed to be low risk and are not subject to changes in market prices or interest rates.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. It is management's opinion that the First Nation is not exposed to significant interest rate risk arising from its financial instruments.

There have not been any changes from the prior year in the First Nation's exposure to market and interest rate risk or the policies, procedures and methods it uses to manage and measure the risk.

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## LIL'WAT NATION

### Notes to Financial Statements

March 31, 2024

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#### 21. Financial Instrument Risk (continued)

##### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The First Nation is exposed to credit risk from its operating activities, which are primarily accounts receivables, and its investing activities, which includes deposits with financial institutions. Accounts receivables includes grant receivables from Federal and Provincial government, trade receivables, and local area receivables.

The credit risk on accounts receivables is mitigated by the agreement approval and monitoring processes. A majority of the accounts receivable balances are compliant with signed funding agreements and signed general agreements for recovery work. The First Nation undergoes continuous monitoring of amounts that are not collectible or realizable and accounts for specific bad debt provision when management considers that the expected recovery is less than the amount receivable. The First Nation considers all accounts receivable that are past due to be impaired, with the exception of funding from Federal or Provincial agreements. The First Nations management has determined that accounts receivable are impaired as illustrated in Note 4. Management's assessment was based on considering the likelihood of payment given the credit history with each vendor, and considering which items have been received subsequent to the financial statement date up to the report date.

The First Nation had deposited cash and investments held with reputable financial institutions. Management believes the risk of loss is unlikely. See Notes 1 and 2 for further details.

There have not been any changes from the prior year in the First Nation's exposure to credit risk or the policies, procedures and methods it uses to manage and measure the risk.

##### **Liquidity risk**

Liquidity risk is the risk that the Lil'wat Nation will not be able to meet its financial obligations as they become due.

The First Nation manages this risk by monitoring cash activities and expected outflows through budgeting and forecasting cash flows from operations and anticipating investing and capital activities. It is management's opinion that the First Nation is not exposed to significant liquidity risk arising from its financial instruments.

There have not been any changes from the prior year in the First Nation's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure the risk.

## LIL'WAT NATION

### Notes to Financial Statements

**March 31, 2024**

#### 21. Financial Instrument Risk (continued)

##### Financial Instrument Classification

The carrying value of each class of the First Nation's financial instruments is provided in the following table.

	Fair Value	Cost	2024
Cash and restricted cash	\$ -	\$ 30,136,353	\$ 30,136,353
Temporary investments (GIC's)	-	22,082,091	22,082,091
Accounts receivable	-	6,808,909	6,808,909
Accounts payable and accrued liabilities	-	7,103,041	7,103,041
Long-term debt	-	17,515,009	17,515,009
	Fair Value	Cost	2023
Cash and restricted cash	\$ -	\$ 24,109,204	\$ 24,109,204
Temporary investments (GIC's)	-	21,117,498	21,117,498
Accounts receivable	-	6,051,405	6,051,405
Accounts payable and accrued liabilities	-	3,817,363	3,817,363
Long-term debt	-	18,229,101	18,229,101