

**Kwikwetlem First Nation
Consolidated Financial Statements**

March 31, 2024

Kwikwetlem First Nation Contents

For the year ended March 31, 2024

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To the Members of Kwikwetlem First Nation:

Opinion

We have audited the consolidated financial statements of Kwikwetlem First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2024, and the results of its consolidated operations, changes in its net financial assets and its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Maple Ridge, British Columbia

July 29, 2024

MNP LLP

Chartered Professional Accountants

Kwikwetlem First Nation
Consolidated Statement of Financial Position
As at March 31, 2024

	2024	2023
Financial assets		
Cash	8,090,915	5,525,502
Restricted cash (Note 4)	230,466	224,046
Accounts receivable (Note 5)	2,432,162	1,668,842
Portfolio investments (Note 6)	2,077,002	1,947,719
Investment in Nation business entities (Note 7)	-	2,817,063
Advances to related Nation entities & departments (Note 8)	115,102	115,102
Funds held in trust (Note 9)	-	269
	12,945,647	12,298,543
Liabilities		
Accounts payable and accruals (Note 10)	3,083,654	2,131,418
Deferred revenue (Note 11)	740,000	948,630
Deficit in Nation business entities (Note 7)	3,202,717	-
Promissory note payable	377,275	198,240
Long-term debt (Note 12)	1,584,502	1,275,012
	8,988,148	4,553,300
Net financial assets	3,957,499	7,745,243
Non-financial assets		
Tangible capital assets (Note 13) (Schedule 1)	13,133,325	9,772,208
Prepaid expenses	17,080	15,681
Total non-financial assets	13,150,405	9,787,889
Accumulated surplus (Note 14)	17,107,904	17,533,132

Approved on behalf of the Council



Councillor



Councillor

Kwikwetlem First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2024

	2024 Budget	2024	2023
Revenue			
Indigenous Services Canada	960,241	1,839,663	1,586,252
BC First Nations Gaming Revenue Sharing Limited Partnership	375,000	346,688	374,130
BC Housing	1,653,265	1,572,035	1,640,223
BC Hydro	-	671,200	606,542
Canada Mortgage and Housing Corporation	47,179	37,364	57,879
Earnings (loss) from Nation business entities	-	(5,995,287)	702,009
Economic activity and other income	629,409	1,933,090	1,567,360
First Nations Education Steering Committee	11,214	138,833	5,200
First Nations Health Authority	108,094	233,286	169,913
FN Lands Management Resource Centre	-	120,000	185,201
Fortis BC	-	695,800	687,599
Fraser Health Authority	60,000	60,000	55,200
Government of Canada	1,184,539	1,605,621	1,205,279
Interest income	40,000	178,802	48,129
New Relationship Trust	50,000	596,000	55,000
Property tax revenue	200,000	259,124	307,492
Province of British Columbia	625,293	2,105,717	1,271,166
Rental income (Note 20)	2,604,100	2,246,337	3,021,178
	8,548,334	8,644,273	13,545,752
Expenditures			
Band Programs	2,697,795	3,238,514	2,490,463
Capital Program	-	327,324	56,326
Community Services	651,311	618,275	517,513
Education	215,882	171,493	217,142
Health	178,387	186,015	253,000
Lands & Resources	778,947	2,621,573	1,457,002
Referral & Stewardship	1,619,712	2,244,438	2,487,563
Social Housing	415,966	745,944	500,658
Capital Fund	-	339,915	350,079
	6,558,000	10,493,491	8,329,746
Surplus (deficit) before other items	1,990,334	(1,849,218)	5,216,006
Other items			
Loss due to fire (Note 13)	-	-	(1,687,886)
Insurance proceeds (Note 13)	-	1,423,990	264,336
	-	1,423,990	(1,423,550)
Annual surplus (deficit)	1,990,334	(425,228)	3,792,456
Accumulated surplus, beginning of year	17,533,132	17,533,132	13,740,676
Accumulated surplus, end of year (Note 14)	19,523,466	17,107,904	17,533,132

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

Kwikwetlem First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2024

	2024 Budget	2024	2023
Annual (deficit) surplus	1,990,334	(425,228)	3,792,456
Acquisition of tangible capital assets	(1,330,000)	(2,312,168)	(1,694,726)
Acquisition of tangible capital assets with insurance proceeds	-	(1,423,990)	(264,336)
Amortization of tangible capital assets	-	375,041	385,009
Loss due to fire	-	-	1,687,886
	(1,330,000)	(3,361,117)	113,833
Acquisition of prepaid expenses	-	(82,612)	(67,288)
Use of prepaid expenses	-	81,213	77,046
	-	(1,399)	9,758
Increase (decrease) in net financial assets	660,334	(3,787,744)	3,916,047
Net financial assets, beginning of year	7,745,243	7,745,243	3,829,196
Net financial assets, end of year	8,405,577	3,957,499	7,745,243

Kwikwetlem First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	(425,228)	3,792,456
Non-cash items		
Amortization	375,041	385,009
Loss (earnings) from Nation business entities	5,995,287	(702,009)
Loss due to fire	-	1,687,886
Insurance proceeds	(1,423,990)	(264,336)
	4,521,110	4,899,006
Changes in working capital accounts		
Accounts receivable	(763,320)	745,958
Prepaid expenses	(1,399)	9,758
Accounts payable and accruals	952,236	312,501
Deferred revenue	(208,630)	660,816
	4,499,997	6,628,039
Financing activities		
Advances of long-term debt	367,005	-
Repayment of long-term debt	(57,515)	(116,723)
Advances of promissory note payable	179,035	198,240
	488,525	81,517
Capital activities		
Acquisition of tangible capital assets	(2,312,168)	(1,694,726)
Investing activities		
Net change in portfolio investments	(129,283)	(222,880)
Net change in funds held in trust	269	10
Repayment of advances to related Nation entities & departments	-	1,137,833
Advances to Nation business entities	(2,153)	(765,171)
Repayment of advances to Nation business entities	26,646	-
	(104,521)	149,792
Increase in cash resources	2,571,833	5,164,622
Cash resources, beginning of year	5,749,548	584,926
Cash resources, end of year	8,321,381	5,749,548
Cash resources are composed of:		
Cash	8,090,915	5,525,502
Restricted cash	230,466	224,046
	8,321,381	5,749,548

Kwikwetlem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

1. Operations

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

2. Change in accounting policy

Effective April 1, 2023, the First Nation adopted the recommendations relating to the following accounting policy, as set out in the Canadian public sector accounting standards.

- PS 3400 Revenue

Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated. The adoption of PS 3400 did not have a material impact on the financial statements.

3. Significant accounting policies

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

Basis of presentation

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

Reporting entity

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

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

- Kwikwetlem First Nation Social Housing Program

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

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

- Choxw Holdings Corporation (bare trust company, 100% owned by Kwikwetlem First Nation)
- KFN Enterprises Ltd. (100% owned by Kwikwetlem First Nation through the bare trustee company)
- KFN Enterprises Limited Partnership (99% limited partner through the bare trustee company)

Net financial assets

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

Kwikwetlem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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

Asset classification

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

Cash and cash equivalents

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

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Portfolio investments with prices quoted in an active market include term deposits.

Funds held in Ottawa Trust Fund

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

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

Measurement uncertainty

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

Accounts receivable, and amounts due from related Nation entities & departments are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

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

Revenue recognition

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Own source revenue

Own source revenue derived from sources such as resource based revenues, property tax, interest income and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Kwikwetlem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Rental revenue

Rental revenue is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Earnings from investment in Nation business entities

Earnings from investment in Nation business entities is recognized as revenue when received or receivable based on the First Nation's proportion of the entities' equity.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings and improvements	declining balance	5 %
Office and general equipment	declining balance	20 %
Computer equipment	declining balance	30 %
Vehicles	declining balance	30 %
Boats	declining balance	30 %
Infrastructure	straight-line	10 years
Canoes	straight-line	20 years
Parking lots	straight-line	30 years
Watermains	straight-line	40 years
Roads	straight-line	100 years

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the First Nation determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write downs are not reversed.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

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

Kwikwetlem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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

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

The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Segments

The First Nation conducts its business through the following reportable segments: Band Programs, Capital Program, Community Services, Education, Health, Social Housing, Lands & Resources and Referral & Stewardship. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

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

Financial instruments

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

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

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

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

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Kwikwetlem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

4. Restricted cash

	2024	2023
Externally restricted		
CMHC Replacement Reserve	230,466	224,046

Replacement Reserve

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") the Nation maintains a replacement reserve, established by an annual allocation of \$9,040 (2023 - \$9,040), to ensure replacement of buildings financed by CMHC. Following the annual allocation, this reserve is overfunded by \$127,815 (2023 - overfunded by \$29,559).

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

5. Accounts receivable

	2024	2023
Ausenco Sustainability Inc.	22,567	37,193
BC Housing	108,211	49,142
BC Hydro	22,114	645,915
Brown & Oakes	30,000	-
Canadian Pacific Railway	-	37,918
Canadian Red Cross	29,400	-
CMHC subsidies receivable	3,285	3,057
City of Coquitlam	17,757	-
City of Port Coquitlam	-	9,100
First Nations Education Steering Committee	44,359	-
First Nations' Emergency Services Society	40,000	80,000
First Nations' Land Management Society	75,100	125,419
First Peoples' Heritage	110,556	186,806
Fisheries and Oceans Canada	354,343	-
Fortis BC	269,047	92,578
Funding and trade receivables	51,169	71,215
Impact Assessment Agency	156,000	6,000
Indigenous Advisory and Monitoring Committee	11,708	11,708
Indigenous Services Canada	-	13,330
Member receivables	30,849	13,862
Metro Vancouver	52,059	8,028
New Relationship Trust	788,468	6,268
Prince Holdings Ltd.	45,000	45,000
Province of BC	5,438	144,500
Real Estate Foundation of BC	4,500	4,500
Rent subsidies	6,395	7,400
Trans Mountain Pipeline	101,993	51,322
Translink	12,126	9,581
Union of B.C. Municipalities	30,000	-
Vancouver Fraser Port Authority	9,718	9,000
	2,432,162	1,668,842

Kwikwetlem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

6. Portfolio investments

	2024	2023
Measured at cost:		
BC First Nations Gaming Revenue Sharing LP	100	100
BC First Nations Gaming Revenue Sharing General Partner Ltd.	10	10
	110	110
Measured at fair value:		
Royal Bank of Canada Guaranteed Investment Certificates (GICs)	75,000	75,000
Royal Bank of Canada (GICs) held in trust for minor Band Members	2,001,892	1,872,609
	2,076,892	1,947,609
	2,077,002	1,947,719

All Royal Bank of Canada GICs bear interest in the range of 1.75% to 2.25% per annum, have one-year terms, and are renewed upon maturity.

7. Investment in Nation business entities

The First Nation has investments in the following entities:

	2024			
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
First Nation Government Business Enterprises				
KFN Enterprises Ltd. - 100%	10	9,500	(34,855)	(25,345)
Choxw Holdings Corp. - 100%	-	11,453	(13,103)	(1,650)
KFN Enterprises Limited Partnership - 99.99%	9,999	1,793,961	(4,979,682)	(3,175,722)
	10,009	1,814,914	(5,027,640)	(3,202,717)

	2023			
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
First Nation Government Business Enterprises				
KFN Enterprises Ltd. - 100%	10	9,500	(33,207)	(23,697)
Choxw Holdings Corp. - 100%	-	9,300	(10,950)	(1,650)
KFN Enterprises Limited Partnership - 99.99%	9,999	1,820,608	1,011,803	2,842,410
	10,009	1,839,408	967,646	2,817,063

Continued on next page

Kwikwetlem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

7. Investment in Nation business entities *(Continued from previous page)*

Summary financial information for Kwikwetlem First Nation business enterprises, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>KFN Enterprises Ltd. As at March 31, 2024</i>	<i>Choxw Holdings Corp. As at March 31, 2024</i>
Due from shareholders	-	1
Total assets	-	1
 Liabilities		
Accounts payable and accruals	3,050	1,650
Advances from related parties	31,299	11,453
Investments	498	-
Total liabilities	34,847	13,103
 Deficit	(34,847)	(13,102)
 Total revenue	-	-
Total expenses	(1,649)	(2,153)
Net loss	1,649	2,153

Kwikwetlem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

7. Investment in Nation business entities *(Continued from previous page)*

Summary financial information for Kwikwetlem First Nation business partnerships, accounted for using the modified equity method, for the respective year-end is as follows:

	KFN Enterprises Limited Partnership As at March 31, 2024	KFN Enterprises Limited Partnership As at March 31, 2023
Assets		
Cash	181,188	3,445,033
Accounts receivable	10,566	91,974
Prepaid expenses and deposits	7,339	80,800
Advances to related parties	271,753	2,600,277
Property and equipment	504,820	1,643,460
Investments in joint arrangements	3,468,626	2,787,542
Investment in subsidiary	51	-
Total assets	4,444,343	10,649,086
Liabilities		
Bank indebtedness	95,483	-
Accounts payable and accruals	377,555	500,811
Government remittances payable	153,655	70,874
Wages and employee benefits payable	29,313	70,089
Advances from related parties	1,796,559	1,855,370
Investment in subsidiary	-	66,762
Callable debt	6,961,957	7,063,275
Total liabilities	9,414,522	9,627,181
Partners' Capital (Deficit)	(4,970,179)	1,021,905
Total revenue	4,362,165	5,426,779
Total expenses	7,692,042	4,756,245
Earnings (loss) from operations	(3,329,877)	670,534
Other income (expense)	(2,662,206)	50,876
Net earnings (loss)	(5,992,083)	721,410

8. Advances to related Nation entities & departments

	2024	2023
Kwikwetlem Holdings Inc.	3,000	3,000
Kwikwetlem Land Management Inc.	2,250	2,250
Kwikwetlem Land Management Limited Partnership	2,500	2,500
Saskay Land Development Corporation	107,352	107,352
	115,102	115,102

Kwikwetlem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

9. Funds held in trust

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

	2024	2023
Revenue Trust		
Balance, beginning of year	269	279
Interest and distributions	292	(10)
Less: Transfers to Nation	(561)	-
Balance, end of year	-	269

10. Accounts payable and accrued liabilities

	2024	2023
Accounts payable - general	943,196	180,367
Accrued salaries and employee benefits	124,388	59,616
Damage deposits	4,850	4,850
Government remittances payable	9,328	13,976
Guaranteed Investment Certificates payable in trust to minor band members	2,001,892	1,872,609
	3,083,654	2,131,418

11. Deferred revenue

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
BC Hydro - Hatchery Project	475,200	-	475,200	-
Deferred revenue - other	10,804	-	10,804	-
Deposit - Lot 7	40,750	-	40,750	-
First Nations Health Authority - Harm Reduction Grant	50,000	-	50,000	-
First Nations Health Authority - Traditional Wellness	10,000	-	10,000	-
First Nations Land Management - Land Use Planning	75,000	-	75,000	-
Fortis BC - Woodfibre Gas Pipeline Project	-	670,000	450,000	220,000
Kwikwetlem Holdings Limited Partnership	191,876	-	191,876	-
Ministry of Children and Family Development	20,000	-	20,000	-
New Relationship Trust - Declaration Act Engagement	-	1,040,000	520,000	520,000
Province of British Columbia - Family Support Funding	30,000	-	30,000	-
Prince Holdings Ltd. - Ancestor Stone Relocation	45,000	-	45,000	-
	948,630	1,710,000	1,918,630	740,000

Deferred revenue at year-end includes long-term contracts for which funds will be received once certain milestones are met. The offsetting amounts are included in accounts receivable.

Kwikwetlem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

12. Long-term debt

	2024	2023
Royal Bank of Canada demand loan, with blended monthly payments of \$6,447 bearing interest at prime plus 0.5% per annum, maturing October 2039. The loan is payable on demand and has no specified terms of repayment or early repayment penalties.	763,209	785,598
All Nations' Trust Company mortgage with blended monthly payments of \$1,355 at 0.68% per annum, maturing August 1, 2030.	102,046	117,551
All Nations' Trust Company mortgage with blended monthly payments of \$2,332 at 2.22% per annum, maturing December 1, 2038.	352,242	371,863
Royal Bank of Canada loan, with blended monthly payments of \$975 bearing interest at 5.24% per annum, repayments start September 2024, matures September 2028.	163,715	-
Royal Bank of Canada loan, with blended monthly payments of \$1,222 bearing interest at 5.34% per annum, repayments start September 2024, matures September 2028.	203,290	-
	1,584,502	1,275,012

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

2025	67,625
2026	74,034
2027	77,782
2028	81,777
2029	86,042

13. Tangible capital assets

Construction in progress includes buildings under construction with a carrying value of \$5,204,745 (2023 - \$2,267,475). No amortization of this asset has been recorded because it is currently under development.

On November 18, 2022, a fire broke out in the Lot 16 development, resulting in estimated damage of \$1,687,886. The construction in progress related to this development was written down by this amount in the previous fiscal year. Since the fire occurred, the First Nation incurred costs of \$1,694,326 to rebuild the damaged structures to their original state. The full amount was covered by insurance.

The tangible capital assets reconciliation is included in Schedule 1.

14. Accumulated surplus

Accumulated surplus consists of the following:

	2024	2023
Equity in Tangible Capital Assets	11,548,823	8,497,196
Operating Surplus	8,659,147	6,024,117
Investment in nation business entities	(3,202,717)	2,817,063
Equity in Ottawa Trust Funds	-	269
Equity in CMHC Replacement Reserve	102,651	194,487
	17,107,904	17,533,132

Kwikwetlem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

15. Segments

The First Nation conducts its business through reportable segments, which are differentiated by major activities, accountability and control relationships. The reportable segments and their activities are as follows:

Band Programs

Responsible for administering projects the First Nation is involved in annually and on an on-going basis relating to the overall objectives of the First Nation and the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, band government, economic development, community services and technical services.

Capital Programs and Capital Fund

Manages capital projects within the community undertaken to support the growth and/or maintenance of the First Nation's infrastructure.

Community Services

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

Education

Supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs, it also provides services for students at the elementary/secondary and post secondary level, including; instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

Health

Oversees the delivery of health programs and initiatives for the betterment of the lives of the members of the First Nation.

Lands & Resources

Includes revenue and expenses related to general governance activities, lands administration, membership and aboriginal rights and title.

Referral & Stewardship

Responsible for facilitating and resolving inquiries from government regulators, procurement introductions and negotiation referrals for companies seeking mutual benefit agreements and cares for, and protects, the lands, waters and resources within the Nation's traditional territory.

Social Housing

Responsible for the administration and management of Social Housing units.

Enterprise Fund

Oversees the Nation's investments in partnerships and government business entities.

Ottawa Trust

Manages moneys held in trust by the Government of Canada.

Kwikwetlem First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

16. Budget information

The disclosed budget information has been approved by the Chief and Council of the Kwikwetlem First Nation at the Chief & Council meeting held on March 29, 2023.

17. Financial instruments

Kwikwetlem First Nation's financial instruments consist of cash, accounts receivable, accounts payable and accruals, and long-term debt. It is management's opinion that the First Nation is not exposed to significant currency or credit risk arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure through its normal operating and financing activities. The First Nation is exposed to interest rate price risk on its mortgages with fixed interest rates, and interest rate cash flow risk on demand loans with variable rates.

18. Guarantees

As at March 31, 2024, the First Nation has guaranteed two Bank of Montreal demand loans with a maximum amount of \$9,220,000 for KFN Enterprises LP. As at March 31, 2024, \$6,961,957 (2023 - \$7,063,275) was drawn. No liability related to these guarantees has been recorded.

19. Economic dependence

Kwikwetlem First Nation receives a significant portion of its revenue from various government agreements. The ability of the Nation to continue operations is dependent upon the continued financial commitments as guaranteed by these agreements.

20. Related party transactions

During the year, the Nation transacted with related parties as follows:

- Revenue includes \$952,857 (2023 - \$1,242,476) in profit sharing, rental and other head office services to KFN Enterprises Limited Partnership.
- KFN recognized \$5,992,084 share of loss (2023 - \$721,340 share of income) from KFN Enterprises Limited Partnership.
- Revenue includes \$456,672 (2023 - \$608,896) in profit sharing and head office services to Saskay Land Development Limited Partnership, a subsidiary held through Choxw Holdings Corporation (bare trust company)
- Revenue includes \$731,317 (2023 - \$1,053,248) in profit sharing from Kwikwetlem Holdings Limited Partnership, a subsidiary held through Choxw Holdings Corporation (bare trust company)
- KFN recognized \$1,649 share of loss (2023 - \$16,706 share of loss) from KFN Enterprises Ltd.
- KFN recognized \$2,153 share of loss (2023 - \$2,625 share of loss) from Choxw Holdings Corporation.

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

21. Comparative figures

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

Kwikwetlem First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2024

	<i>Land</i>	<i>Parking lots</i>	<i>Buildings and improvements</i>	<i>Vehicles</i>	<i>Computer equipment</i>	
						<i>Subtotal</i>
Cost						
Balance, beginning of year	1,455,000	1,614,000	4,649,746	488,355	281,632	8,488,733
Acquisition of tangible capital assets	-	-	672,882	11,268	57,554	741,704
Loss due to fire	-	-	-	-	-	-
Balance, end of year	1,455,000	1,614,000	5,322,628	499,623	339,186	9,230,437
Accumulated amortization						
Balance, beginning of year	-	90,380	1,534,310	374,736	177,051	2,176,477
Annual amortization	-	53,800	155,595	35,251	40,008	284,654
Balance, end of year	-	144,180	1,689,905	409,987	217,059	2,461,131
Net book value of tangible capital assets	1,455,000	1,469,820	3,632,723	89,636	122,127	6,769,306
2023 Net book value of tangible capital assets	1,455,000	1,523,620	3,115,436	113,619	104,581	6,312,256

Kwikwetlem First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2024

	<i>Subtotal</i>	<i>Office and general equipment</i>	<i>Boats</i>	<i>Infrastructure</i>	<i>Watermains</i>	<i>Roads</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	8,488,733	398,411	386,179	304,007	336,212	605,117	10,518,659
Acquisition of tangible capital assets	741,704	57,184	-	-	-	-	798,888
Loss due to fire	-	-	-	-	-	-	-
Balance, end of year	9,230,437	455,595	386,179	304,007	336,212	605,117	11,317,547
Accumulated amortization							
Balance, beginning of year	2,176,477	286,580	322,784	113,773	105,376	48,258	3,053,248
Annual amortization	284,654	24,986	19,019	29,151	6,724	6,022	370,556
Balance, end of year	2,461,131	311,566	341,803	142,924	112,100	54,280	3,423,804
Net book value of tangible capital assets	6,769,306	144,029	44,376	161,083	224,112	550,837	7,893,743
2023 Net book value of tangible capital assets	6,312,256	111,831	63,395	190,234	230,836	556,859	7,465,411

Kwikwetlem First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2024

	<i>Subtotal</i>	<i>Canoes</i>	<i>Construction in progress</i>	2024	2023
Cost					
Balance, beginning of year	10,518,659	89,709	2,267,475	12,875,843	12,604,667
Acquisition of tangible capital assets	798,888	-	2,937,270	3,736,158	1,959,062
Loss due to fire	-	-	-	-	(1,687,886)
Balance, end of year	11,317,547	89,709	5,204,745	16,612,001	12,875,843
Accumulated amortization					
Balance, beginning of year	3,053,248	50,387	-	3,103,635	2,718,626
Annual amortization	370,556	4,485	-	375,041	385,009
Balance, end of year	3,423,804	54,872	-	3,478,676	3,103,635
Net book value of tangible capital assets	7,893,743	34,837	5,204,745	13,133,325	9,772,208
2023 Net book value of tangible capital assets	7,465,411	39,322	2,267,475	9,772,208	

Kwikwetlem First Nation
Schedule 2 - Segmented Information
For the year ended March 31, 2024

	Band Programs	Capital Program	Community Services	Education	Health	Lands & Resources	Referral & Stewardship	Social Housing	Capital Fund	Enterprise Fund	Ottawa Trust Fund	2024
Revenue												
Indigenous Services Canada	\$ 274,655	\$ 160,000	\$ 371,125	\$ 67,535		\$ 610,435	\$ -	\$ 355,913	\$ -	\$ -	\$ -	\$ 1,839,663
Other government	1,847,128	1,403,985	375,633	60,000	367,853	1,218,150	1,525,871	47,364	-	-	-	6,845,984
Economic activities and other	2,799,916	40,000	128,987	81,154	1,390	1,336,409	1,417,275	148,490	-	(5,995,287)	292	(41,374)
	4,921,699	1,603,985	875,745	208,689	369,243	3,164,994	\$ 2,943,146	551,767	-	(5,995,287)	292	8,644,273
Expenses												
Amortization	-	-	-	-	-	-	-	35,127	339,915	-	-	375,042
Operating expenses	126,113	146,024	74,749	14,494	20,075	770,402	442,577	455,353	-	-	-	2,049,787
Salaries, wages and benefits	1,402,225		130,798	90,345	162,443	918,482	901,392	213,018	-	-	-	3,818,703
Program and services delivery expenses	1,710,176	181,300	412,728	66,654	3,497	932,689	900,469	42,446	-	-	-	4,249,959
	3,238,514	327,324	618,275	171,493	186,015	2,621,573	2,244,438	745,944	339,915	-	-	10,493,491
Surplus (deficit) before other items	1,683,185	1,276,661	257,470	37,196	183,228	543,421	698,708	(194,177)	(339,915)	(5,995,287)	292	(1,849,218)
Capital asset acquisitions	(12,676)	(3,601,177)	(35,178)	(694)	(885)	(16,715)	(49,290)	(19,543)	3,736,158	-	-	-
Loss due to fire	-	-	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	1,423,990	-	-	-	-	-	-	-	-	-	1,423,990
Transfers between programs	259,666	-	(62,585)	43,152	(93,832)	(369,875)	224,035	-	-	-	(561)	-
Annual surplus (deficit)	\$ 1,930,175	\$ (900,526)	\$ 159,707	\$ 79,654	\$ 88,511	\$ 156,831	\$ 873,453	\$ (213,720)	\$ 3,396,243	\$ (5,995,287)	\$ (269)	\$ (425,228)

	Band Programs	Capital Program	Community Services	Education	Health	Lands & Resources	Referral & Stewardship	Social Housing	Capital Fund	Enterprise Fund	Ottawa Trust Fund	2023
Revenue												
Indigenous Services Canada	\$ 258,553	\$ -	\$ 393,634	\$ 72,925	\$ -	\$ 449,458	\$ 199,780	\$ 211,902	\$ -	\$ -	\$ -	\$ 1,586,252
Other government	1,432,500	1,388,211	205,200	-	264,524	1,098,380	1,364,484	107,931	-	-	-	5,861,231
Economic activities and other	2,982,281	-	101,216	88,152	-	496,815	1,608,344	119,183	-	702,009	269	6,098,269
	4,673,334	1,388,211	700,050	161,077	264,524	2,044,653	3,172,608	439,016	-	702,009	269	13,545,752
Expenses												
Amortization	-	-	-	-	-	-	-	34,930	350,079	-	-	385,009
Operating expenses	286,922	17,858	56,025	11,697	12,067	424,979	706,582	224,968	-	-	-	1,741,098
Salaries, wages and benefits	1,108,475	-	208,433	93,307	194,336	415,277	997,196	178,575	-	-	-	3,195,599
Program and services delivery expenses	1,095,066	38,468	253,055	112,138	46,597	616,746	783,785	62,185	-	-	-	3,008,040
	2,490,463	56,326	517,513	217,142	253,000	1,457,002	2,487,563	500,658	350,079	-	-	8,329,746
Surplus (deficit) before other items	2,182,871	1,331,885	182,537	(56,065)	11,524	587,651	685,045	(61,642)	(350,079)	702,009	269	5,216,006
Capital asset acquisitions	(8,877)	(1,575,159)	-	-	-	(321,718)	(45,457)	(7,851)	1,959,062	-	-	-
Loss due to fire	-	(1,687,886)	-	-	-	-	-	-	-	-	(1,687,886)	-
Insurance proceeds	-	264,336	-	-	-	-	-	-	-	-	-	264,336
Transfers between programs	(11,164)	1,615,586	950	-	-	(8,068)	10,494	80,368	(1,687,886)	-	(280)	-
Annual surplus (deficit)	\$ 2,162,830	\$ (51,238)	\$ 183,487	\$ (56,065)	\$ 11,524	\$ 257,866	\$ 650,082	\$ 10,875	\$ (78,903)	\$ 702,009	\$ (11)	\$ 3,792,456