
**YAKWEAKWIOOSE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

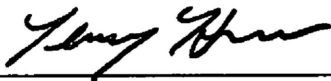
These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

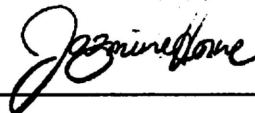
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Council also discusses any significant financial reporting or internal control matters prior to its approval of the financial statements.

The external auditors, Manning Elliott LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to the financial management of the Yakwekwioose First Nation and we meet when required. The accompanying Independent Auditors' Report re-iterates management's responsibility for the financial statements, outlines the auditors' responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the Yakwekwioose First Nation:





Chilliwack, British Columbia

INDEPENDENT AUDITORS' REPORT

To Members of Yakwekwioose First Nation

Opinion

We have audited the consolidated financial statements of Yakwekwioose First Nation (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations and accumulated surplus, changes in net 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, 2025, and the consolidated results of its operations and 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the First Nation in accordance with 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 is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT

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 auditors' 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 auditors' 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.

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.

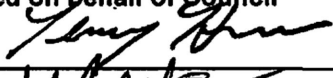

Manning Elliott LLP

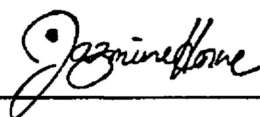
MANNING ELLIOTT LLP
Chartered Professional Accountants
Abbotsford, British Columbia
August 29, 2025

YAKWEAKWIOOSE FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

| | 2025 | 2024 |
|---|----------------------|----------------------|
| FINANCIAL ASSETS | | |
| Cash | \$ 15,080,823 | \$ 10,002,487 |
| Term deposits (Note 3) | 50,000 | 50,000 |
| Accounts receivable (Note 4) | 135,834 | 281,153 |
| Trust funds held by Federal Government (Note 5) | 83 | 83 |
| Investment in Government Business Enterprises (Note 6) | 258,816 | 214,633 |
| Investment in Government Business Partnerships (Note 7) | 4,303,414 | 3,844,342 |
| Advances to related parties | 400 | - |
| | 19,829,370 | 14,392,698 |
| FINANCIAL LIABILITIES | | |
| Accounts payable and accrued liabilities | 476,837 | 427,318 |
| Deferred revenue | 2,950 | 2,715 |
| Long term debt (Note 9) | 1,228,470 | 1,282,641 |
| | 1,708,257 | 1,712,674 |
| NET FINANCIAL ASSETS | 18,121,113 | 12,680,024 |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Note 10) | 9,328,197 | 7,883,896 |
| Prepaid expenses and deposits | 71,516 | 59,692 |
| | 9,399,713 | 7,943,588 |
| ACCUMULATED SURPLUS | \$ 27,520,826 | \$ 20,623,611 |

Approved on behalf of Council


 _____ Chief

 _____ Councillor


 _____ Councillor
 _____ Councillor

YAKWEAKWIOOSE FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2025

| | Budget | 2025 | 2024 |
|--|----------------------|----------------------|----------------------|
| REVENUE | | | |
| Federal Government | | | |
| Indigenous Services Canada | \$ 321,701 | \$ 5,821,456 | \$ 455,759 |
| Tzeachten First Nation | - | 626,329 | 384,940 |
| First Nations Gaming Revenue Sharing LP | 222,358 | 267,721 | 330,256 |
| Interest income | 372,480 | 472,834 | 404,544 |
| Income from Government Business Enterprises and Partnerships | - | 658,426 | 659,524 |
| Project revenue | 550,565 | 203,420 | 578,300 |
| Miscellaneous income (<i>Note 12</i>) | 800 | 427,543 | 46,085 |
| Land lease | - | 10,307 | 10,307 |
| First Nations Education Steering Committee | - | 87,795 | 118,550 |
| Rental revenue | 61,800 | 61,720 | 61,800 |
| Canada Mortgage Housing Corporation subsidy | 44,206 | 44,206 | 44,206 |
| Sto:lo Service Agency Society | 7,416 | 7,416 | 7,416 |
| | 1,581,326 | 8,689,173 | 3,101,687 |
| EXPENSES (<i>Note 13</i>) | | | |
| Administration | 113,200 | 115,312 | 112,425 |
| Community maintenance | 208,350 | 239,887 | 68,805 |
| Community planning and projects | 729,644 | 1,162,666 | 816,611 |
| Social housing | 85,416 | 36,211 | 39,650 |
| Amortization of tangible capital assets | - | 237,882 | 203,660 |
| | 1,136,610 | 1,791,958 | 1,241,151 |
| SURPLUS FOR THE YEAR | 222,358 | 6,897,215 | 1,860,536 |
| ACCUMULATED SURPLUS - BEGINNING OF YEAR | 20,623,611 | 20,623,611 | 18,763,075 |
| ACCUMULATED SURPLUS - END OF YEAR | \$ 20,845,969 | \$ 27,520,826 | \$ 20,623,611 |

YAKWEAKWIOOSE FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2025

| | 2025 | 2024 |
|--|----------------------|----------------------|
| EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR | \$ 6,897,215 | \$ 1,860,536 |
| Purchase of tangible capital assets | (1,682,183) | (1,029,594) |
| Amortization of tangible capital assets | 237,882 | 203,660 |
| | (1,444,301) | (825,934) |
| Purchase of prepaid expenses and deposits | (69,504) | (57,679) |
| Use of prepaid expenses and deposits | 57,679 | 42,306 |
| | (1,456,126) | (841,307) |
| CHANGES IN NET FINANCIAL ASSETS | 5,441,089 | 1,019,229 |
| BALANCE - BEGINNING OF YEAR | 12,680,024 | 11,660,795 |
| BALANCE - END OF YEAR | \$ 18,121,113 | \$ 12,680,024 |

YAKWEAKWIOOSE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

| | 2025 | 2024 |
|--|----------------------|----------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenue over expenses for the year | \$ 6,897,215 | \$ 1,860,536 |
| Items not affecting cash: | | |
| Amortization of tangible capital assets | 237,882 | 203,660 |
| Income from Government Business Enterprises and Partnerships | (658,426) | (659,524) |
| Bad debt | 47,004 | - |
| | <u>6,523,675</u> | <u>1,404,672</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | 98,315 | (89,273) |
| Accounts payable and accrued liabilities | 49,519 | (1,474,626) |
| Deferred revenue | 235 | (4,960) |
| Prepaid expenses and deposits | (11,824) | (15,375) |
| | <u>136,245</u> | <u>(1,584,234)</u> |
| | <u>6,659,920</u> | <u>(179,562)</u> |
| CAPITAL AND INVESTING TRANSACTIONS | | |
| Purchase of tangible capital assets | (1,682,183) | (1,029,594) |
| Withdrawal from government business partnership | 155,170 | 180,412 |
| Withdrawal of trust funds held by federal government | - | 171 |
| Term deposits | - | 4,950,000 |
| Advances to related parties | (400) | - |
| | <u>(1,527,413)</u> | <u>4,100,989</u> |
| OTHER FINANCING ACTIVITIES | | |
| Repayment of long term debt | (54,171) | (53,397) |
| CHANGE IN CASH DURING THE YEAR | 5,078,336 | 3,868,030 |
| CASH - BEGINNING OF YEAR | 10,002,487 | 6,134,457 |
| CASH - END OF YEAR | \$ 15,080,823 | \$ 10,002,487 |
| CASH FLOWS SUPPLEMENTARY INFORMATION | | |
| Interest received | \$ 472,834 | \$ 404,544 |
| Interest paid | \$ 17,290 | \$ 17,217 |

YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

NATURE OF OPERATIONS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements were prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the First Nation are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, committees and departments accountable for the administration of their financial affairs and resources to the First Nation which are owned or controlled by the First Nation.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise or partnership, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the First Nation.

Organizations accounted for on a modified equity basis include:

- Ch-ihl-kway-uhk Tribe Society
- Seven Generations Environmental Services Ltd.
- Ts'elxweyeqw Tribe Management Ltd.
- Ts'elxweyeqw Tribe Limited Partnership
- 1526285 Energy Limited Partnership

(c) Cash and cash equivalents

Cash includes cash on hand and balances with banks net of bank overdrafts which are held for the purpose of meeting short-term cash commitments. Cash equivalents include short term investments having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(continues)

YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(d) Long-lived assets and discontinued operations

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

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using discounted future cash flows. Any impairment is included in surplus for the year.

(e) Segments

The First Nation conducts its business through four reportable segments: Community Operations, Government Business Enterprises, Investments and Tangible Capital Asset Fund. 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.

(f) Tangible capital assets

Tangible capital assets are initially stated at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. The cost, less residual value, of the tangible capital assets are recognized at a nominal value. Infrastructure assets acquired prior to 1996 are the only assets where nominal values were assigned.

Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

| | |
|------------------|----------|
| Buildings | 40 years |
| Automobiles | 10 years |
| Housing | 40 years |
| Infrastructure | 50 years |
| Office equipment | 10 years |

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use. Included in housing are assets acquired under C.M.H.C. sponsored programs that are amortized at a rate equivalent to the annual principal reduction in the related long-term debt.

Assets under construction are not amortized until the asset is available for productive use.

(*continues*)

YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(g) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Investment and interest income earned are recognized in the period the income is earned.

Contracting and grant revenues are recognized as they become receivable under the terms of applicable agreements.

Rental revenue is recognized in the period it is earned, in accordance with the lease agreements.

Revenues received which relate to a subsequent fiscal period are reflected as deferred revenue in the year of receipt and classified as such in the statement of financial position.

(h) 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(i) Asset classification

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

(j) Net financial assets

The First Nation's financial statements are presented 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 are comprised of two components, non-financial assets and accumulated surplus.

(*continues*)

YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) 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 made such an election during the year.

The First Nation subsequently measures investments in equity investments 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. Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, and subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating. 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.

YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

2. FINANCIAL INSTRUMENT RISKS

The First Nation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the First Nation's risk exposure and concentration as of March 31, 2025. There has been no changes in the risk exposure from the prior year, except as described below.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The First Nation is exposed to credit risk from its accounts receivable. The First Nation deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The majority of the First Nation's receivables are from government agencies which have minimal risk of default, therefore there is no allowance for doubtful accounts recorded in the year or in prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation is exposed to this risk mainly in respect of its accounts payable and long term debt. The First Nation mitigates liquidity risk by ensuring it documents when authorized payments become due and monitors cash balances and cash flows generated from operations against its anticipated, committed and contemplated outflows.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the First Nation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The First Nation is not exposed to currency risk as the First Nation does not hold any financial instruments in foreign currency and all transactions are conducted in Canadian dollars.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The First Nation is not exposed to interest rate risk as the First Nation does not have any bank indebtedness or credit facilities with floating interest rates as the long term debit and term deposits are on fixed rates.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The First Nation is not exposed to other price risk.

3. TERM DEPOSITS

The term deposit is a guaranteed investment certificate held with the Royal Bank of Canada accruing interest at a rate of 3.5% (2024 - 4.75%) maturing December 2025.

YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

| | 2025 | 2024 |
|----------------------------|-------------------|-------------------|
| Due from members: | | |
| Member loans | \$ 1,741 | \$ - |
| Due from others: | | |
| First Nation organizations | 26,409 | 53,076 |
| Indigenous Services Canada | 106,846 | 148,347 |
| Other organizations | 838 | 79,730 |
| | \$ 135,834 | \$ 281,153 |

5. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

| | 2024 | Additions | Withdrawals | 2025 |
|--------------|-------|-----------|-------------|--------------|
| Capital fund | \$ 83 | \$ - | \$ - | \$ 83 |

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

The First Nation's investments in government business enterprises consist of the following:

| | | | 2025 | | 2024 |
|---|----------------|----|----------------|----|-------------|
| Ch-ihl-kway-uhk Tribe Society | 1/9 ownership | \$ | 132,666 | \$ | 116,005 |
| Ts'elxweyeqw Tribe Management Ltd. | 1/7 ownership | | 1 | | 1 |
| Ch-ihl-kway-uhk Forest Ltd. | | | - | | 10 |
| Centre Creek Management Ltd. | | | - | | 10 |
| Ch-ihl-kway-uhk Forest Ltd. - shares | | | - | | 5,749 |
| Seven Generations Environmental Services Ltd. | 1/6 ownership | | 126,049 | | 92,858 |
| 1526285 B.C. Ltd. | 100% ownership | | 100 | | - |
| | | \$ | 258,816 | \$ | 214,633 |

Ch-ihl-kway-uhk Tribe Society operates property rental and management activities.

Ts'elxweyeqw Tribe Management Limited is the general partner for Ts'elxweyeqw Tribe Limited Partnership and Ts'elxweyeqw Forestry Limited Partnership. Its financial information is consolidated into the financial information for Ts'elxweyeqw Tribe Limited Partnership in Note 7.

Seven Generations Environmental Services Ltd. is in the business of environmental monitoring.

1526285 B.C. Ltd. is the general partner for 1526285 Energy Limited Partnership.

Yakweakwioose First Nation's interest in Centre Creek Management Ltd. and Ch-ihl-kway-uhk Forest Ltd. were transferred to Ts'elxweyeqw Tribe Management Ltd.

INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES -

The summary of the financial information for the year ended is as follows:

| | Ch-ihl-kway-uhk Tribe Society | Seven Generations Environmental Services Ltd. | 2025 | 2024 |
|------------------------------|----------------------------------|--|---------------------|--------------|
| Current assets | \$ 1,111,291 | \$ 801,687 | \$ 1,912,978 | \$ 1,542,110 |
| Capital assets | - | 3,348 | 3,348 | 4,686 |
| Due from related party | 355,010 | - | 355,010 | 355,010 |
| Total assets | \$ 1,466,301 | \$ 805,035 | \$ 2,271,336 | \$ 1,901,806 |
| Current liabilities | \$ 272,302 | \$ 48,745 | \$ 321,047 | \$ 300,608 |
| Due to shareholders | - | 353,258 | 353,258 | 353,258 |
| Total liabilities | 272,302 | 402,003 | - | 653,866 |
| Equity | 1,193,999 | 403,032 | 1,597,031 | 1,247,940 |
| Total liabilities and equity | \$ 1,466,301 | \$ 805,035 | \$ 2,271,336 | \$ 1,901,806 |
| Revenue | \$ 194,118 | \$ 1,082,367 | \$ 1,276,485 | \$ 983,532 |
| Expenses | (44,173) | (883,220) | (927,393) | (704,386) |
| Net income | \$ 149,945 | \$ 199,147 | \$ 349,092 | \$ 279,146 |

YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

7. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS

The First Nation's investments in government business partnerships consist of the following:

| | | 2025 | 2024 |
|--|-----------------|---------------------|---------------------|
| 1526285 Energy Limited Partnership | 99% ownership | \$ 100 | \$ - |
| Ts'elxweyeqx Tribe Limited Partnership | 10/71 ownership | 4,303,314 | 3,844,342 |
| | | \$ 4,303,414 | \$ 3,844,342 |

Ts'elxweyeqx Tribe Limited Partnership (TTLP) is in the business of managing the business ventures that the Partners wish to enter into together and to defend the aboriginal title and rights collectively held by members of the Partners within the traditional territory of the Tribe, to acquire and manage properties of the Tribe, to enter into agreements, licenses, leases with the Crown or third parties on behalf of the Partners or the Tribe and to hold and monies, properties, or other assets produced therefrom.

1526285 Energy Limited Partnership was formed to acquire indirect equity interest in Westcoast Energy Limited Partnership which serves as the owner of Enbridge's BC's pipeline system.

INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS

The summary of the unaudited financial statements for the year ended December 31, 2024 as follows:

| | 2024 | 2023 |
|------------------------------|----------------------|----------------------|
| Current assets | \$ 28,132,423 | \$ 23,537,549 |
| Capital assets | 744,059 | 751,184 |
| Due from related parties | 5,340,497 | 4,909,850 |
| Total assets | 34,216,979 | 29,198,583 |
| Current liabilities | 4,138,516 | 2,628,616 |
| Due to related parties | 295,782 | - |
| Total liabilities | 4,434,298 | 2,628,616 |
| Equity | 29,782,681 | 26,569,967 |
| Total liabilities and equity | 34,216,979 | 29,198,583 |
| Revenue | 6,881,905 | 6,580,706 |
| Expenses | (2,581,598) | (2,154,173) |
| Net income | 4,300,307 | 4,426,533 |

8. BANK INDEBTEDNESS

The First Nation has available a line of credit with the Royal Bank of Canada to a maximum of \$150,000 bearing interest at the bank's prime rate plus 0.50% per annum. The line of credit is secured by a general security agreement over all personal property of the First Nation. As at March 31, 2025 the First Nation had not drawn on this credit facility.

YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

9. LONG TERM DEBT

| | 2025 | 2024 |
|--|---------------------|---------------------|
| All Nations Trust Company, payable in blended monthly payments of \$4,762 at 2.87% per annum, maturing April 2030, secured by a Ministerial Guarantee from Indigenous Services Canada. | \$ 873,606 | \$ 913,286 |
| All Nations Trust Company, payable in blended monthly payments of \$1,575 at 1.22% per annum, maturing July 2026, secured by a Ministerial Guarantee from Indigenous Services Canada. | 354,864 | 369,355 |
| | \$ 1,228,470 | \$ 1,282,641 |

Anticipated annual principal repayments over the next five years are as follows:

| | |
|------------|---------------------|
| 2026 | \$ 47,218 |
| 2027 | 373,760 |
| 2028 | 34,520 |
| 2029 | 35,524 |
| 2030 | 36,557 |
| Thereafter | 700,891 |
| | <u>\$ 1,228,470</u> |

YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

10. TANGIBLE CAPITAL ASSETS

| | Cost | Accumulated amortization | 2025 Net book value |
|----------------------|----------------------|-----------------------------|---------------------------|
| Land | \$ 1,088,021 | \$ - | \$ 1,088,021 |
| Buildings | 3,899,178 | 160,142 | 3,739,036 |
| Automobiles | 203,739 | 119,026 | 84,713 |
| Housing | 2,003,472 | 533,598 | 1,469,874 |
| Infrastructure | 2,399,589 | 343,924 | 2,055,665 |
| Office equipment | 567,717 | 119,652 | 448,065 |
| Projects in progress | 442,823 | - | 442,823 |
| | \$ 10,604,539 | \$ 1,276,342 | \$ 9,328,197 |

| | Cost | Accumulated amortization | 2024 Net book value |
|----------------------|---------------------|-----------------------------|---------------------------|
| Land | \$ 1,088,021 | \$ - | \$ 1,088,021 |
| Building renovations | 45,128 | - | 45,128 |
| Buildings | 2,533,311 | 91,797 | 2,441,514 |
| Automobiles | 203,739 | 101,040 | 102,699 |
| Housing | 2,003,472 | 472,395 | 1,531,077 |
| Infrastructure | 2,676,461 | 297,789 | 2,378,672 |
| Office equipment | 374,081 | 77,296 | 296,785 |
| | \$ 8,924,213 | \$ 1,040,317 | \$ 7,883,896 |

11. SETTLEMENT TRUST FUNDS

During 2015, the First Nation reached a settlement with the Federal Government related to lands in Chilliwack under claim by Yakweakwioose and two other First Nations. The settlement required the Federal Government to provide joint lands to the three First Nations as well as a cash settlement, which is intended to cover the legal costs incurred as well as compensation. The remaining cash from the settlement is being held in trust for the benefit of the three First Nations.

YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

12. PROPERTY TAX REVENUE

The First Nations Fiscal Management Act ("the Act") allows the First Nation to implement a property taxation regime. The First Nation is required under subsection 14(1) of the Act to account for, and report on, their local revenues, separately from other revenue sources of the First Nation. The following note disclosure is intended to report on the local revenues and expenditures that are directly attributable to property taxation and amounts that are allocated on a reasonable basis. The accounting policies used are consistent with those followed in the preparation of these financial statements.

Statement of local revenues and expenditures

| | Budget | 2025 | 2024 |
|--------------------------------------|-----------|-----------|----------|
| Part 1: Revenues | | | |
| Property taxation | \$ 10,565 | \$ 10,565 | \$ 9,571 |
| Part 2: Expenditures | | | |
| General government expenses | (300) | (1,185) | (4,782) |
| Protection services | (1,938) | - | - |
| Transportation | (793) | - | - |
| Recreation and cultural services | (969) | - | - |
| Planning and community development | (44) | - | - |
| Environmental health services | (17,582) | - | - |
| Fiscal services | (264) | - | - |
| Homeowner grants | - | - | - |
| Contingency | (200) | - | - |
| Excess of revenues over expenditures | \$ - | \$ 9,380 | \$ 4,789 |

13. EXPENSE BY OBJECT

| | 2025 | 2024 |
|---|--------------|--------------|
| Amortization of tangible capital assets | \$ 237,882 | \$ 203,660 |
| Bad debt | 47,004 | - |
| Community building operating expenses | 145,960 | - |
| Community building reserve funding | 167,000 | - |
| Community events | 75,399 | 101,880 |
| Insurance | 71,427 | 13,384 |
| Interest and bank charges | 4,230 | 3,384 |
| Interest on long-term debt | 13,060 | 13,834 |
| Maintenance | 161,471 | 51,089 |
| Member benefits | 241,372 | 141,142 |
| Office and miscellaneous | 63,799 | 60,434 |
| Professional development | - | 683 |
| Professional fees | 59,087 | 62,692 |
| Project expenses | 122,107 | 203,153 |
| Travel and honoraria | 44,644 | 41,977 |
| Wages and benefits | 337,516 | 343,839 |
| | \$ 1,791,958 | \$ 1,241,151 |

YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

14. SEGMENTED INFORMATION

The Yakweakwioose First Nation is a government institution that provides a range of programs and services to its members, including community operations, government business enterprises, capital projects, and tangible capital assets. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided for departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information.

(continues)

YAKWEAKWIOOSE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

14. SEGMENTED INFORMATION CONT'D

| | Community Operations | Government Business Enterprises | Capital Projects | Tangible Capital Asset Fund | 2025 | 2024 |
|--|---------------------------------|--|-----------------------------|--|----------------------|----------------------|
| Revenue | | | | | | |
| Federal Government | \$ 5,821,456 | \$ - | \$ - | \$ - | \$ 5,821,456 | \$ 455,759 |
| Provincial Government | - | - | - | - | - | - |
| Other | 2,209,291 | 658,426 | - | - | 2,867,717 | 2,645,927 |
| | <u>8,030,747</u> | <u>658,426</u> | <u>-</u> | <u>-</u> | <u>8,689,173</u> | <u>3,101,687</u> |
| Expenditures | | | | | | |
| Amortization | - | - | - | 237,882 | 237,882 | 203,660 |
| Other operating | 1,227,560 | - | - | - | 1,227,560 | 693,651 |
| Wages and benefits | 326,516 | - | - | - | 326,516 | 343,839 |
| | <u>1,554,076</u> | <u>-</u> | <u>-</u> | <u>237,882</u> | <u>1,791,958</u> | <u>1,241,151</u> |
| Annual Surplus (Deficit) | 6,476,671 | 658,426 | - | (237,882) | 6,897,215 | 1,860,536 |
| Transfer between funds | - | - | - | - | - | - |
| Surplus, Beginning of year | 4,629,580 | 5,104,441 | 1,952,944 | 8,936,646 | 20,623,611 | 18,763,075 |
| Accumulated Surplus(Deficit), end of year | <u>\$ 11,106,251</u> | <u>\$ 5,762,867</u> | <u>\$ 1,952,944</u> | <u>\$ 8,698,764</u> | <u>\$ 27,520,826</u> | <u>\$ 20,623,611</u> |