
**KWAW-KWAW-APILT FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Kwaw-kwaw-Apilt First Nation have been prepared 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 Kwaw-kwaw-Apilt First Nation and we meet when required. The accompanying Independent Auditors' Report reiterates 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 Kwaw-kwaw-Apilt First Nation:



Chilliwack, BC
July 30, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of Kwaw-kwaw-Apilt First Nation

Opinion

We have audited the consolidated financial statements of Kwaw-kwaw-Apilt 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 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.

Emphasis of Matter

We draw attention to Note 1 of the financial statements, which explains that certain information presented for the year ended March 31, 2023 has been restated. Our opinion is not modified in respect of this matter.

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 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.

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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
July 30, 2024.

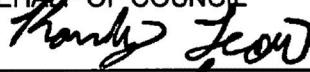
KWAW-KWAW-APILT FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	2024	2023 Restated (Note 1)
FINANCIAL ASSETS		
Cash	\$ 5,405,213	\$ 5,591,291
Accounts receivable (Note 4)	507,832	97,591
Property taxes receivable	33,911	46,099
Investments in government business enterprise (Note 5)	116,005	99,037
Investments in government business partnerships (Note 6)	470,899	415,702
Advances to related party (Note 6)	58,700,000	60,000,000
Ottawa Trust Funds (Note 7)	14,873	14,966
	<u>65,248,733</u>	<u>66,264,686</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	388,137	441,460
Deferred revenue (Note 6)	59,598,904	60,000,000
Long term debt (Note 9)	2,931,315	2,185,230
	<u>62,918,356</u>	<u>62,626,690</u>
NET FINANCIAL ASSETS	<u>2,330,377</u>	<u>3,637,996</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	16,218,281	10,450,063
Prepaid expenses and deposits	11,412	2,750
	<u>16,229,693</u>	<u>10,452,813</u>
ACCUMULATED SURPLUS	<u>\$ 18,560,069</u>	<u>\$ 14,090,809</u>

COMMITMENTS (Note 11)

SUBSEQUENT EVENT (Note 15)

ON BEHALF OF COUNCIL



Chief



Councillor

KWAW-KWAW-APILT FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2024

	Budget 2024	2024	2023
REVENUE			
Indigenous Services Canada	\$ 4,162,309	\$ 4,325,897	\$ 902,875
Interest revenue	1,996,507	133,730	73,197
First Nations Gaming Revenue Sharing LP	-	322,099	347,867
Project revenue	-	505,273	139,965
Property tax revenue (<i>Note 12</i>)	373,015	251,644	238,357
First Nations Goods and Services Tax	252,914	252,182	245,425
Revenue from government business enterprises	-	16,968	15,067
Revenue from government business partnership (<i>Note 6</i>)	-	55,197	52,269
Seabird Island Band	84,372	84,372	84,372
Province of British Columbia			
Forest Consultation and Revenue Sharing Agreement	44,815	44,815	63,246
Ministry of Children and Family Development	-	30,000	30,000
Land lease revenue (<i>Note 6</i>)	-	401,096	-
	6,913,932	6,423,273	2,192,640
EXPENSES (<i>Note 13</i>)			
Community Operations	958,519	1,812,144	1,870,202
Amortization of tangible capital assets	-	141,869	208,402
	958,519	1,954,013	2,078,604
ANNUAL SURPLUS FOR THE YEAR	5,955,413	4,469,260	114,036
ACCUMULATED SURPLUS - BEGINNING OF YEAR	14,090,809	14,090,809	13,976,773
ACCUMULATED SURPLUS - END OF YEAR	\$ 20,046,222	\$ 18,560,069	\$ 14,090,809

KWAW-KWAW-APILT FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2024

	2024	2023
ANNUAL SURPLUS FOR THE YEAR	\$ 4,469,260	\$ 114,036
Acquisition of tangible capital assets	(5,910,086)	(7,465,655)
Amortization of tangible capital assets	141,869	157,042
Proceeds on disposal of tangible capital assets	-	189
Acquisition of prepaid expenses	(11,412)	(2,750)
Use of prepaid expenses	2,750	8,950
	(5,776,879)	(7,302,224)
CHANGES IN NET FINANCIAL ASSETS	(1,307,619)	(7,188,188)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	3,637,996	10,826,184
NET FINANCIAL ASSETS - END OF YEAR	\$ 2,330,377	\$ 3,637,996

KWAW-KWAW-APILT FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

	2024	2023 (Restated)
OPERATING ACTIVITIES		
Annual surplus for the year	\$ 4,469,260	\$ 114,036
Items not affecting cash:		
Amortization of tangible capital assets	141,869	157,042
Revenue from GBE	(16,968)	(15,067)
Net income from government business enterprises	(55,197)	(52,269)
	<u>4,538,964</u>	<u>203,742</u>
Changes in non-cash working capital:		
Accounts receivable	(410,241)	(32,271)
Property taxes receivable	12,188	4,428
Prepaid expenses and deposits	(8,662)	6,201
Accounts payable and accrued liabilities	(53,323)	(2,021,130)
Deferred revenue	(401,096)	60,000,000
	<u>(861,134)</u>	<u>57,957,228</u>
	<u>3,677,830</u>	<u>58,160,970</u>
CAPITAL AND INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(5,910,086)	(7,465,655)
Acquisition in government business enterprises	-	(1,000)
Ottawa Trust Funds	93	(87)
Advances to (repayment from) related party	1,300,000	(60,000,000)
Proceeds on disposal of tangible capital assets	-	189
	<u>(4,609,993)</u>	<u>(67,466,553)</u>
FINANCING ACTIVITIES		
Proceeds from long term debt	750,000	2,000,000
Repayment of long term debt	(3,915)	(4,924)
	<u>746,085</u>	<u>1,995,076</u>
DECREASE IN CASH DURING THE YEAR	<u>(186,078)</u>	<u>(7,310,507)</u>
CASH - BEGINNING OF YEAR	<u>5,591,291</u>	<u>12,901,798</u>
CASH - END OF YEAR	<u>\$ 5,405,213</u>	<u>\$ 5,591,291</u>
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 133,730	\$ 73,197
Interest paid	\$ 72,551	\$ 16,185

KWAW-KWAW-APILT FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

NATURE OF OPERATIONS

Kwaw-kwaw-Apilt First Nation (the "First Nation") is a band government of the Stó:lo people located in the Fraser Valley region near the City of Chilliwack in the Province of British Columbia. The First Nation is a member government of the Stó:lo Tribal Council.

The 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. PRIOR YEAR RESTATEMENT

During the year, it was discovered that an error existed in the reported amounts of accounts payable and accrued liabilities and net financial assets in the fiscal 2023 year. As a result, the First Nation has adjusted the 2023 financial figures to reflect the correction of this error. The effect of the correction is summarized as follows:

	2023 (as previously stated)	2023 (Restated)	Adjustment
Accounts payable and accrued liabilities	\$ 2,441,460	\$ 441,460	\$ (2,000,000)
Net financial assets	1,637,996	3,637,996	2,000,000

2. 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:

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 and which are owned or controlled by the First Nation.

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, 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 consolidated in the First Nation's financial statements include:

- Kwaw-Kwaw Apilt Taxation Centre

Organizations accounted for on a modified equity basis include:

- Centre Creek Limited Partnership
- Ch-ihl-kway-uhk Forestry Limited Partnership
- Ch-ihl-kway-uhk Tribe Society
- Kwaw Kwaw Apilt Development Limited Partnership

KWAW-KWAW-APILT FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

Cash and cash equivalents includes cash on hand and balances with banks net of bank overdrafts.

Impairment of long lived assets

The First Nation tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

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.

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. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

Recreational vehicle	30%
Mobile homes and Buildings	30%
Equipment	20%

Capital projects in progress are tangible capital assets acquired during the year but not placed into use. These assets are not amortized until placed into use.

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 that the income is earned.

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

Property tax revenues are recognized as earned over the property taxation year.

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.

KWAW-KWAW-APILT FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of estimates

In preparing the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the period in which they become known.

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 and deposits.

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 surplus.

KWAW-KWAW-APILT FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 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.

Change in accounting policies

Effective April 1, 2022, the First Nation adopted the recommendations relating to the following accounting policies, as set out in the CPA Canada Public Sector Accounting Handbook

- PS 3450 Financial Instruments
- PS 3280 Asset Retirement Obligations

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. The adoption of PS 3450 had a material impact on the financial statements, due to the nature of investment income earned from the First Nation's investment in Nation business entities. The adoption of PS 3280 did not have a material impact on the financial statements.

3. 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, 2024. There has not been any significant changes in risk from the previous year.

KWAW-KWAW-APILT FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

3. FINANCIAL INSTRUMENT RISKS (continued)

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 previous 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 exposed to interest rate risk on its floating rate long term debt. In first Nation manages exposure through normal operating and financing activities and by monitoring interest 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.

4. ACCOUNTS RECEIVABLE

	2024	2023
Due from other governments	\$ 503,832	\$ 91,623
Due from members	4,000	5,968
	\$ 507,832	\$ 97,591

KWAW-KWAW-APILT FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISE

The First Nation has investments in the following entity:

	Ownership %	2024	2023
Ch-ihl-Kway Tribe Society	11.11	\$ 116,005	\$ 99,037

Ch-Ihl-Kway-Uhk Tribe Society operates property rental and management activities.

	2024	2023
Current assets	\$ 923,611	\$ 761,597
Advances to related party	355,010	355,010
	\$ 1,278,621	\$ 1,116,607
Current liabilities	\$ 234,566	\$ 205,285
Total liabilities	234,566	205,285
Equity	1,044,055	891,341
Total liabilities and equity	\$ 1,278,621	\$ 1,096,626
	2024	2023
Revenue	\$ 189,756	\$ 165,117
Expense	37,042	29,510
	\$ 152,714	\$ 135,607

KWAW-KWAW-APILT FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

6. INVESTMENTS IN GOVERNMENT BUSINESS PARTNERSHIPS

The First Nation has investments in the following partnerships:

	Ownership %	2024	2023
Centre Creek Limited Partnership	11.00	\$ 175,443	\$ 173,960
Ch-Ihl-Kway-Uhk Forestry Limited Partnership	12.36	294,456	240,742
Kwaw-Kwaw-Apilt Development LP	100.00	1,000	1,000
		\$ 470,899	\$ 415,702

Centre Creek Limited Partnership is in the business of purchasing or otherwise acquiring real and personal property of all kinds located within the Chilliwack River Valley, British Columbia. The partnership is also responsible for managing the acquired properties.

Ch-Ihl-Kway-Uhk Forestry Limited Partnership is in the business of developing, operating and participating in various forestry activities in and around Chilliwack, British Columbia.

The First Nation is wholly invested in Kwaw-kwaw-Apilt Development GP Ltd. and holds 10,000 Class B units in Kwaw-Kwaw-Apilt Development Limited Partnership. Both investments are held for the purposes of participating in the development of lands for residential and commercial use. In 2023 the First Nation signed an agreement to lease lands for a period of 150 years. The value of this agreement is \$60,000,000 and settled via transfer of the rights to the leased land to the Partnership with a corresponding loan to Kwaw-Kwaw-Apilt Development LP. The deferred revenue will be recognized in income over the term of the lease, \$401,096 (2023 - Nil) was recognized this year. The loan is being repaid over a set repayment schedule. A payment of \$1,300,000 was received in 2024, the balance of the loan at March 31, 2024 is \$58,700,000 (2023 - \$60,000,000).

The First Nation is wholly invested in 1309367 B.C. Ltd. and holds 10,000 Class B units in Kwaw-Kwaw-Apilt Pipeline Limited Partnership. Both investments are held for the purposes of participating in the Western Indigenous Pipeline Group. As at March 31, 2024 these investments have not been recorded in the financial records nor has there been any activity in either entity.

The First Nation is wholly invested in Kwaw-kwaw-Apilt Framing Ltd. and holds 10,000 Class B units in Kwaw-kwaw-Apilt Framing Limited Partnership. Both investments are held for the purposes of participating in the construction business and all ancillary activities. As at March 31, 2024 these investments have not been recorded in the financial records nor has there been any activity in either entity.

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KWAW-KWAW-APILT FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

6. INVESTMENTS IN GOVERNMENT BUSINESS PARTNERSHIPS CONTINUED

	Centre Creek Limited Partnership	Ch-Ihl-Kway- Uhk Forestry Limited Partnership	Kwaw Kwaw Aplit Development LP	2024	2023
Current assets	35,854	2,548,003	-	2,583,857	2,895,857
Capital assets	2,267,075	-	-	2,267,075	2,295,225
Advances to related party	-	-	58,700,050	58,700,050	335,010
Total assets	2,302,929	2,548,003	58,700,050	63,550,982	5,526,092
Current liabilities	28,270	126,614	50	154,934	401,790
Advances from related parties	756,817	-	58,699,000	59,455,817	736,817
Total liabilities	785,087	126,614	58,699,050	59,610,751	1,138,607
Equity	1,517,842	2,421,389	1,000	3,940,231	4,387,485
Total liabilities and equity	2,302,929	2,548,003	58,700,050	63,550,982	5,526,092
Revenue	126,000	676,846	-	802,846	1,188,877
Expenses	112,654	247,098	-	359,752	626,993
Net income (loss)	13,346	429,748	-	443,094	561,884
First Nation's share of net income	1,483	53,714	-	55,197	67,336

7. OTTAWA TRUST FUNDS

	2023	Additions	Withdrawals	2024
Revenue	\$ 344	\$ 608	\$ 701	\$ 251
Capital	\$ 14,622	-	-	\$ 14,622
	\$ 14,966	\$ 608	\$ 701	\$ 14,873

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.

8. BANK INDEBTEDNESS

The First Nation has available a revolving demand facility with the Royal Bank of Canada (the "lender") authorized to a maximum of \$3,950,000 (2023 - \$50,000) bearing interest at the lender's prime rate plus 0.5% per annum. As at March 31, 2024 the credit remaining under this facility is \$3,950,000 (2023 - \$50,000).

The First Nation has available a credit card authorized to a maximum of \$25,000. As at March 31, 2024 the credit remaining under this facility is \$25,000 (2023 - \$25,000).

KWAW-KWAW-APILT FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

9. LONG TERM DEBT

	2024	2023
Band member with Certificate of Possession for the purchase of Lot 124, payable out of profits received on the development of Lot 124 on a priority and preferred basis no later than August 16, 2027 and bears interest at the Royal Bank of Canada Prime rate.	\$ 2,000,000	\$ 2,000,000
Royal Bank of Canada term loan, bearing interest at the lender's prime rate plus 0.5% per annum. There is no set monthly payment, the loan matures April 30, 2024 (Note 13).	750,000	-
Royal Bank of Canada term loan, bearing interest at the lender's prime rate plus 0.5% per annum, repayable in monthly blended payments of \$1,582 (2023 - \$1,521), matures April 2025.	181,315	185,230
	\$ 2,931,315	\$ 2,185,230

Included in interest and bank charges is \$14,119 (Note 13) in interest on long term debt (2023 - \$10,496).

Principal repayment terms are approximately:

2025	\$ 754,461
2026	176,854
2027	2,000,000
	\$ 2,931,315

KWAW-KWAW-APILT FIRST NATION
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FOR THE YEAR ENDED MARCH 31, 2024

10. TANGIBLE CAPITAL ASSETS

Cost	2023 Balance	Additions	Disposals	2024 Balance
Land	\$ 8,407,633	\$ -	\$ 40,689	\$ 8,366,944
Recreational vehicle	41,302	-	-	41,302
Mobile homes/Buildings	900,143	776,608	-	1,676,751
Equipment	175,005	4,534	-	179,539
Capital projects in progress	1,590,042	5,169,633	-	6,759,675
	\$ 11,114,125	\$ 5,950,775	\$ 40,689	\$ 17,024,211

Accumulated Amortization	2023 Balance	Amortization	Accumulated Amortization on Disposals	2024 Balance
Land	\$ -	\$ -	\$ -	\$ -
Recreational vehicle	40,292	303	-	40,595
Mobile homes/Buildings	585,613	113,773	-	699,386
Equipment	38,158	27,791	-	65,949
Capital projects in progress	-	-	-	-
	\$ 664,063	\$ 141,867	\$ -	\$ 805,930

Net book value	2024	2023
Land	\$ 8,366,944	\$ 8,407,633
Recreational vehicle	707	1,011
Mobile homes/Buildings	977,365	314,530
Equipment	113,590	136,847
Capital projects in progress	6,759,675	1,590,042
	\$ 16,218,281	\$ 10,450,063

KWAW-KWAW-APILT FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

11. COMMITMENTS

The First Nation has entered into an agreement with Aboriginal Financial Consulting to provide services as Lands Director. The contract expires on March 31, 2030. The minimum payments for this commitment will vary each year based on the authorized fiscal year budgets. The approved budgeted amount for the next fiscal year is \$132,000.

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	2024	2023
Part 1: Revenues			
Property taxation	214,027	251,644	238,357
Tax search fees	-	850	1,050
Penalty fees	-	159	171
Interest income	700	3,978	1,313
	214,727	256,631	240,891
Part 2: Expenditures			
Community Development	1,661	1,661	5,649
Environmental Health Services	-	59,481	66,809
Fiscal Services	9,965	14,948	-
General Government	104,185	73,121	72,987
Protection Services	73,077	73,091	23,737
Recreation and Cultural Services	36,538	36,538	32,139
Transportation	29,895	29,895	28,853
Contingency	5,000	-	-
	260,321	288,735	230,174
Excess (deficit) of revenues over expenditures	(45,594)	(32,175)	10,717

13. BUDGETED FIGURES

The unaudited budgets for the year April 1, 2023 to March 31, 2024 were approved by the Chief and Council. The operating budget is based on projected operating expenses to be incurred during the year on a program-by-program basis.

KWAW-KWAW-APILT FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

14. EXPENSES BY OBJECT

	Budget	2024	2023
Administration	\$ 492,311	\$ 501,272	\$ 668,833
Amortization	-	141,869	157,042
Honoraria	39,000	43,400	39,000
Insurance	32,000	31,300	31,147
Interest and bank charges	11,400	72,551	16,185
Office and miscellaneous	37,000	45,199	18,096
Professional fees	355,500	215,473	203,255
Project and grant expenses	-	424,710	289,563
Protection services	73,077	88,038	23,737
Repairs and maintenance	45,000	27,446	47,974
Telephone	16,350	21,212	13,751
Travel	63,895	109,932	71,315
Utilities	18,500	50,118	92,248
Wages and benefits	401,372	181,493	406,458
	<hr/>	<hr/>	<hr/>
	\$ 1,585,405	\$ 1,954,013	\$ 2,078,604

15. SUBSEQUENT EVENT

On May 15, 2024 the First Nation repaid the term loan of \$750,000 to the Royal Bank of Canada.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. These reclassifications have no effect on previously reported net income or retained earnings.

17. SEGMENTED INFORMATION

The Kwaw-kwaw-Apilt 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.

KWAW-KWAW-APILT FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17. SEGMENTED INFORMATION (continued)

	Community Operations	Government Business Enterprises	Tangible Capital Assets	Tangible Capital Asset Fund	2024	2023	2022
REVENUE							
Federal Government	\$ 4,325,897			\$ -	\$ 4,325,897	\$ 761,722	\$ 1,182,222
Provincial Government	396,914			-	396,914	441,113	212,818
Other	<u>1,227,201</u>	<u>473,261</u>	<u>-</u>	<u>-</u>	<u>1,700,462</u>	<u>989,805</u>	<u>11,739,059</u>
	<u>5,950,012</u>	<u>473,261</u>	<u>-</u>	<u>-</u>	<u>6,423,273</u>	<u>2,192,640</u>	<u>13,134,099</u>
EXPENSES							
Amortization			141,869	-	141,869	157,042	106,505
Other	1,630,650			-	1,630,650	1,515,104	1,342,329
Wages and benefits	<u>181,494</u>			-	<u>181,494</u>	<u>406,458</u>	<u>318,989</u>
	<u>1,812,144</u>	<u>-</u>	<u>141,869</u>	<u>-</u>	<u>1,954,013</u>	<u>2,078,604</u>	<u>1,767,823</u>
Annual Surplus (Deficit)	4,137,868	473,261	(141,869)	-	4,469,260	114,036	11,366,276
Transfer between funds	(2,203,010)		2,203,010		-	-	-
Accumulated Surplus - Beginning of year	<u>2,522,628</u>	<u>181,631</u>	<u>10,982,246</u>	<u>404,304</u>	<u>14,090,809</u>	<u>13,976,773</u>	<u>2,610,497</u>
Accumulated Surplus - End of year	\$ 4,457,486	\$ 654,892	\$ 13,043,387	\$ 404,304	\$ 18,560,069	\$ 14,090,809	\$ 13,976,773