

**LOWER SIMILKAMEEN INDIAN BAND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2025**

# **LOWER SIMILKAMEEN INDIAN BAND**

## **CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2025**

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# LOWER SIMILKAMEEN INDIAN BAND

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2025

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The accompanying consolidated financial statements of Lower Similkameen Indian Band are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Lower Similkameen Indian Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Nation's assets are appropriately accounted for and adequately safeguarded.

The Lower Similkameen Indian Band Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council review the financial statements and recommends their approval. The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by Reid Hurst Nagy Inc. in accordance with Canadian generally accepted auditing standards on behalf of their members. Reid Hurst Nagy Inc. has full access to Chief and Council.

  
Chief

2025-07-28  
Date

  
Councillor

2025-07-28  
Date

## Independent Auditors' Report

To the Members of  
**Lower Similkameen Indian Band**

*Opinion*

We have audited the consolidated financial statements of Lower Similkameen Indian Band, which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations and accumulated surplus, change 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 results of its consolidated operations, its changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with Public Sector Accounting Standards ("PSAS").

*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 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 is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 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 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.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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.



REID HURST NAGY INC.  
CHARTERED PROFESSIONAL ACCOUNTANTS

KELOWNA, B.C.  
JULY 28, 2025

# LOWER SIMILKAMEEN INDIAN BAND

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31	2025	2024
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 15,017,916	\$ 13,291,613
Restricted cash (Note 3)	1,398,303	1,137,276
Accounts receivable (Note 4)	3,088,134	6,003,734
Due from related parties (Note 5)	386,084	416,500
Rents receivables	22,064	45,683
Temporary investments (Note 7)	5,284,960	10,884,010
Investment in Government Businesses (Note 8)	3,649,083	3,635,461
	<b>28,846,544</b>	<b>35,414,277</b>
<b>LIABILITIES</b>		
Accounts payable (Note 10)	770,293	1,765,805
Deferred revenue (Note 11)	4,060,172	10,379,733
Due to related parties (Note 12)	97,229	306,407
Loans payable (Note 13)	5,052,157	5,286,226
Replacement Reserve Fund (Note 14)	328,983	301,048
	<b>10,308,834</b>	<b>18,039,219</b>
<b>NET FINANCIAL ASSETS</b>	<b>18,537,710</b>	<b>17,375,058</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 15)	34,584,940	22,100,642
Prepaid expenses	116,581	56,365
	<b>34,701,521</b>	<b>22,157,007</b>
<b>ACCUMULATED SURPLUS (Note 16)</b>	<b>\$ 53,239,231</b>	<b>\$ 39,532,065</b>

### APPROVED ON BEHALF OF THE LOWER SIMILKAMEEN INDIAN BAND

 Chief  
 , Chair of Finance and Audit Committee  
 Band Manager  
 Director of Finance

 2025-07-28

# LOWER SIMILKAMEEN INDIAN BAND

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended March 31	2025 Budget	2025 Actual	2024
<b>ANNUAL SURPLUS</b>	\$ 3,897,142	\$ 13,707,166	\$ 9,174,864
Acquisition of tangible capital assets	-	(13,219,989)	(5,530,721)
Amortization of tangible capital assets	-	735,691	568,891
Disposal of tangible capital assets	-	-	275,556
	-	(12,484,298)	(4,686,274)
Acquisition of prepaid asset	(60,216)	(116,581)	(56,365)
Use of prepaid asset	-	56,365	52,437
	(60,216)	(60,216)	(3,928)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	3,836,926	<b>1,162,652</b>	4,484,662
<b>NET FINANCIAL ASSETS AT BEGINNING OF YEAR</b>	-	<b>17,375,058</b>	12,890,396
<b>NET FINANCIAL ASSETS AT END OF YEAR</b>	\$ -	<b>\$ 18,537,710</b>	\$ 17,375,058

# LOWER SIMILKAMEEN INDIAN BAND

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31	2025 Budget	2025 Actual	2024 Actual
<b>REVENUE</b>			
Indigenous Services Canada	\$ 6,974,013	\$ 6,130,232	\$ 14,869,183
Okanagan Nation Alliance	3,025,585	3,028,529	120,997
Province of British Columbia	5,199,710	4,605,494	4,239,016
First Nations Health Authority	1,533,801	1,529,684	1,351,100
Interest	987,000	1,235,515	1,183,689
Environment Canada	1,000,000	1,225,000	1,529,000
General	1,798,902	1,215,141	2,248,809
New Relationship Trust	770,000	639,993	100,000
First Nations Education Steering Committee	497,008	575,982	467,314
Rental	191,368	478,211	293,733
Conservation NW Palmer Lake - Grant	477,050	477,045	-
Deloitte LLP	329,062	457,502	-
Property tax assessed	324,218	324,218	319,857
Four Pillar Society	200,000	200,000	-
United Way BC	-	125,000	-
Canada Mortgage and Housing Corporation	-	124,297	130,303
Share of income (loss) from GBEs	-	114,844	96,859
Parks Canada	-	100,000	-
Other	2,238,767	70,012	364,048
	25,546,484	22,656,699	27,313,908
<b>EXPENSES</b>			
Administration	3,039,978	2,210,239	1,909,051
Title & Rights (NR)	629,580	487,608	228,739
Community Garden	449,694	313,900	268,056
Tee Pee Tots Daycare	541,743	347,056	281,826
Parks	2,014,541	1,676,768	1,315,974
Social Services	828,445	791,027	869,683
Lands Programs	743,347	597,238	294,086
CHPW	15,832,977	2,527,204	1,838,528
Health Programs	2,305,125	1,715,336	1,660,102
Education	1,758,420	1,916,338	1,435,195
Ntamtqen Band School	1,845,215	1,278,574	1,100,703
Legacy Fund - Own Source Revenues	2,040,010	518,563	653,291
Social Housing	-	294,044	297,460
Capital Fund	-	595,198	484,547
	32,029,075	15,269,093	12,637,241
<b>ANNUAL SURPLUS BEFORE OTHER</b>	<b>(6,482,591)</b>	<b>7,387,606</b>	<b>14,676,667</b>
<b>OTHER</b>			
Transfer to deferred revenue	-	(4,060,173)	(10,379,733)
Transfer from deferred revenue	10,379,733	10,379,733	4,877,930
	10,379,733	6,319,560	(5,501,803)
<b>ANNUAL SURPLUS</b>	<b>3,897,142</b>	<b>13,707,166</b>	<b>9,174,864</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>	<b>-</b>	<b>39,532,065</b>	<b>30,357,201</b>
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	<b>\$ 3,897,142</b>	<b>\$ 53,239,231</b>	<b>\$ 39,532,065</b>

# LOWER SIMILKAMEEN INDIAN BAND

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2025	2025	2024
<b>OPERATING ACTIVITIES</b>		
ANNUAL SURPLUS	\$ 13,707,166	\$ 9,174,864
Amortization of tangible capital assets	735,691	568,891
Share of loss (income) of First Nation Controlled entities	(114,844)	(96,859)
	<b>14,328,013</b>	9,646,896
Change in non-cash operating working capital	<b>1,012,149</b>	615,427
	<b>15,340,162</b>	10,262,323
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(13,219,985)	(5,530,721)
Proceeds on disposal of tangible capital assets	-	275,556
	<b>(13,219,985)</b>	(5,255,165)
<b>FINANCING ACTIVITIES</b>		
Repayment of loans	(234,068)	(269,591)
Proceeds from loans	-	111,367
	<b>(234,068)</b>	(158,224)
<b>INVESTING ACTIVITIES</b>		
Change in restricted cash	(261,028)	(58,528)
Purchase of investment	101,222	(101,222)
	<b>(159,806)</b>	(159,750)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,726,303</b>	4,689,184
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>13,291,613</b>	8,602,429
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 15,017,916</b>	\$ 13,291,613

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of CPA Canada.

#### (a) Reporting Entity

The Lower Similkameen Indian Band reporting entity includes the Lower Similkameen Indian Band government and all related entities that are controlled by the First Nation.

#### (b) Fund Accounting

The Lower Similkameen Indian Band maintains the following funds and reserves as part of its operations:

- The Operating Fund which reports the general activities of the First Nation administration.
- The Capital Fund which reports the capital assets of the First Nation not included in other funds, together with their related activities.
- The Trust Fund which reports on the trust funds of the First Nation and held by third parties.
- The Social Housing Fund which reports on the social housing assets of the First Nation together with their related activities.
- The Enterprise Fund which reports the First Nation's investment in self-supporting commercial entities.

#### (c) 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 Statements on a modified equity basis. Inter-organizational balances are eliminated on consolidation.

Under the modified equity method of accounting, only Lower Similkameen Indian Band'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 Lower Similkameen Indian Band.

Organizations consolidated in Lower Similkameen Indian Band's financial statements include:

1. Lower Similkameen Indian Band Operating Fund
2. Similkameen Chopaka Social Housing Society (Social Housing Fund)
3. Lower Similkameen Indian Band Capital Fund
4. Lower Similkameen Indian Band Trust Fund
5. Lower Similkameen Indian Band Enterprise Fund

Organizations accounted for on a modified equity basis include:

6. 0783309 B.C. Ltd.
7. Lower Similkameen Community Forests Ltd.
8. Smelqmix Investments Ltd
9. Smelqmix Investments Limited Partnership
10. Skulqalt Forestry Ltd.
11. 1161649 BC Ltd.

#### (d) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

#### (e) 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.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

#### (f) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance 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 assets, prepaid expenses and inventory of supplies.

#### (g) Budget

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by Council.

#### (h) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

#### (i) Use of Estimates

In preparing the consolidated financial statements for the First Nation, management is required 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 consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include collectability of accounts receivable, useful life of tangible assets and accounts payable and accruals. Actual results could differ from these estimates.

#### (j) Cash and Cash Equivalents

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

#### (k) Temporary Investments

Temporary investments consist of term deposits or GICs with maturity of dates of greater than three months. Investments are reported at cost plus accrued interest.

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

#### (l) Long-term Debt

Proceeds from long-term debt are recorded as program revenue. Payments of principal and interest are treated as program expenditures. Long-term debt is recorded as a liability on the balance sheet. Reductions of long-term debt are offset with an increase to Equity in Tangible Capital Assets.

#### (m) Tangible Capital Assets

Tangible capital assets are recorded 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.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Lower Similkameen Indian Band's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	20 years Straight line
Buildings	20 to 75 years Straight line
Road	70 to 100 years Straight line
Campground	20 years Straight line
Equipment	5 years Straight line
Automotive equipment	5 years Straight line
Infrastructure	50 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Lower Similkameen Indian Band's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

#### (n) Replacement Reserve

The Replacement Reserve is funded by an annual charge against earnings as opposed to an appropriation of surplus.

#### (o) Surplus Recoveries and Deficit Funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

#### (p) Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Band is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2025.

At each financial reporting date, the Band reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Band 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.

As of March 31, 2024 and March 31, 2025 the band does not recognize any liability for contaminated sites.

#### (q) 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, 2025. 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.

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. As at March 31, 2025, the First Nation has not identified any asset retirement obligations, therefore no liability has been recorded.

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

#### (r) Financial Instruments

##### (i) Measurement of Financial instruments

The First Nation initially measures its financial assets and liabilities at fair value.

The First Nation subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value are not recognized in the statement of operations in the period incurred in accordance with PSAS.

Financial assets measured at amortized cost include cash, accounts receivables, funds held in trust.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The First Nation has not designated any financial asset or financial liability to be measured at fair value.

##### (ii) Impairment

For financial assets measured at cost or amortized cost, the First Nation Corporation determines whether there are indications of possible impairment. When there is an indication of impairment, and the First Nation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

### 2. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

#### *Liquidity risk*

The first Nation does have a liquidity risk in the accounts payable and accruals of \$770,290 (2024 - \$1,765,805). Liquidity risk is the risk that the First Nation cannot repay its obligations when they become due to its creditors. The First Nation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the First Nation is low and is not material.

#### *Credit risk*

The First Nation does have credit risk in accounts receivable of \$3,088,134 (2024 - \$6,003,734) Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The First Nation reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The First Nation maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the First Nation is low and is not material.

#### *Interest rate risk*

The First Nation is exposed to interest rate risk due to the variable rate interest on their loans payable. Changes in the lending rates may cause fluctuations in cash flows and interest expense.

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 3. RESTRICTED CASH

#### Replacement Reserve Fund:

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Housing Program must set aside funds annually for the non-annual expenditures of the Program for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account with any interest earned to be credited as revenue to the Replacement Reserve Fund.

#### Operating Reserve Fund:

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Program is to set aside any surplus revenue to an operating reserve for the purpose of meeting future requirements of income listed occupants over and above the maximum federal assistance. The Fund may be replenished to its original limit from subsequent operating surpluses.

#### Ottawa Trust Funds:

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.

#### Firehall Reserve Funds:

In accordance with the First Nation Property Taxation Laws, the fund is to set aside a reserve for the purpose of repair and maintenance of the future Firehall. The fund is held in term deposits in accordance with the requirement laid out in the Financial Administration Law.

#### Capital Reserve Funds:

In accordance with the First Nation Property Taxation Laws, the fund is to set aside a reserve for the purpose of repair and maintenance of the capital structures. The fund is held in term deposits in accordance with the requirement laid out in the Financial Administration Law.

#### Band School Reserve Fund:

In accordance with the First Nation Property Taxation Laws, the fund is to set aside a reserve for the purpose of subsidizing the construction and maintenance of the building. The fund is held in term deposits in accordance with the requirement laid out in the Financial Administration Law.

	2025	2024
Replacement Reserve Fund - restricted cash	\$ 311,236	\$ 299,226
Operating Reserve Fund - restricted cash	330,478	319,461
Ottawa Trust Funds - restricted cash	569,287	355,541
Firehall Reserve Fund - restricted cash	59,393	51,909
Capital Reserve Fund - restricted cash	94,988	89,279
Band School Reserve Fund - restricted cash	32,921	21,860
	<hr/> \$ 1,398,303	<hr/> \$ 1,137,276

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 4. ACCOUNTS RECEIVABLE

	2025	2024
Accounts receivable - general	\$ 324,638	\$ 587,042
BC Wildfire Federation	37,564	37,564
Copper Mountain Mine	169,665	133,316
Deloitte LLP	128,440	-
Environment and Climate Change Canada	657,825	952,000
First Nation Education Steering Committee	55,690	6,249
First People Heritage Language & Culture	46,690	46,690
Fortis BC Energy Inc.	37,800	37,800
Habitat Conservation Trust Foundation	50,000	-
Indigenous Services Canada	564,166	1,961,227
Interest receivable	69,104	295,917
Joint Venture Revenue Share	-	31,984
Member loans	47,464	49,064
Ministry of Education of Child Care	-	128,665
Ministry of Natural Resource	-	44,992
Natural Resource Canada	193,200	321,000
New Relationship Trust	260,000	59,500
Okanagan Nation Alliance	24,060	60,826
Okanagan Shuswap Natural Resource	96,823	-
Parks Canada	400,000	-
Province of British Columbia	59,401	1,467,190
Real Estate Foundation BC	-	90,000
	<b>3,222,530</b>	<b>6,311,026</b>
Allowance for doubtful accounts	<b>(134,396)</b>	<b>(307,292)</b>
	<b>\$ 3,088,134</b>	<b>\$ 6,003,734</b>

### 5. DUE FROM RELATED PARTIES

	2025	2024
Others	\$ 8,747	\$ 7,037
Smelqmix Investment LP	250,000	250,000
Lower Similkameen Development Corporation	127,337	159,463
	<b>\$ 386,084</b>	<b>\$ 416,500</b>

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2025

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### 6. RELATED PARTY TRANSACTIONS

Transactions with related parties, if any, are in the normal course of business, and are for fair consideration that is mutually agreed upon by the related parties. Transactions with the Skulqalt Forestry Limited Partnership (SFLP), and Lower Similkameen Development Corporation (LSDC) included in the operations are as follows.

	<b>2025</b>	<b>2024</b>
Donations, contributions, office and administration, rent (SFLP)	\$ 5,970	\$ 28,646
Project (SFLP)	(250)	(700)
Rent (LSDC)	\$ (103,800)	\$ (87,400)

### 7. TEMPORARY INVESTMENT

	<b>2025</b>	<b>2024</b>
Bank of Montreal GIC, matures on January 30, 2026 at 2.75% interest rate	\$ 286,975	\$ 274,287
Bank of Montreal GIC, matures on January 30, 2026 at 2.75% interest rate	1,148,408	1,097,636
Bank of Montreal GIC, matures on January 30, 2025 at 2.75% interest rate	217,946	208,310
Bank of Montreal GIC, matures on January 30, 2025 at 2.75% interest rate	241,884	231,190
Bank of Montreal GIC, matures on January 30, 2025 at 2.75% interest rate	75,944	72,587
Bank of Montreal GIC, which matured on February 26, 2025 at 5.67% interest rate	-	3,000,000
Bank of Montreal GIC, which matured on March 7, 2025 at 5.81% interest rate	-	3,000,000
Gestion De Partimoine Assante Wealth Management GIC matures on November 11, 2027 at 5.10% interest rate	3,313,803	3,000,000
	<hr/> <b>\$ 5,284,960</b>	<hr/> <b>\$ 10,884,010</b>

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2025

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### 8. INVESTMENT IN GOVERNMENT BUSINESSES

	2025	2024
Investments not subject to control		
Shares in All Nations Trust Company - held at cost	\$ 41,852	\$ 41,852
Investment in BC First Nations Gaming Revenue Sharing General Partner Inc. - held at cost	10	10
Investment in BC First Nations Gaming Revenue Sharing Limited Partnership - held at cost	100	100
	<b>41,962</b>	41,962
Investments subject to control		
Investment in Lower Similkameen Community Forests Ltd.	(13,094)	(13,227)
Investment in 0783309 B.C. Ltd.		
Share capital	1	1
Accumulated earnings (deficit)	(316)	(316)
	<b>(315)</b>	(315)
Investment in Smelqmix Investment Limited Partnership		
Share capital	14,049	-
Accumulated equity	3,613,630	3,512,980
	<b>3,627,679</b>	3,512,980
Investment in Smelqmix Investment Ltd.		
Share capital	-	1
Accumulated earnings (deficit)	(3,498)	(3,510)
	<b>(3,498)</b>	(3,509)
Investment in Skulqalt Forestry Ltd.		
Share capital	1	1
Accumulated deficit	(868)	(869)
	<b>(867)</b>	(868)
Investment in 1161649 B.C. Ltd.	<b>(2,784)</b>	(2,784)
Investment in Semlqmix Protect Area Trust Fund	-	101,222
	<b>\$ 3,649,083</b>	\$ 3,635,461

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 9. GOVERNMENT BUSINESSES

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board of CPA Canada. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

Following is the condensed financial results for the First Nation controlled entities as noted below.

	0783309 B.C. Ltd	Smelqmix Investments Limited Partnership	Smelqmix Investments Ltd.	Skulqalt Forestry Ltd.	Lower Similkameen Community Forests Ltd.
Cash	\$ -	\$ 120,579	\$ -	\$ -	\$ -
Accounts receivable	-	14,617	-	-	-
Other assets	-	3,854,108	-	333	80
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 3,989,304</b>	<b>\$ -</b>	<b>\$ 333</b>	<b>\$ 80</b>
Accounts payable	\$ -	\$ 23,410	\$ -	\$ -	\$ 1,100
Long-term debt	-	250,000	-	-	-
Other liabilities	315	89,173	3,498	1,199	12,074
<b>Total liabilities</b>	<b>315</b>	<b>362,583</b>	<b>3,498</b>	<b>1,199</b>	<b>13,174</b>
<b>Equity</b>	<b>(315)</b>	<b>3,626,721</b>	<b>(3,498)</b>	<b>(866)</b>	<b>(13,094)</b>
<b>Total liabilities and equity</b>	<b>\$ -</b>	<b>\$ 3,989,304</b>	<b>\$ -</b>	<b>\$ 333</b>	<b>\$ 80</b>
	0783309 B.C. Ltd	Smelqmix Investments Limited Partnership	Smelqmix Investments Ltd.	Skulqalt Forestry Ltd.	Lower Similkameen Community Forests Ltd.
Revenue					
Income	\$ -	\$ 190,872	\$ -	\$ -	\$ -
Interest	-	7,702	-	-	-
Income (loss) from partnership	-	122,821	11	1	133
Revenue	-	321,395	11	1	133
Expenses	-	206,685	-	-	-
<b>Net income (loss)</b>	<b>\$ -</b>	<b>\$ 114,710</b>	<b>\$ 11</b>	<b>\$ 1</b>	<b>\$ 133</b>

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 10. ACCOUNTS PAYABLE

	2025	2024
Trade payables	\$ 483,012	\$ 1,178,162
School district No.53	-	48,861
Holdback payable	-	397,110
Payroll payable	102,053	23,542
Vacation pay payable	110,602	83,851
Pension payable	74,626	34,279
	<b>\$ 770,293</b>	<b>\$ 1,765,805</b>

### 11. DEFERRED REVENUE

	March 31, 2024	Funding received, 2025	Revenue recognized, 2025	March 31, 2025
<b>Federal government</b>				
First Nation Education Steering Committee	\$ 72,395	\$ 72,713	\$ (7,268)	\$ 137,838
Indigenous Services Canada - NTG7	243,982	-	(13,932)	230,050
Indigenous Services Canada - NTKC	31,406	-	(31,406)	-
Environment and Climate Change Canada	424,694	625,000	(629,474)	420,220
Indigenous Services Canada - Q40U, Q3AV, Q3ZO	393,156	52,494	(5,249)	440,401
Indigenous Services Canada - Q3O1-001	76,510	505,865	(483,915)	98,460
Indigenous Services Canada - Q2KR, Q2KQ	1,484,741	-	(269,735)	1,215,006
First Nations Health Authority	295,171	-	(295,171)	-
Indigenous Services Canada - Q3XG, Q36O	5,963,708	-	(5,963,708)	-
	8,985,763	1,256,072	(7,699,858)	2,541,975
<b>Provincial Government</b>				
BC First Nations Gaming Revenue	1,255,009	418,851	(155,663)	1,518,197
Province of BC	138,961	-	(138,961)	-
	1,393,970	418,851	(294,624)	1,518,197
	<b>\$ 10,379,733</b>	<b>\$ 1,674,923</b>	<b>\$ (7,994,482)</b>	<b>\$ 4,060,172</b>

### 12. DUE TO RELATED PARTIES

	2025	2024
Skulqalt Forestry Limited Partnership	\$ -	\$ 206,634
Smelqmix Investment Limited Partnership	97,008	99,552
Others	221	221
	<b>\$ 97,229</b>	<b>\$ 306,407</b>

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2025

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### 13. LOANS PAYABLE

	2025	2024
Bank of Montreal loan payable on demand. Scheduled monthly payments of \$310 with interest at prime plus 0.50% per annum. Secured by a general charge against operations. (Housing renovation loan #2)	\$ 19,194	\$ 22,634
Bank of Montreal loan payable on demand. Scheduled monthly payments of \$22,992 with interest at 5.76% per annum. Secured by a general charge against operations. Term due January 31, 2026. (Multi-Purpose Building loan)	2,634,983	2,755,694
Bank of Montreal loan payable on demand. Scheduled monthly payments of \$3,570 with interest at 5.76% per annum. Secured by a general charge against operations. Term due January 31, 2026. (Water System loan)	423,287	441,247
Bank of Montreal loan payable. Scheduled monthly payments of \$388 with interest at prime plus 0.50% per annum. Secured by a general charge against operations. (Housing renovation loan #1)	24,068	28,381
Bank of Montreal loan payable. Scheduled monthly payments of \$360 with interest at prime plus 0.50% per annum. Secured by a general charge against operations. (Housing renovation loan #3)	22,289	26,265
Indigenous Claims Loan, be made payable on earlier of March 31, 2027 or the date on which the claim is settled. (Burlington Northern)	195,991	163,713
All Nations Trust Company loan, payment of \$518 per month including interest at 4.25% per annum, with no set maturity date, secured by a Ministerial Loan Guarantee from Indigenous Services Canada. (Kenoras loan)	17,787	23,057
All Nations Trust Company loan, payment of \$2,483 per month including interest at 1.73% per annum, maturing December 1, 2024, secured by a Ministerial Loan Guarantee from Indigenous Services Canada; paid in full during the year. (CMHC phase 2)	-	22,182
All Nations Trust Company loan, payment of \$4,472 per month including interest at 1.57% per annum, maturing December 1, 2036, secured by a Ministerial Loan Guarantee from Indigenous Services Canada. (CMHC phase 3)	575,542	619,837
All Nations Trust Company loan, payment of \$3,743 per month including interest at 3.52% per annum, maturing May 1, 2043, secured by a Ministerial Loan Guarantee from Indigenous Services Canada. (CMHC phase 4)	603,370	626,795
All Nations Trust Company loan, payment of \$2,416 per month including interest at 1.51% per annum, maturing November 1, 2046, secured by a Ministerial Guarantee from Indigenous Service Canada. (CMHC phase 5)	535,646	556,421
	<hr/> \$ 5,052,157	<hr/> \$ 5,286,226

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2025

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### 13. LOANS PAYABLE , continued

Principal portion of long-term debt due within the next five years:

2026	\$ 3,164,673
2027	109,489
2028	112,720
2029	109,422
2030 and thereafter	1,555,853
	<hr/>
	\$ 5,052,157
	<hr/>

### 14. REPLACEMENT RESERVE FUND

The Replacement Reserve is established in accordance with the Operating Agreements with CMHC for on-reserve housing. Funds are required to be set aside annually and held for future replacements of capital items related to the homes.

	2025	2024
Balance, beginning of year	\$ 301,048	\$ 257,817
Interest	12,511	16,975
Expenditures	(8,473)	(11,228)
Appropriations from the Operating Fund	23,897	25,230
CMHC adjustment	-	12,254
	<hr/>	<hr/>
	\$ 328,983	\$ 301,048
	<hr/>	<hr/>

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 15. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated amortization				2025 net book value
	Balance, beginning of year	Additions	Disposals and adjustments	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	
Land	\$ 1,870,763	\$ 905,017	\$ -	\$ 2,775,780	\$ -	\$ -	\$ -	\$ -	\$ 2,775,780
Automotive equipment	987,830	268,395	-	1,256,225	513,371	156,867	-	670,238	585,987
Computer equipment	113,705	-	-	113,705	113,705	-	-	113,705	-
Campground	165,109	-	-	165,109	165,109	-	-	165,109	-
Equipment	730,823	-	-	730,823	665,433	35,903	-	701,336	29,487
Leasehold improvements	60,539	-	-	60,539	53,917	1,463	-	55,380	5,159
Roads	957,617	-	-	957,617	605,533	12,656	-	618,189	339,428
Buildings	14,898,102	17,283,918	(260,495)	31,921,525	4,917,476	(277,626)	-	4,639,850	27,281,675
Infrastructure	4,460,455	-	-	4,460,455	805,875	87,156	-	893,031	3,567,424
Assets under construction	5,696,118	(5,696,118)	-	-	-	-	-	-	-
	\$ 29,941,061	\$ 12,761,212	\$ (260,495)	\$ 42,441,778	\$ 7,840,419	\$ 16,419	\$ -	\$ 7,856,838	\$ 34,584,940

	Cost				Accumulated amortization				2024 Net book value
	Balance, beginning of year	Additions	Disposals and adjustments	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	
Land	\$ 1,870,763	\$ -	\$ -	\$ 1,870,763	\$ -	\$ -	\$ -	\$ -	\$ 1,870,763
Automotive equipment	929,718	175,708	(117,596)	987,830	382,315	147,689	(16,633)	513,371	474,459
Computer equipment	113,705	-	-	113,705	113,705	-	-	113,705	-
Campground	165,109	-	-	165,109	165,109	-	-	165,109	-
Equipment	712,208	18,615	-	730,823	630,785	34,648	-	665,433	65,390
Leasehold improvements	60,539	-	-	60,539	52,453	1,464	-	53,917	6,622
Roads	957,617	-	-	957,617	592,877	12,656	-	605,533	352,084
Buildings	14,345,974	552,128	-	14,898,102	4,632,199	285,277	-	4,917,476	9,980,626
Infrastructure	4,460,455	-	-	4,460,455	718,718	87,157	-	805,875	3,654,580
Assets under construction	1,086,441	4,784,270	(174,593)	5,696,118	-	-	-	-	5,696,118
	\$ 24,702,529	\$ 5,530,721	\$ (292,189)	\$ 29,941,061	\$ 7,288,161	\$ 568,891	\$ (16,633)	\$ 7,840,419	\$ 22,100,642

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 16. ACCUMULATED SURPLUS

	2025	2024
Unrestricted		
Operating Fund	\$ 19,018,239	\$ 18,305,444
Capital Fund	29,917,915	17,168,837
Enterprise Funds	3,607,231	3,492,387
	<hr/> <b>52,543,385</b>	<hr/> 38,966,668
Restricted		
Social Housing Fund	126,558	108,634
Trust Funds	569,288	355,541
Investment Fund	-	101,222
	<hr/> <b>695,846</b>	<hr/> 565,397
	<hr/> <b>\$ 53,239,231</b>	<hr/> \$ 39,532,065

### 17. CONTINGENT LIABILITIES

#### a) Indigenous Services Canada

Under the terms of the contribution agreements with Indigenous Services Canada and other governmental departments, certain surpluses may be repayable to the government and certain deficits may be reimbursable to the First Nation.

#### b) Loan Guarantee

A Government of Canada Ministerial Guarantee has been obtained for loans to certain band members. If these loans default, the Minister may recover the outstanding amounts from the First Nation. The First Nation has guaranteed loans totaling \$135,614 to date.

The First Nation has provided a guarantee to Bank of Montreal for Smelqmix Investments Limited Partnership for a term financial facility in the amount of \$411,750, overdraft facility in the amount of \$50,000, and Corporate credit card in the amount of \$25,000 from Bank of Montreal. In the case of default, Bank of Montreal may recover the outstanding amounts from the First Nation.

BMO has granted under the on-reserve housing loan program, loans totalling \$254,352 for two band members. In the case of default, Bank of Montreal may recover the outstanding amounts from the First Nation.

### 18. ECONOMIC DEPENDENCE

Lower Similkameen Indian Band receives a significant portion of its revenue pursuant to an agreement referred to as "The Comprehensive Funding Arrangement". This agreement has been entered into by the First Nation and Indigenous Services Canada. It is expected that the agreement will be renewed on an annual basis.

The First Nation also receives major funding pursuant to an arrangement with the First Nations Health Authority and under which certain surpluses and deficits may be offset, but with the net balance repayable or refundable as the case may be.

# **LOWER SIMILKAMEEN INDIAN BAND**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2025**

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### **19. LEASES**

The nature of Lower Similkameen Indian Band's activities can result in some multi-year leases whereby it will be obligated to make future payments. Lease payments required under contract over the next year is \$72,767.

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 20. SEGMENTED INFORMATION

As previously discussed in note 1 (d) the First Nation conducts its business through reportable segments as follows:

The Administration Programs department is 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.

The Title and Rights Natural Resources Department is dedicated to advancing LSIB's inherent rights and title, and governance initiatives. This department leads crucial work in negotiations, land protection, and supporting LSIB's cultural sovereignty. By investing in advocacy, environmental monitoring, and cultural awareness, the TRNR Department will support LSIB's long-term vision for sovereignty, sustainability, and cultural identity.

The Ntamtqen community garden's strategy reflects LSIB's commitment to food security, sustainable agriculture, and community well-being. By investing in greenhouse expansion, improved processing, and educational programs, the project aims to strengthen LSIB's agricultural resilience while providing healthy, locally grown food to the community. Not only is the community garden project a vital component of LSIB's efforts to promote sustainable agriculture and food security, it also supports environmental stewardship and promotes economic development integrating Indigenous agricultural practices with modern farming techniques to provide fresh, locally grown produce to LSIB members.

The Tee Pee Tots Daycare is a vital service that provides nurturing and culturally inclusive learning experiences for LSIB's youngest community members. This strategy reflects LSIB's ongoing commitment to investing in quality childcare services, ensuring children are cared for in a safe, educational, and culturally rich environment. The budget details both operating expenses and revenues while incorporating key funding for specialized childcare programs.

The Parks Working Group, operating within LSIB's Natural Resources Department, continues to lead a wide range of environmental stewardship, conservation, and land-use projects that support the protection and revitalization of LSIB's outdoor spaces. The Group's work is primarily guided by multi-year, targeted grant funding from sources such as Parks Canada, the Canadian Wildlife Service, and the New Relationship Trust.

Social Development 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.

The Lands Department is responsible for managing LSIB's land resources, land development initiatives, and environmental stewardship efforts. The department is central to protecting LSIB land title rights, ensuring sustainable land management, and supporting economic development opportunities that align with cultural values.

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

The Health department oversees the delivery of health programs and initiatives for the betterment of the lives of the members of the First Nation.

Education program 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.

The Ntamtqen Band School is dedicated to providing quality primary education to LSIB children from kindergarten to grade 7. This department creates a rich learning environment that supports academic success and strengthens students' connection to LSIB heritage by blending conventional academic education with LSIB cultural teachings to ensure students are empowered with both knowledge and a strong connection to their heritage.

The Legacy Budget is managed by the Administration and Finance Teams with consultations and approvals by Chief and Council and community. LSIB's legacy investments support key cultural and heritage initiatives and ensure effective management of LSIB's community legacy assets are protected.

# **LOWER SIMILKAMEEN INDIAN BAND**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2025**

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### **20. SEGMENTED INFORMATION, continued**

Social Housing is responsible for the administration and management of Social Housing units.

Other operations include Capital Fund, Trust Fund, Enterprise Fund and Investment Fund transactions.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 20. SEGMENTED INFORMATION, continued

	Administration Programs			Title & Rights (NR)			Community Garden		
	2025 Budget	2025 Actual	2024 Actual	2025 Budget	2025 Actual	2024 Actual	2025 Budget	2025 Actual	2024 Actual
<b>Revenues</b>									
Indigenous Services Canada	\$ 856,917	\$ 743,790	\$ 432,075	-	\$ -	\$ -	-	\$ -	\$ -
Interest	987,000	1,201,810	1,142,775	-	-	-	-	-	-
Property tax assessed	324,218	324,218	313,557	-	-	-	-	-	-
Province of British Columbia	-	-	45,500	-	-	90,000	747,704	747,704	-
Other revenue	1,808,827	28,210	38,672	423,000	430,488	345,469	291,000	180,108	309,954
<b>Total revenue</b>	<b>3,976,962</b>	<b>2,298,028</b>	<b>1,972,579</b>	<b>423,000</b>	<b>430,488</b>	<b>435,469</b>	<b>1,038,704</b>	<b>927,812</b>	<b>309,954</b>
<b>Expenses</b>									
Insurance	265,000	97,373	28,275	7,400	2,596	5,626	-	-	-
Materials and supplies	93,750	73,718	124,370	15,250	13,729	6,593	52,500	42,234	89,643
Professional fees	166,200	125,772	101,804	-	-	1,413	-	-	-
Repairs and maintenance	7,000	5,061	4,914	11,300	9,887	525	-	-	800
Travel	42,850	38,998	16,001	7,500	6,166	3,441	950	2,774	873
Wages and benefits	1,083,841	1,049,775	823,168	298,450	307,309	167,292	127,774	113,087	49,666
Other expenses	1,381,337	819,542	810,519	289,680	147,921	43,849	268,470	155,805	127,074
<b>Total expenses</b>	<b>3,039,978</b>	<b>2,210,239</b>	<b>1,909,051</b>	<b>629,580</b>	<b>487,608</b>	<b>228,739</b>	<b>449,694</b>	<b>313,900</b>	<b>268,056</b>
<b>Annual surplus (deficit)</b>	<b>\$ 936,984</b>	<b>\$ 87,789</b>	<b>\$ 63,528</b>	<b>(\$ 206,580)</b>	<b>(\$ 57,120)</b>	<b>\$ 206,730</b>	<b>\$ 589,010</b>	<b>\$ 613,912</b>	<b>\$ 41,898</b>

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 20. SEGMENTED INFORMATION, continued

	2025 Budget	Tee Pee 2025 Actual	Tots 2024 Actual	Daycare 2025 Budget	Parks 2025 Actual	2024 Actual	2025 Budget	Social Services 2025 Actual	2024 Actual
<b>Revenues</b>									
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 766,558	\$ 867,852	\$ 951,517
First Nations Health Authority	103,950	103,943	103,943	-	-	-	-	-	-
Province of British Columbia	322,250	329,070	224,442	512,600	69,600	200,000	-	-	-
Other revenue	25,000	25,500	23,000	1,870,000	1,964,993	1,827,000	-	-	-
<b>Total revenue</b>	<b>451,200</b>	<b>458,513</b>	<b>351,385</b>	<b>2,382,600</b>	<b>2,034,593</b>	<b>2,027,000</b>	<b>766,558</b>	<b>867,852</b>	<b>951,517</b>
<b>Expenses</b>									
Insurance	-	11,338	-	4,950	1,701	2,416	-	-	-
Materials and supplies	25,500	22,478	26,971	32,725	28,958	30,247	24,930	39,298	23,533
Professional fees	-	-	-	25,436	24,315	-	-	-	-
Repairs and maintenance	-	-	240	12,600	13,674	2,084	-	-	-
Travel	12,750	4,246	12,518	56,750	18,584	37,785	7,100	2,988	2,634
Wages and benefits	317,619	197,120	146,777	126,455	121,528	68,718	107,565	100,272	62,447
Other expenses	185,874	111,874	95,320	1,755,625	1,468,008	1,174,724	688,850	648,469	781,069
<b>Total expenses</b>	<b>541,743</b>	<b>347,056</b>	<b>281,826</b>	<b>2,014,541</b>	<b>1,676,768</b>	<b>1,315,974</b>	<b>828,445</b>	<b>791,027</b>	<b>869,683</b>
<b>Other</b>	<b>(90,543)</b>	<b>111,457</b>	<b>69,559</b>	<b>368,059</b>	<b>357,825</b>	<b>711,026</b>	<b>(61,887)</b>	<b>76,825</b>	<b>81,834</b>
<b>Annual surplus (deficit)</b>	<b>\$ (90,543)</b>	<b>\$ 111,457</b>	<b>\$ 179,608</b>	<b>\$ 931,714</b>	<b>\$ 501,260</b>	<b>\$ 147,371</b>	<b>\$ (61,887)</b>	<b>\$ 76,825</b>	<b>\$ 81,834</b>

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 20. SEGMENTED INFORMATION, continued

	Lands Programs		2024 Actual	2025 Budget	CHPW 2025 Actual	2024 Actual	Health Programs		
	2025 Budget	2025 Actual					2025 Budget	2025 Actual	2024 Actual
<b>Revenues</b>									
Indigenous Services Canada	\$ 634,380	\$ 636,232	\$ 70,772	\$ 2,370,618	\$ 1,558,252	\$ 11,037,568	\$ 843,507	\$ 844,346	\$ 929,010
First Nations Health Authority	-	-	-	66,295	66,294	66,294	1,363,556	1,359,447	1,180,863
Okanagan Nation Alliance	-	-	-	-	-	-	110,585	113,871	120,997
Property tax assessed	-	-	-	-	-	6,300	-	-	-
Province of British Columbia	-	-	-	-	-	-	243,038	242,448	151,274
Rental	-	-	-	157,168	136,444	167,720	-	-	-
Other revenue	104,778	27,000	72,953	500,100	129,056	492,665	95,375	91,851	118,451
<b>Total revenue</b>	<b>739,158</b>	<b>663,232</b>	<b>143,725</b>	<b>3,094,181</b>	<b>1,890,046</b>	<b>11,770,547</b>	<b>2,656,061</b>	<b>2,651,963</b>	<b>2,500,595</b>
<b>Expenses</b>									
Insurance	-	-	47	44,165	105,989	132,652	9,250	8,762	12,785
Loan payments	-	-	-	137,685	-	-	-	-	-
Materials and supplies	9,000	714	2,914	248,500	80,617	34,893	109,625	82,185	71,070
Professional fees	15,000	64,419	6,927	1,701,000	146,510	34,313	80,000	80,120	25,000
Repairs and maintenance	-	-	1,096	185,700	139,451	59,019	6,900	3,860	7,835
Travel	6,375	1,526	18,310	8,625	7,655	11,779	74,650	48,191	65,552
Wages and benefits	127,206	74,220	106,603	461,591	436,350	434,669	941,393	816,955	703,580
Other expenses	585,766	456,359	158,189	13,045,711	1,610,632	1,131,203	1,083,307	675,263	774,280
<b>Total expenses</b>	<b>743,347</b>	<b>597,238</b>	<b>294,086</b>	<b>15,832,977</b>	<b>2,527,204</b>	<b>1,838,528</b>	<b>2,305,125</b>	<b>1,715,336</b>	<b>1,660,102</b>
Other	(4,189)	65,994	(150,361)	(12,738,796)	(637,158)	9,932,019	350,936	936,627	840,493
	76,510	(21,950)	-	6,632,253	5,961,802	(4,689,700)	-	-	84,848
<b>Annual surplus (deficit)</b>	<b>\$ 72,321</b>	<b>\$ 44,044</b>	<b>(150,361)</b>	<b>\$ (6,106,543)</b>	<b>\$ 5,324,644</b>	<b>\$ 5,242,319</b>	<b>\$ 350,936</b>	<b>\$ 936,627</b>	<b>\$ 925,341</b>

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 20. SEGMENTED INFORMATION, continued

	2025 Budget	Education 2025 Actual	2024 Actual	2025 Budget	Ntamtqen Band School 2025 Actual	2024 Actual	Legacy Fund - Own Source Revenues 2025 Budget	2025 Actual	2024 Actual
<b>Revenues</b>									
Indigenous Service Canada	\$ 816,627	\$ 785,065	\$ 725,332	\$ 685,406	\$ 694,695	\$ 722,909	\$ -	\$ -	\$ -
Okanagan Nation Alliance	-	-	-	-	-	-	2,915,000	2,914,658	-
Province of British Columbia	75,000	75,000	196,840	222,500	150,126	341,513	3,076,618	2,991,546	2,989,447
Rental	-	-	-	-	-	-	34,200	31,425	925
Other revenue	190,278	262,980	184,627	407,872	419,020	506,041	1,594,559	1,626,469	531,097
<b>Total revenue</b>	<b>1,081,905</b>	<b>1,123,045</b>	<b>1,106,799</b>	<b>1,315,778</b>	<b>1,263,841</b>	<b>1,570,463</b>	<b>7,620,377</b>	<b>7,564,098</b>	<b>3,521,469</b>
<b>Expenses</b>									
Insurance	-	-	-	7,750	8,370	8,062	-	-	-
Materials and supplies	75,900	77,305	27,726	10,250	11,536	24,843	32,650	24,592	38,753
Professional fees	-	-	-	-	-	-	57,500	70,516	20,951
Repairs and maintenance	1,250	2,423	2,997	58,750	34,519	51,776	-	-	4,158
Travel	26,400	33,547	17,789	23,000	20,057	2,562	21,050	34,487	20,188
Wages and benefits	273,578	384,853	138,630	930,353	926,588	680,777	118,500	120,250	111,061
Other expenses	1,381,292	1,418,210	1,248,053	815,112	277,504	332,683	1,810,310	268,718	458,180
<b>Total expenses</b>	<b>1,758,420</b>	<b>1,916,338</b>	<b>1,435,195</b>	<b>1,845,215</b>	<b>1,278,574</b>	<b>1,100,703</b>	<b>2,040,010</b>	<b>518,563</b>	<b>653,291</b>
Other	(676,515)	(793,293)	(328,396)	(529,437)	(14,733)	469,760	5,580,367	7,045,535	2,868,178
	8,565	(67,431)	274,101	358,999	297,157	(142,621)	2,739,751	6,547	(574,825)
<b>Annual surplus (deficit)</b>	<b>\$ (667,950)</b>	<b>\$ (860,724)</b>	<b>\$ (54,295)</b>	<b>\$ (170,438)</b>	<b>\$ 282,424</b>	<b>\$ 327,139</b>	<b>\$ 8,320,118</b>	<b>\$ 7,052,082</b>	<b>\$ 2,293,353</b>

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 20. SEGMENTED INFORMATION, continued

	Social Housing			Capital Fund			Investment Fund		
	2025 Budget	2025 Actual	2024 Actual	2025 Budget	2025 Actual	2024 Actual	2025 Budget	2025 Actual	2024 Actual
<b>Revenues</b>									
Canada Mortgage and Housing Corporation	\$ -	\$ 124,297	\$ 130,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	17,234	26,633	-	-	-	-	(1,222)	1,222
Rental	-	114,288	125,088	-	-	-	-	-	-
Other revenue	-	-	159,242	-	-	-	-	(100,000)	100,000
<b>Total revenue</b>	<b>-</b>	<b>255,819</b>	<b>441,266</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(101,222)</b>	<b>101,222</b>
<b>Expenses</b>									
Amortization	-	140,493	140,492	-	595,198	484,547	-	-	-
Insurance	-	53,616	54,831	-	-	-	-	-	-
Professional fees	-	8,999	13,401	-	-	-	-	-	-
Repairs and maintenance	-	15,512	7,061	-	-	-	-	-	-
Other expenses	-	75,424	81,675	-	-	-	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>294,044</b>	<b>297,460</b>	<b>-</b>	<b>595,198</b>	<b>484,547</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other</b>	<b>-</b>	<b>(38,225)</b>	<b>143,806</b>	<b>-</b>	<b>(595,198)</b>	<b>(484,547)</b>	<b>-</b>	<b>(101,222)</b>	<b>101,222</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ (38,225)</b>	<b>\$ 143,806</b>	<b>\$ -</b>	<b>\$ (595,198)</b>	<b>\$ (484,547)</b>	<b>\$ -</b>	<b>\$ (101,222)</b>	<b>\$ 101,222</b>

# LOWER SIMILKAMEEN INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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### 20. SEGMENTED INFORMATION, continued

	2025 Budget	Enterprise Funds		2024 Actual	2025 Budget	Trust Funds		2025 Budget	Consolidated totals		2024 Actual
		2025 Actual	2024 Actual			2025 Actual	2024 Actual		2025 Actual	2024 Actual	
<b>Revenues</b>											
Indigenous and Northern Affairs Canada	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,974,013	\$ 6,130,232	\$ 14,869,183	
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	124,297	130,303	
First Nations Health Authority	-	-	-	-	-	-	-	1,533,801	1,529,684	1,351,100	
Interest	-	-	-	-	-	17,693	13,059	987,000	1,235,515	1,183,689	
Okanagan Nation Alliance	-	-	-	-	-	-	-	3,025,585	3,028,529	120,997	
Property tax assessed	-	-	-	-	-	-	-	324,218	324,218	319,857	
Province of British Columbia	-	-	-	-	-	-	-	5,199,710	4,605,494	4,239,016	
Rental	-	-	-	-	-	196,054	-	191,368	478,211	293,733	
Other revenue	-	114,844	96,859	-	-	-	-	7,310,789	5,200,519	4,806,030	
<b>Total revenue</b>	<b>-</b>	<b>114,844</b>	<b>96,859</b>	<b>-</b>	<b>213,747</b>	<b>13,059</b>	<b>25,546,484</b>	<b>22,656,699</b>	<b>27,313,908</b>		
<b>Expenses</b>											
Amortization	-	-	-	-	-	-	-	-	735,691	625,039	
Insurance	-	-	-	-	-	-	-	338,515	289,745	244,694	
EI Employment assistance	-	-	-	-	-	-	-	137,685	-	-	
Materials and supplies	-	-	-	-	-	-	-	730,580	497,364	501,556	
Professional fees	-	-	-	-	-	-	-	2,045,136	520,651	203,809	
Repairs and maintenance	-	-	-	-	-	-	-	283,500	224,387	142,505	
Travel	-	-	-	-	-	-	-	288,000	219,219	209,432	
Wages and benefits	-	-	-	-	-	-	-	4,914,325	4,648,307	3,493,388	
Other expenses	-	-	-	-	-	-	-	23,291,334	8,133,729	7,216,818	
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,029,075</b>	<b>15,269,093</b>	<b>12,637,241</b>	
<b>Other</b>	<b>-</b>	<b>114,844</b>	<b>96,859</b>	<b>-</b>	<b>213,747</b>	<b>13,059</b>	<b>(6,482,591)</b>	<b>7,387,606</b>	<b>14,676,667</b>		
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 114,844</b>	<b>\$ 96,859</b>	<b>\$ -</b>	<b>\$ 213,747</b>	<b>\$ 13,059</b>	<b>\$ 3,897,142</b>	<b>\$ 13,707,166</b>	<b>\$ 9,174,864</b>		

# **LOWER SIMILKAMEEN INDIAN BAND**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2025**

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### **21. COMPARATIVE AMOUNTS**

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current period.