

LAKE BABINE NATION



CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

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MARCH 31, 2024

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LAKE BABINE NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2024

The accompanying consolidated financial statements of Lake Babine Nation are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.



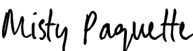
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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 consolidated financial statements and the external auditor's report.

The external auditors, DMC Chartered Professional Accountants Inc., conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Lake Babine Nation and meet when required.

On behalf of Lake Babine Nation:

| | |
|---|-----------|
|  | 7/29/2024 |
| Chief | Date |
|  | 7/29/2024 |
| Councillor | Date |
|  | 7/25/2024 |
| Chief Finance Officer | Date |



Independent Auditor's Report

To the Members of
Lake Babine Nation

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Lake Babine Nation, which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of revenue, expenditures 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.

Except as noted in the following paragraph, in our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the band as at and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As described in Note 5, the Band holds investments in government business enterprises which are accounted for using the modified equity method. Each of these government business enterprises does not have audited financial information available, and as such we are unable to determine whether any adjustment might be necessary to the Band's investment in these government business enterprises, and accumulated surplus (deficit) for the years ended March 31, 2024 and 2023. Our audit opinion has been modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

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

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

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

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

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

- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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.

Prince George, British Columbia
July 22, 2024

DMC Chartered Professional
Accountants Inc.

LAKE BABINE NATION**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****MARCH 31, 2024**

| | 2024 | 2023 |
|---|-----------------------|----------------------|
| FINANCIAL ASSETS | | |
| Cash (Note 2) | \$ 6,939,495 | \$ 2,772,546 |
| Short term deposits (Note 2) | 39,198,495 | 50,470,275 |
| Accounts receivable (Note 3) | 61,093,578 | 11,171,660 |
| Investment in Government business enterprises (Note 4) (Note 5) | 33,112,396 | 15,254,150 |
| Federal trust funds (Note 6) | 1,805,005 | 1,740,000 |
| | 142,148,969 | 81,408,631 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities (Note 7) | 2,857,655 | 2,175,855 |
| Deferred revenue (Note 8) | 75,143,786 | 40,931,792 |
| Long-term debt (Note 9) | 5,376,944 | 5,836,392 |
| | 83,378,385 | 48,944,039 |
| NET FINANCIAL ASSETS | 58,770,584 | 32,464,592 |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Note 10) | 44,559,810 | 40,475,041 |
| Prepaid expenses | 189,151 | 318,134 |
| | 44,748,961 | 40,793,175 |
| ACCUMULATED SURPLUS (Note 11) | \$ 103,519,545 | \$ 73,257,767 |

Contingent liabilities (Note 12)

Subsequent events (Note 13)

Approved on behalf of the Lake Babine NationChief Adam, ChiefOK, CouncillorMisty Paquette, Chief Finance Officer

See accompanying notes to these financial statements.

LAKE BABINE NATION

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED MARCH 31, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|----------------------|----------------------|----------------------|
| EXCESS OF REVENUE OVER EXPENDITURES | \$ 10,809,684 | \$ 30,261,778 | \$ 10,977,028 |
| Acquisition of tangible capital assets | - | (6,389,943) | (4,411,019) |
| Amortization of tangible capital assets | - | 2,305,176 | 2,198,391 |
| Gain on disposal of tangible capital assets | - | - | (3,981) |
| Proceeds on disposal of tangible capital assets | - | - | 132,000 |
| | - | (4,084,767) | (2,084,609) |
| Acquisition of prepaid asset | 128,983 | (189,177) | (319,111) |
| Use of prepaid asset | - | 318,158 | 119,853 |
| | 128,983 | 128,981 | (199,258) |
| Increase in net financial assets | 10,938,667 | 26,305,992 | 8,693,161 |
| NET FINANCIAL ASSETS AT BEGINNING OF YEAR | - | 32,464,592 | 23,771,431 |
| NET FINANCIAL ASSETS AT END OF YEAR | \$ - | \$ 58,770,584 | \$ 32,464,592 |

See accompanying notes to these financial statements.

LAKE BABINE NATION

CONSOLIDATED STATEMENT OF REVENUE, EXPENDITURES AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|----------------------|-----------------------|----------------------|
| REVENUE | | | |
| Federal Government (Note 14) | \$ 25,309,024 | \$ 27,605,552 | \$ 19,483,007 |
| Provincial Government (Note 14) | 11,455,639 | 9,924,385 | 8,803,946 |
| Other Aboriginal Groups | 8,732,310 | 9,244,719 | 10,208,650 |
| Band Generated | 979,054 | 1,896,623 | 2,006,978 |
| Miscellaneous | 2,245,552 | 2,740,951 | 1,502,462 |
| First Nations Gaming | 1,110,134 | 1,110,134 | 1,223,387 |
| Interest income | - | 3,141,479 | 1,589,730 |
| Transfer (to) from deferred revenue | 721,812 | 12,607,865 | 5,514,702 |
| | 50,553,525 | 68,271,708 | 50,332,862 |
| EXPENDITURES | | | |
| Operations | 6,514,255 | 8,560,452 | 6,050,516 |
| LBN Education Program | 9,440,077 | 10,320,882 | 10,001,102 |
| Economic Development | 160,485 | 634,594 | 764,819 |
| Natural Resource Management | 4,004,027 | 4,785,220 | 3,971,017 |
| Social Housing Fund | 1,417,234 | 2,767,639 | 1,901,743 |
| Health Services Fund | 5,146,180 | 6,466,821 | 4,915,849 |
| LBN Social Development | 3,456,565 | 2,935,769 | 2,725,229 |
| Capital Projects 500 | 1,431,448 | 2,826,112 | 2,682,294 |
| Operations & Maintenance | 1,511,084 | 1,474,493 | 1,671,586 |
| Fisheries Fund | 905,595 | 1,024,357 | 888,335 |
| Equity in First Nation Investments | - | 92,479 | 2,003,937 |
| Lake Babine Child & Family Services | 5,756,891 | 3,880,797 | 1,940,287 |
| | 39,743,841 | 45,769,615 | 39,516,714 |
| EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER ITEMS | 10,809,684 | 22,502,093 | 10,816,148 |
| OTHER ITEMS | | | |
| Income from investments in First Nations Enterprises | - | 7,633,100 | - |
| Forgiveness of debt | - | 126,585 | 156,899 |
| Gain on disposal of tangible capital assets | - | - | 3,981 |
| | - | 7,759,685 | 160,880 |
| EXCESS OF REVENUE OVER EXPENDITURES | 10,809,684 | 30,261,778 | 10,977,028 |
| ACCUMULATED SURPLUS AT BEGINNING OF YEAR | - | 73,257,767 | 62,280,739 |
| ACCUMULATED SURPLUS AT END OF YEAR | \$ 10,809,684 | \$ 103,519,545 | \$ 73,257,767 |

See accompanying notes to these financial statements.

LAKE BABINE NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

| | 2024 | 2023 |
|--|---------------|---------------|
| Cash flows from | | |
| OPERATING ACTIVITIES | | |
| EXCESS OF REVENUE OVER EXPENDITURES | \$ 30,261,778 | \$ 10,977,028 |
| Items not affecting cash | | |
| Amortization | 2,305,175 | 2,198,391 |
| Income from Ottawa Trust fund | (64,907) | (57,697) |
| Income from investments in First Nations Enterprises | (7,633,100) | - |
| Forgiveness of debt | (126,585) | (156,899) |
| Gain on disposal of tangible capital assets | - | (3,981) |
| | 24,742,361 | 12,956,842 |
| Change in non-cash operating working capital | | |
| Prepaid expenses | 128,983 | (199,260) |
| Accounts payable and accrued liabilities | 681,775 | 489,715 |
| Deferred revenue | 34,211,994 | 322,812 |
| Accounts receivable | (49,921,918) | (4,087,694) |
| | 9,843,195 | 9,482,415 |
| CAPITAL ACTIVITIES | | |
| Purchase of tangible capital assets | (6,389,946) | (4,411,019) |
| Proceeds on sale of tangible capital assets | - | 132,000 |
| | (6,389,946) | (4,279,019) |
| FINANCING ACTIVITIES | | |
| Repayment of long term debt | (332,934) | (293,915) |
| INVESTING ACTIVITIES | | |
| Advances (to) from First Nations Investments | (10,225,146) | 3,665,644 |
| INCREASE IN CASH AND CASH EQUIVALENTS | (7,104,831) | 8,575,125 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 53,242,821 | 44,667,696 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 46,137,990 | \$ 53,242,821 |
| REPRESENTED BY | | |
| Cash | \$ 6,767,404 | \$ 2,518,337 |
| Short term deposits | 39,198,495 | 50,470,275 |
| Restricted cash | 172,091 | 254,209 |
| | \$ 46,137,990 | \$ 53,242,821 |

See accompanying notes to these financial statements.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

DESCRIPTION OF OPERATIONS

Lake Babine Nation is a self-governed First Nation Band and operates on Lake Babine Nation traditional territory, located at Burns Lake, BC and area.

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 the Chartered Professional Accountants of Canada.

(a) Fund accounting

The First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual, or voluntary actions. The various funds have been amalgamated for the purposes of presentation in the Summary Financial Statements. Detail of the operations of each fund are set out in the supplementary schedules. The First Nation maintains the following funds:

- The Operating Fund which reports the general activities of the First Nation including administration, education, social assistance, natural resource management, operations and maintenance, housing Lake Babine Child and Family, and other miscellaneous programs.
- The Ottawa Trust Fund, which reports the trust funds owned by the Nation and held in trust by the Government of Canada.
- The Equity in Government Business Enterprises fund, which reports the operations of the Nations investments in its government business enterprises on a modified equity basis.

(b) Financial instruments

The entity initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The entity subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable, short term deposits and federal trust funds.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue and long term debt.

Fair value is determined by the price that is quoted in an active market. The most recent quote price becomes its new carrying value. When a quoted price in an active market is not available for an equity instrument that is an investment, it is measured at cost.

The Nation does not currently have any financial instruments that are measured at fair value.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Investments in Government Business Enterprises and Partnerships

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

Burns Lake Native Development Corporation
Fort Babine Lake Property Ltd.
Gramma's House Society
Lake Babine Economic Development Society
Lake Babine Nation Forestry Limited Partnership
Lake Babine Nation Forestry Ltd.
Lake Babine Nation Ventures LP
Nis'Ina Development Corporation
Nedut'een Development Corp.
Talok Fisheries Limited Partnership
Talok Fisheries Ltd.
1203001 B.C. Ltd.

(e) Trust funds

Trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's 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 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.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(f) 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 Lake Babine Nation's incremental cost of borrowing.

Amortization is provided for on a declining balance basis based on each asset class' estimated useful lives as follows:

| | |
|------------------------------|-----|
| Automotive equipment | 30% |
| Buildings and infrastructure | 4% |
| Computer equipment | 30% |
| Equipment | 20% |
| Fisheries equipment | 20% |
| Water and sewer | 5% |
| Roads and bridges | 5% |

Tangible capital assets are written down when conditions indicate that they no longer contribute to Lake Babine Nation'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.

Assets under construction are not amortized until the asset is available to be put into service.

(g) Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as excess of the carrying value of the asset over its fair value.

(h) 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. These recoveries and additional fundings are recognized when recovered or received from the funding arrangement.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Revenue recognition

Revenue and funding are recognized as follows:

i) Government transfers with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when, and to the extent that the transfer gives rise to an obligation that meets the definition of a liability. Any such liability is reduced, and an equivalent amount of revenue is recognized, as the liability is settled.

Government transfers without stipulations are recognized in the period in which the transfer is authorized, any eligibility criteria have been met and a reasonable estimate of the amount to be received can be made.

ii) Housing revenue is recognized based on lower end of market (LEM) rent for CMHC subsidized housing and based on collected receipts for non-subsidized houses. Rents not collected are written off to bad debts.

iii) Income from investments is recorded on the accrual basis.

iv) Funding received under the terms of specified use agreements (other than government transfers) is recognized as revenue when the related expenditures are incurred. To the extent that such funding meets the definition of a liability it is recorded as deferred revenue until such time that it is expended.

(j) 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.

(k) Net Financial Assets

The Nation's financial statements are presented so as to highlight net financial Assets as the measurement of financial position. The net assets of the Nation is determined by its financial assets less its liabilities. Net assets is comprised of two components, non-financial assets and accumulated surplus.

(l) 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.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(m) Use of estimates

The preparation of financial statements in conformity with Canadian Public Sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accounts specifically affected by estimates in these financial statements are allowance for doubtful accounts and accounts receivable impairment. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

| | 2024 | 2023 |
|---|---------------|---------------|
| Internally restricted | | |
| Short term deposit - Premium Investment Savings Account | \$ 39,198,495 | \$ 50,470,275 |
| Capital projects | 172,091 | 254,209 |
| | <hr/> | <hr/> |
| | 39,370,586 | 50,724,484 |
| Unrestricted | | |
| Operating | 6,413,300 | 2,097,767 |
| Health | 32,595 | 172,961 |
| Natural Resources Department | 37,203 | 106,136 |
| Social Housing | 284,306 | 141,473 |
| | <hr/> | <hr/> |
| | 6,767,404 | 2,518,337 |
| | <hr/> | <hr/> |
| Total cash and cash equivalents | \$ 46,137,990 | \$ 53,242,821 |

Internally restricted cash is restricted by Chief and Council for the purpose of future projects.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

3. ACCOUNTS RECEIVABLE

| | 2024 | 2023 |
|---|----------------------|----------------------|
| Due from government and funders | | |
| Government of Canada | \$ 50,589,768 | \$ - |
| Department of Fisheries and Oceans | - | 494,698 |
| Government remittances | 228,511 | 167,250 |
| Indigenous Services Canada (ISC) | 5,384,796 | 6,312,106 |
| Province of BC | 3,623,955 | 3,333,171 |
| Due from others | 1,266,548 | 864,435 |
| | 61,093,578 | 11,171,660 |
| Due from members | | |
| Rent receivable | 9,608,236 | 8,654,993 |
| Allowance for doubtful accounts - rent receivable | (9,608,236) | (8,654,993) |
| | - | - |
| | \$ 61,093,578 | \$ 11,171,660 |

As part of a grant agreement ('the agreement') dated February 21, 2024, between Canada and the Nation, an amount of \$50,235,294 is included in the amount due from the Government of Canada. As stipulated in the agreement the Nation is responsible for expending the funds on objective's that support it's governance and infrastructure priorities. Subject to the terms and conditions of the agreement the Nation is entitled to retain and unexpended funds. On April 16, 2024 \$50,235,294 in its entirety was collected by the Nation.

4. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES AND PARTNERSHIPS

During the year the Nation had investments in and transactions with the following government business enterprises and partnerships.

- ♦ Burns Lake Native Development Corporation (BLNDC), 62.87% ownership
- ♦ Fort Babine Lake Property Ltd., 100% ownership
- ♦ Gramma's House Society (GHS) - GHS acts as an agent to Lake Babine Nation as the Chief and Council hold and exert significant decision making power within the Society.
- ♦ Lake Babine Economic Development Society (LBEDS) - LBEDS acts as an agent to Lake Babine Nation as the Chief and Council hold and exert significant decision making power within the Society.
- ♦ Lake Babine Nation Forestry LP, 99.99% ownership
- ♦ Lake Babine Nation Forestry Ltd., 100% ownership
- ♦ Lake Babine Nation Ventures LP, 99.99% ownership
- ♦ Nis'Ina Development Corporation, 100% ownership
- ♦ Nedut'een Development Corporation, 100% ownership
- ♦ Talok Fisheries LP (Talok LP), 99.99% ownership
- ♦ Talok Fisheries Corporation Ltd. (Talok Ltd.), 100% ownership
- ♦ 1203001 B.C. Ltd., 100% ownership

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

4. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES AND PARTNERSHIPS, continued

Transactions with related parties, if any, are in the normal course of operations, and are recorded at the exchange value that is mutually agreed upon by the related parties.

| | 2024 | 2023 |
|-------------------------------------|-------------------|-------------------|
| 1203001 B.C. Ltd - Fuel & nutrition | \$ 196,322 | \$ 199,638 |
| Talok Fisheries LP | - | 150 |
| | \$ 196,322 | \$ 199,788 |

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES AND PARTNERSHIPS

The Nation holds investments in the following government business enterprises and partnerships:

| | 2024 Unaudited | 2023 Unaudited |
|--|-------------------|-------------------|
| Burns Lake Native Development Corporation (62.87%) | | |
| BLNDC shares, at cost | \$ 63 | \$ 63 |
| BLNDC share of net assets | 8,497,295 | 4,658,823 |
| | 8,497,358 | 4,658,886 |
| Lake Babine Economic Development Society (100%) | | |
| Advances to Lake Babine Economic Development Society | 591,166 | 591,166 |
| Lake Babine Economic Development Society, deficiency in net assets | (173,611) | (173,611) |
| | 417,555 | 417,555 |
| Talok Fisheries Ltd. (100%) | | |
| Talok Fisheries Ltd. shares at cost | 1 | 1 |
| Talok Fisheries Ltd. share of net assets | 73,937 | 73,937 |
| Advances from Talok Fisheries Ltd. | (68,591) | (35,783) |
| | 5,347 | 38,155 |

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES AND PARTNERSHIPS, continued

Talok Fisheries LP (99.99%)

| | | |
|----------------------------------|----------------|---------|
| Partnership Units | 1,200 | 1,200 |
| LBN share of net assets | 373,462 | 373,462 |
| Advances from Talok Fisheries LP | 300,028 | 300,028 |
| | 674,690 | 674,690 |

Lake Babine Nation Forestry LP (99.99%)

| | | |
|---|-------------------|-----------|
| Advances to Lake Babine Nation Forestry LP | 3,174 | 3,174 |
| LBN share of net assets | 7,807,645 | 8,013,017 |
| Capital contributions to Lake Babine Nation Forestry LP | 14,000,000 | - |
| | 21,810,819 | 8,016,191 |

Nedut'een Development Corporation (100%)

| | | |
|---|--------|--------|
| Advances to Nedut'een Development Corporation | 14,857 | 14,857 |
|---|--------|--------|

1203001 B.C. Ltd. (100%)

| | | |
|-----------------------------------|------------------|-----------|
| 1203001 B.C. Ltd. shares, at cost | 1 | 1 |
| Advances to 1203001 B.C. Ltd. | 1,600,046 | 1,373,744 |
| | 1,600,047 | 1,373,745 |

BC First Nations Gaming Revenue Sharing General Partnership

| | | |
|-------------------|-----|-----|
| Partnership Units | 110 | 110 |
|-------------------|-----|-----|

Gramma's House Society

| | | |
|------------------------------|----------|----------|
| Advances from Gramma's House | (10,149) | (10,149) |
|------------------------------|----------|----------|

Fort Babine Lake Property Ltd. (100%)

| | | |
|--|---------|--------|
| Advances to Fort Babine Lake Property Ltd. | 101,762 | 70,110 |
|--|---------|--------|

\$ 33,112,396 **\$ 15,254,150**

During the year equity earnings of LBN Forestry LP in the amount of \$3,794,628 (2023 - \$0) was recognized as Income from investments in First Nations Enterprises, and distributions from LBN Forestry LP were received in the amount of \$4,000,000 (2023 - \$4,080,127).

Qualification on Audit Report:

The above noted companies and partnerships did not have financial statements available as at March 31, 2024, and as a result, it is undeterminable whether adjustments are required in respect of investments and advances, other income (charges), excess revenues (expenditures) for the year and fund balances at end of year.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

6. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

The Ottawa Trust Accounts 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 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.

| | 2024 Revenue | 2024 Capital | 2024 Total | 2023 Total |
|----------------------------|-------------------------|-------------------------|-----------------------|-----------------------|
| Surplus, beginning of year | \$ 938,956 | \$ 801,044 | \$ 1,740,000 | \$ 1,682,303 |
| Interest earnings | 64,907 | 98 | 65,005 | 57,697 |
| Surplus, end of year | \$ 1,003,863 | \$ 801,142 | \$ 1,805,005 | \$ 1,740,000 |

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2024 | 2023 |
|-------------------------|---------------------|---------------------|
| Trades accounts payable | \$ 1,760,848 | \$ 964,451 |
| Accrued payables | 117,570 | 133,995 |
| Payroll and benefits | 979,237 | 1,077,409 |
| | \$ 2,857,655 | \$ 2,175,855 |

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

8. DEFERRED REVENUE

| | March 31, 2023 | Funding received, 2024 | Revenue recognized, 2024 | March 31, 2024 |
|---|-------------------|------------------------------|--------------------------------|-------------------|
| Indigenous Services Canada (ISC) | | | | |
| ISC - Nation rebuilding | \$ 16,312 | \$ 268,027 | \$ - | \$ 284,339 |
| CPMS 7769 Surplus Account | 1,776 | - | - | 1,776 |
| Village of BL - WTP | 141,614 | - | - | 141,614 |
| ACRES Group 2 | 21,944 | - | - | 21,944 |
| COVID 19 Emergency Management | 144,811 | - | (144,811) | - |
| COVID 19 Special Needs | 75,508 | - | - | 75,508 |
| FNESFS On Reserve O&M Housing | - | 320,806 | - | 320,806 |
| Discussion Tables | - | 650,000 | (611,945) | 38,055 |
| ICMS Village of BL | - | 987,786 | - | 987,786 |
| IND Community | 259,989 | - | (41,270) | 218,719 |
| COVID 19 Base needs | 201,583 | - | - | 201,583 |
| COVID 19 OCI REO | 15,572 | - | - | 15,572 |
| COVID 19 Income assistance | 238,811 | - | - | 238,811 |
| Woyenne Drainage | 53,724 | - | (19,617) | 34,107 |
| ISC Firefighting | 150,000 | - | (150,000) | - |
| ISC Jurisdiction Mechanism Funding | 500,000 | - | (457,302) | 42,698 |
| ISC CSFS Prevention | 2,082,281 | 545,911 | (360,770) | 2,267,422 |
| ISC Construction Multiplexes | - | 4,098,196 | - | 4,098,196 |
| | 3,903,925 | 6,870,726 | (1,785,715) | 8,988,936 |
| Provincial Government | | | | |
| Joint Forestry Forum | 15,673 | - | - | 15,673 |
| FPA- Program enhancements | 2,000,000 | - | - | 2,000,000 |
| FPA - Negotiation and implementation fund | 3,880,014 | - | (3,880,014) | - |
| Consultation and engagement | 19,735 | - | - | 19,735 |
| Negotiation agreements | 25,000 | - | - | 25,000 |
| Infrastructure | 206,423 | - | (206,423) | - |
| Reconnect Project | 7,754 | - | - | 7,754 |
| FPA - Economic Development | 30,000,000 | - | (14,000,000) | 16,000,000 |
| Crime prevention and remediation | 17,136 | 64,738 | - | 81,874 |
| Bulkley TSA | 76,918 | - | (74,456) | 2,462 |
| Lake resiliency project | 24,000 | - | - | 24,000 |
| MCF-PF | 30,000 | - | (14,891) | 15,109 |
| FNELCC Grant | - | 304,259 | - | 304,259 |
| Moose Study | - | 50,000 | - | 50,000 |
| | 36,302,653 | 418,997 | (18,175,784) | 18,545,866 |

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

DEFERRED REVENUE, continued

Other

| | | | | |
|---|----------------------|----------------------|------------------------|----------------------|
| Tree planting | 70,000 | - | - | 70,000 |
| Government of Canada - Foundation Agreement | - | 50,235,294 | (3,415,357) | 46,819,937 |
| First Nation home and community care | 57,903 | - | (57,903) | - |
| FNHA - Project COVID 19 emergency | 120,192 | - | - | 120,192 |
| PGNAETA Bladerunners | 35,009 | - | (2,000) | 33,009 |
| NNDAP mental health | 328,312 | 15,897 | - | 344,209 |
| Prenatal program | 82,143 | - | (82,143) | - |
| Family violence prevention | 31,655 | 16,346 | - | 48,001 |
| Community Health Activities | - | 84,266 | - | 84,266 |
| FNHA - Drinking Water | - | 89,370 | - | 89,370 |
| | 725,214 | 50,441,173 | (3,557,403) | 47,608,984 |
| | \$ 40,931,792 | \$ 57,730,896 | \$ (23,518,902) | \$ 75,143,786 |

9. LONG-TERM DEBT

| | 2024 | 2023 |
|---|---------------------|---------------------|
| Gas Bar term loan bearing interest at 5.34% per annum, repayable in monthly payments of \$14,445. The loan is secured by general security agreement. The loan matures on March 30, 2026. | \$ 1,860,556 | \$ 2,057,346 |
| Safehouse - On-reserve Shelter Enhancement Program loan bearing interest at 0% per annum, forgivable at 1/15th per annum, ending on March 31, 2035. | 1,392,438 | 1,519,023 |
| Natural Resource Building term loan bearing interest at prime plus 2% per annum, repayable in monthly payments of \$7,920 including interest. The loan is secured by general security agreement. The loan matures on December 18, 2024. | 1,174,430 | 1,214,553 |
| Fort Babine Lodge term loan bearing interest at 6.04% per annum, repayable in monthly payments of \$8,455 including interest. The loan is secured by general security agreement. The loan matures on November 30, 2024. | 705,979 | 758,122 |
| Triplex term loan bearing interest at prime plus 1.25% per annum, repayable in monthly payments of \$2,169 excluding interest. The loan is secured by general security agreement. The loan matures on July 31, 2024. | 243,541 | 267,407 |
| Loan repaid during the year | - | 10,609 |
| Loan repaid during the year | - | 9,332 |
| | \$ 5,376,944 | \$ 5,836,392 |

LAKE BABINE NATION**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2024**

9. LONG-TERM DEBT, continued

| | 2024 | 2023 |
|---|--------------|------------|
| Principal portion of long-term debt due within the next five years: | | |
| 2025 | \$ 337,057 | |
| 2026 | 342,691 | |
| 2027 | 348,656 | |
| 2028 | 354,973 | |
| 2029 and thereafter | 3,993,567 | |
| | <hr/> | |
| | \$ 5,376,944 | |
| | <hr/> | |
| | 2024 | 2023 |
| Interest expense for the year on long-term debt | \$ 231,063 | \$ 196,176 |
| | <hr/> | <hr/> |

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

10. TANGIBLE CAPITAL ASSETS

| | Cost | Additions | Disposals | Accumulated amortization | 2024 Net book value |
|---------------------------------|----------------------|---------------------|-------------|-----------------------------|---------------------------|
| Land | \$ 4,743,539 | \$ - | \$ - | \$ - | \$ 4,743,539 |
| Buildings and infrastructure | 56,345,947 | 5,215,199 | - | 37,882,929 | 23,678,217 |
| Automotive equipment | 2,815,102 | 561,821 | - | 2,107,953 | 1,268,970 |
| Computer equipment | 1,366,169 | 57,431 | - | 1,057,927 | 365,673 |
| Equipment | 2,842,541 | 388,509 | - | 2,405,405 | 825,645 |
| Fisheries equipment | 517,995 | - | - | 283,671 | 234,324 |
| Water and sewer | 14,372,068 | - | - | 7,789,921 | 6,582,147 |
| Roads and bridges | 10,791,231 | 166,983 | - | 4,096,919 | 6,861,295 |
| | \$ 93,794,592 | \$ 6,389,943 | \$ - | \$ 55,624,725 | \$ 44,559,810 |

| | Cost | Additions | Disposals | Accumulated amortization | 2023 Net book value |
|---------------------------------|----------------------|---------------------|-------------------|-----------------------------|---------------------------|
| Land | \$ 4,743,539 | \$ - | \$ - | \$ - | \$ 4,743,539 |
| Buildings and infrastructure | 55,367,129 | 978,818 | - | 37,144,815 | 19,201,132 |
| Automotive equipment | 2,629,344 | 481,157 | 295,396 | 1,668,424 | 1,146,678 |
| Computer equipment | 1,265,050 | 101,119 | - | 906,310 | 459,859 |
| Equipment | 2,397,771 | 444,770 | - | 2,162,456 | 680,085 |
| Fisheries equipment | 501,152 | 16,843 | - | 242,320 | 275,675 |
| Water and sewer | 14,309,822 | 62,246 | - | 7,450,923 | 6,921,145 |
| Roads and bridges | 8,465,165 | 2,326,066 | - | 3,744,303 | 7,046,928 |
| | \$ 89,678,972 | \$ 4,411,019 | \$ 295,396 | \$ 53,319,551 | \$ 40,475,041 |

11. ACCUMULATED SURPLUS

| | 2024 | 2023 |
|--|----------------------|----------------------|
| Restricted | | |
| Equity in Investments in Government Business Enterprises | \$ 26,735,239 | \$ 12,940,612 |
| Equity in Ottawa Trust Funds | 2,179,711 | 2,114,804 |
| | 28,914,950 | 15,055,416 |
| Unrestricted | | |
| Operating equity | 74,604,595 | 58,202,351 |
| | \$103,519,545 | \$ 73,257,767 |

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

12. CONTINGENT LIABILITIES

Lake Babine Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

Nation has an Bank indebtedness consists of operating line of credit authorized to \$150,000 bearing interest at prime plus 2.65% per annum, and is unsecured.

In addition, in the normal course of its operations, Lake Babine Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Lake Babine Nation's financial statements. In managements opinions there are no losses resulting in the accrual of a liability present as at the date of the audit report.

13. SUBSEQUENT EVENTS

Subsequent to the year ended March 31, 2024, the Nation, through a wholly owned government business enterprise, Nis'Ina Development Corporation, purchased shares for cash consideration in the amount of \$1,812,500 of a hotel development company located in Prince George, BC.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

14. GOVERNMENT TRANSFERS

| | 2024 | | |
|---|----------------------|----------------|----------------------|
| | Operating | Capital | Total |
| Federal government transfers | | | |
| Indigenous Services Canada (ISC) | \$ 22,878,006 | \$ - | \$ 22,878,006 |
| Canada Mortgage and Housing Corporation | 157,500 | - | 157,500 |
| Department of Fisheries and Oceans | 905,559 | - | 905,559 |
| Pacific Salmon Commission | 220,094 | - | 220,094 |
| Government of Canada | 3,444,393 | - | 3,444,393 |
| Total | 27,605,552 | - | 27,605,552 |
| Provincial government transfers | 9,924,385 | - | 9,924,385 |
| | \$ 37,529,937 | \$ - | \$ 37,529,937 |
| | 2023 | | |
| | Operating | Capital | Total |
| Federal government transfers | | | |
| Indigenous Services Canada (ISC) | \$ 18,230,942 | \$ - | \$ 18,230,942 |
| Canada Mortgage and Housing Corporation | 28,755 | - | 28,755 |
| Department of Fisheries and Oceans | 1,003,213 | - | 1,003,213 |
| Pacific Salmon Commission | 220,097 | - | 220,097 |
| Total | 19,483,007 | - | 19,483,007 |
| Provincial government transfers | 8,803,946 | - | 8,803,946 |
| | \$ 28,286,953 | \$ - | \$ 28,286,953 |

15. ECONOMIC DEPENDENCE

Lake Babine Nation receives a significant portion of its revenue pursuant to a funding agreements with Indigenous Services Canada and other government funders. The Nation's ability to operate certain programs depends on the continuation of this funding.

16. EMPLOYMENT RETIREMENT PLAN

The First Nation has a defined contribution plan for its employees. Participation in the pension plan is available to substantially all employees. Employees may contribute between 3% and 8% of their gross pay with the organization making a matching contribution to the plan. Any voluntary amounts paid by the employee are not matched. Total employer contributions for 2024 were \$252,644 (2023 - \$261,013).

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

17. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates provided by management, and were approved by Chief and Council on April 18, 2023.

18. 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 the financial statements in assessing the extent of risk related to financial instruments.

(a) Credit Risk

The Band is exposed to credit risk from their investment in Lake Babine Economic Development Society ("LBEDS"), which is in the same geographical area and does significant business with members of the Nation. The Nation has advanced significant amounts to LBEDS to assist with start up and construction costs, and payroll, management considers their risk of collection of these receivables to be acceptable and appropriately managed.

(b) Interest rate risk

The band is exposed to interest rate risk. Interest rate risk is the risk that the band has interest rate exposure on its bank contingent liabilities, and long-term debt, which are variable based on the bank's prime rates. This exposure may have an effect on its earnings in future periods. The band reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. There are some loans that are at fixed term rates and do not affect interest rate risk. The band does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk to the band is low and is not material.

19. COMPARATIVE AMOUNTS

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

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

20. EXPENDITURES BY OBJECT

| | 2024 Budget | 2024 Actual | 2023 Actual |
|------------------------------------|----------------------|----------------------|----------------------|
| Administration fees | \$ 2,435,280 | \$ - | \$ - |
| Advertising | 41,790 | 25,144 | 57,872 |
| Amortization | - | 2,305,176 | 2,198,391 |
| Awards day | 104,806 | 30,414 | 21,989 |
| Bad debts | - | 986,131 | 1,186,160 |
| Capital purchases | 364,450 | - | 34,999 |
| Catering | 234,950 | 689,207 | 427,648 |
| Christmas | 65,200 | 39,992 | 72,789 |
| Community Support | 1,028,669 | 1,253,059 | 701,833 |
| Contracted services | 1,411,303 | 1,059,613 | 596,550 |
| Economic development opportunities | - | 18,548 | 105,815 |
| Equipment leases and rentals | 141,644 | 157,243 | 166,773 |
| Fees | 98,205 | 295,012 | 392,912 |
| Field trips | 58,711 | 15,114 | 7,720 |
| Fort Babine Lodge | - | - | 28,174 |
| Fuel and oil | 133,314 | 106,625 | 160,306 |
| General operating expense | 1,149,662 | 111,257 | 83,230 |
| Honorarium | 991,650 | 1,137,109 | 908,738 |
| Incentives | 51,242 | 181,575 | 155,384 |
| Insurance | 444,847 | 561,097 | 495,367 |
| Interest and bank charges | 35,220 | 295,699 | 253,630 |
| Janitorial | 4,000 | 6,947 | - |
| LBN Gas Bars | - | 8,413 | 47,919 |
| Meeting expenses | 1,605,970 | 1,717,200 | 841,549 |
| Nutrition | 364,798 | 392,387 | 262,097 |
| One time inflation relief fund | - | 90,019 | 1,965,000 |
| Other expense | 429,030 | 261,340 | 384,093 |
| Professional development | 440,000 | 165,797 | 54,006 |
| Professional fees | 2,126,772 | 2,906,292 | 1,802,348 |
| Property taxes | 21,429 | 22,547 | 4,212 |
| Purchases | - | 742 | 10,320 |
| Rent | 406,435 | 337,104 | 272,836 |
| Repairs and maintenance | 1,024,484 | 1,685,193 | 928,758 |
| Social Assistance and Support | 2,293,999 | 2,341,458 | 2,141,285 |
| Supplies | 1,232,674 | 2,836,463 | 2,188,001 |
| Traditional food | 142,379 | 302,306 | 43,624 |
| Training | 587,095 | 391,615 | 263,218 |
| Travel | 2,974,339 | 4,827,861 | 3,318,758 |
| Tuitions and allowances | 2,997,313 | 3,937,297 | 3,472,018 |
| Utilities and telephone | 876,903 | 1,003,320 | 1,013,189 |
| Wages and benefits | 13,554,903 | 12,913,698 | 12,191,823 |
| Wood delivery | 75,850 | 353,601 | 255,380 |
| | \$ 39,949,316 | \$ 45,769,615 | \$ 39,516,714 |

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

21. SEGMENTED INFORMATION

Lake Babine Nation is a First Nation organization that provides a wide range of services to its members including social, education, housing, capital, economic development and community services. For management reporting purposes, the Nation's operations and activities are organized and reported by segments. Segments were created for the purpose of recording specific activities to attain certain objectives with special regulations, restrictions or limitations.

The Nation's services are provided by departments and their activities are recorded in these funds. Certain departments that have been disclosed in the segmented information, along with the services they provide, are as follows:

Operations

The Operations program provides administration support to the First Nation. Those costs that relate directly to the administration of the various segments have been allocated to the appropriate segment.

Education

The Education program provides primary and secondary instructional services and financial support to eligible post-secondary First Nations students.

Economic Development

The Economic Development program provides planning and capacity development initiatives under various agreements.

Natural Resource Management

The Natural Resources program administers and oversees natural resource based projects.

Social Housing

The Housing program provides on-reserve housing to eligible members under the CMHC housing programs for First Nations, and reports on the respective revenue and expenditures.

Health Services

The Health program provides a variety of health and wellness programs and support to First Nation members.

Social Development

The Social Development program Administers the provision of social assistance to qualifying First Nation members, as well as providing social development programs to the First Nation.

Capital

The Capital program administers the development of new capital projects and infrastructure programs on the reserve.

Operations and Maintenance

The Operations and Maintenance program provides regular maintenance services throughout the First Nation.

Fisheries

The Fisheries program administers fishing operations, habitat restoration, and research on First Nation land.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

21. SEGMENTED INFORMATION, continued

Child and Family Services

The Child and Family Services program provides special needs and prevention services to the First Nations members

Equity in First Nation Investments

The Equity in First Nation Investments program includes all activity from investments in other entities by the First Nation.

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

21. SEGMENTED INFORMATION, continued

| | 2024 Budget | Operations 2024 Actual | 2023 Actual | LBN Education Program | | | Economic Development | | |
|---------------------------------|-------------------------|------------------------------|---------------------|-----------------------|-------------------|-------------------|----------------------|---------------------|------------------|
| | | | | 2024 Budget | 2024 Actual | 2023 Actual | 2024 Budget | 2024 Actual | 2023 Actual |
| Revenues | | | | | | | | | |
| Indigenous Services Canada | \$ 1,557,504 | \$ 786,621 | \$ 1,121,540 | \$ 9,208,630 | \$ 5,715,394 | \$ 5,694,035 | \$ 160,485 | \$ 163,695 | \$ 160,485 |
| Provincial Government | 965,635 | 807,585 | 582,375 | 1,208,093 | 1,241,981 | 741,534 | 7,187,911 | 7,187,911 | 3,061,898 |
| Other Aboriginal Groups | - | - | 22,078 | 3,090,488 | 3,660,191 | 4,004,386 | - | - | - |
| Band Generated | 49,500 | 154,207 | 23,770 | - | 6,975 | 935 | - | - | 271,868 |
| Interest income | - | 3,080,974 | 1,587,042 | - | - | - | - | 10,796 | - |
| Administration fee | - | (153) | (81,880) | - | - | - | - | - | - |
| Transfer from deferred revenue | - | 164,423 | 2,314,523 | - | 2,000 | 78,156 | - | - | - |
| Other revenue | 1,389,858 | 1,979,352 | 2,114,220 | - | 124,673 | 129,338 | - | - | - |
| Total revenue | 3,962,497 | 6,973,009 | 7,683,668 | 13,507,211 | 10,751,214 | 10,648,384 | 7,348,396 | 7,362,402 | 3,494,251 |
| Expenses | | | | | | | | | |
| Administration fees | 92,002 | - | - | 566,955 | - | - | 16,049 | - | - |
| Capital purchases | 3,790 | - | - | 143,500 | - | - | - | - | - |
| Contracted services | 154,776 | 684,581 | 226,561 | - | 14,690 | 49,142 | - | 480 | 1,447 |
| Professional fees | 290,936 | 435,050 | 149,515 | 75,500 | 38,820 | 5,114 | 15,439 | 29,696 | 11,382 |
| Repairs and maintenance | 116,859 | 196,039 | 43,146 | 88,458 | 155,873 | 168,926 | - | 2,011 | 194 |
| Travel | 1,115,136 | 1,272,684 | 593,240 | 138,862 | 412,106 | 301,672 | 6,000 | 41,235 | 22,675 |
| Wages and benefits | 2,538,593 | 2,767,135 | 2,188,261 | 3,762,873 | 3,899,492 | 4,338,670 | 107,097 | 116,207 | 128,347 |
| Other expenses | 2,202,163 | 3,204,963 | 2,849,793 | 4,663,929 | 5,799,901 | 5,137,578 | 15,900 | 444,965 | 600,774 |
| Total expenses | 6,514,255 | 8,560,452 | 6,050,516 | 9,440,077 | 10,320,882 | 10,001,102 | 160,485 | 634,594 | 764,819 |
| Annual surplus (deficit) | \$ (2,551,758)\$ | (1,587,443)\$ | 1,633,152 \$ | 4,067,134 \$ | 430,332 \$ | 647,282 \$ | 7,187,911 \$ | 6,727,808 \$ | 2,729,432 |

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

21. SEGMENTED INFORMATION, continued

| | Natural Resource Management | | | Social Housing Fund | | | Health Services Fund | | |
|---------------------------------|-----------------------------|----------------------|---------------------|---------------------|---------------------|-------------------|----------------------|---------------------|-------------------|
| | 2024 Budget | 2024 Actual | 2023 Actual | 2024 Budget | 2024 Actual | 2023 Actual | 2024 Budget | 2024 Actual | 2023 Actual |
| Revenues | | | | | | | | | |
| Indigenous Services Canada | \$ - | \$ - | \$ - | \$ 783,760 | \$ 4,552,080 | \$ 643,468 | \$ - | \$ - | \$ - |
| Federal Government | - | - | - | - | 157,500 | 28,755 | - | - | - |
| Provincial Government | - | - | - | - | - | - | - | 8,000 | 68,281 |
| Other Aboriginal Groups | - | - | - | - | - | - | 5,607,249 | 5,581,591 | 4,886,334 |
| Band Generated | - | - | - | 700,000 | 1,497,945 | 1,471,286 | - | - | - |
| Interest income | - | - | - | - | 9,871 | 425 | - | 14,972 | - |
| Transfer from deferred revenue | - | - | - | - | - | - | - | - | 7,735 |
| Other revenue | 3,963,553 | 24,055,613 | 11,347,034 | 251,588 | (3,840,408) | - | - | (47,488) | 174,867 |
| Total revenue | 3,963,553 | 24,055,613 | 11,347,034 | 1,735,348 | 2,376,988 | 2,143,934 | 5,607,249 | 5,557,075 | 5,137,217 |
| Expenses | | | | | | | | | |
| Administration fees | - | - | - | 132,516 | - | - | 332,228 | - | 1 |
| Amortization | - | - | - | - | 12,187 | 13,027 | - | 128,413 | 178,404 |
| Capital purchases | - | - | - | 50,000 | - | - | 51,608 | - | - |
| Contracted services | - | - | - | - | - | - | 32,000 | 206,929 | 24,725 |
| Professional fees | - | - | - | 1,000 | - | 15,994 | 71,200 | 58,314 | 10,500 |
| Repairs and maintenance | - | - | - | 523,000 | 636,407 | 310,686 | 109,938 | 306,512 | 99,667 |
| Travel | - | - | - | 27,000 | 27,471 | 9,575 | 892,890 | 1,879,640 | 1,687,860 |
| Wages and benefits | - | - | - | 384,046 | 357,368 | 283,001 | 2,610,470 | 1,952,302 | 1,687,835 |
| Other expenses | 4,004,027 | 4,785,220 | 3,971,017 | 299,672 | 1,734,206 | 1,269,460 | 1,045,846 | 1,934,711 | 1,226,857 |
| Total expenses | 4,004,027 | 4,785,220 | 3,971,017 | 1,417,234 | 2,767,639 | 1,901,743 | 5,146,180 | 6,466,821 | 4,915,849 |
| | (40,474) | 19,270,393 | 7,376,017 | 318,114 | (390,651) | 242,191 | 461,069 | (909,746) | 221,368 |
| Other income (expenses) | - | - | - | - | (379,956) | 156,899 | - | - | - |
| Annual surplus (deficit) | \$ (40,474) | \$ 19,270,393 | \$ 7,376,017 | \$ 318,114 | \$ (770,607) | \$ 399,090 | \$ 461,069 | \$ (909,746) | \$ 221,368 |

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

21. SEGMENTED INFORMATION, continued

| | LBN Social Development | | | Capital Projects 500 | | | Operations & Maintenance | | |
|---------------------------------|------------------------|-------------------|-------------------|----------------------|-----------------------|-----------------------|--------------------------|---------------------|---------------------|
| | 2024 Budget | 2024 Actual | 2023 Actual | 2024 Budget | 2024 Actual | 2023 Actual | 2024 Budget | 2024 Actual | 2023 Actual |
| Revenues | | | | | | | | | |
| Indigenous Services Canada | \$ 3,076,766 | \$ 3,809,546 | \$ 3,703,011 | \$ 1,828,707 | \$ 1,828,707 | \$ 1,245,951 | \$ 1,018,168 | \$ 1,018,168 | \$ 1,015,686 |
| Provincial Government | - | - | - | - | - | - | - | - | 3,420 |
| Other Aboriginal Groups | - | - | - | - | - | - | 34,573 | - | - |
| Band Generated | - | - | - | - | - | - | 229,554 | 237,496 | 239,119 |
| Interest income | - | 7,775 | - | - | 11,307 | 2,263 | - | - | - |
| Transfer from deferred revenue | - | - | - | - | - | 1,736 | - | - | - |
| Other revenue | 379,799 | (16,346) | - | 604,220 | (789,464) | 2,379 | 878,270 | - | - |
| Total revenue | 3,456,565 | 3,800,975 | 3,703,011 | 2,432,927 | 1,050,550 | 1,252,329 | 2,160,565 | 1,255,664 | 1,258,225 |
| Expenses | | | | | | | | | |
| Administration fees | 308,241 | - | - | 58,244 | - | - | - | - | - |
| Amortization | - | - | - | - | 2,081,350 | 1,952,310 | - | - | - |
| Capital purchases | 10,000 | - | - | - | - | - | - | - | - |
| Contracted services | - | - | - | 1,214,935 | 145,486 | 285,222 | - | 5,711 | 770 |
| Professional fees | - | - | - | 8,242 | 426,526 | 342,247 | - | - | - |
| Repairs and maintenance | 2,000 | 240 | 1,314 | - | 11,521 | 400 | 164,832 | 344,365 | 280,926 |
| Travel | 30,440 | 22,387 | 22,316 | 20,592 | 8,813 | 5,934 | 6,060 | 17,890 | 27,490 |
| Wages and benefits | 514,430 | 334,764 | 285,516 | 94,673 | 96,166 | 71,716 | 591,710 | 425,392 | 523,156 |
| Other expenses | 2,591,454 | 2,578,378 | 2,416,083 | 34,762 | 56,250 | 24,465 | 748,482 | 681,135 | 839,244 |
| Total expenses | 3,456,565 | 2,935,769 | 2,725,229 | 1,431,448 | 2,826,112 | 2,682,294 | 1,511,084 | 1,474,493 | 1,671,586 |
| Other income (expenses) | - | 865,206 | 977,782 | 1,001,479 | (1,775,562) | (1,429,965) | 649,481 | (218,829) | (413,361) |
| | - | - | - | - | 506,541 | (18,009) | - | - | - |
| Annual surplus (deficit) | \$ - | \$ 865,206 | \$ 977,782 | \$ 1,001,479 | \$ (1,269,021) | \$ (1,447,974) | \$ 649,481 | \$ (218,829) | \$ (413,361) |

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

21. SEGMENTED INFORMATION, continued

| | Fisheries Fund | | | Natural Resources Department | | | Equity in First Nation Investments | | |
|---------------------------------|----------------|----------------|----------------|------------------------------|----------------|----------------|------------------------------------|----------------|----------------|
| | 2024 Budget | 2024 Actual | 2023 Actual | 2024 Budget | 2024 Actual | 2023 Actual | 2024 Budget | 2024 Actual | 2023 Actual |
| Revenues | | | | | | | | | |
| Indigenous Services Canada | \$ - | \$ - | \$ - | \$ 1,847,241 | \$ 1,197,251 | \$ 1,063,288 | \$ - | \$ - | \$ - |
| Federal Government | 905,594 | 1,154,689 | 1,223,310 | - | 3,415,357 | - | - | - | - |
| Provincial Government | - | - | - | 2,094,000 | 678,908 | 4,288,954 | - | - | - |
| Interest income | - | - | - | - | 5,784 | - | - | - | - |
| Administration fee | - | 100,890 | - | - | - | - | - | - | - |
| Transfer from deferred revenue | - | - | - | - | 216,141 | 833,241 | - | - | - |
| Other revenue | - | - | 85,966 | (3,941,241) | (5,513,441) | (6,185,483) | - | - | - |
| Total revenue | 905,594 | 1,255,579 | 1,309,276 | - | - | - | - | - | - |
| Expenses | | | | | | | | | |
| Administration fees | 60,200 | - | - | 329,336 | - | - | - | - | - |
| Amortization | - | 83,226 | 54,650 | - | - | - | - | - | - |
| Capital purchases | 45,552 | - | 34,998 | - | - | 1 | - | - | - |
| Contracted services | - | - | - | 9,592 | 1,736 | 7,970 | - | - | - |
| Professional fees | 73,817 | 135,505 | 115,892 | 1,143,305 | 1,526,655 | 1,136,425 | - | - | - |
| Repairs and maintenance | 4,397 | 5,464 | 5,718 | - | 1,113 | 1,420 | - | - | - |
| Travel | 27,929 | 27,339 | 41,516 | 355,456 | 602,110 | 364,223 | - | - | - |
| Wages and benefits | 527,785 | 539,842 | 435,473 | 855,907 | 1,728,642 | 1,645,221 | - | - | - |
| Other expenses | 165,915 | 232,981 | 200,088 | (2,693,596) | (3,860,256) | (3,155,260) | - | 92,479 | 2,003,937 |
| Total expenses | 905,595 | 1,024,357 | 888,335 | - | - | - | - | 92,479 | 2,003,937 |
| Other income (expenses) | (1) | 231,222 | 420,941 | - | - | - | - | (92,479) | (2,003,937) |
| | - | - | 21,990 | - | - | - | - | 7,633,100 | - |
| Annual surplus (deficit) | \$ (1) | \$ 231,222 | \$ 442,931 | \$ - | \$ - | \$ - | \$ - | \$ 7,540,621 | \$ (2,003,937) |

LAKE BABINE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

21. SEGMENTED INFORMATION, continued

| | Lake Babine Child & Family Services | | | Consolidated totals | | |
|---------------------------------|-------------------------------------|-------------------|-------------------|----------------------|----------------------|-------------------|
| | 2024 Budget | 2024 Actual | 2023 Actual | 2024 Budget | 2024 Actual | 2023 Actual |
| Revenues | | | | | | |
| Indigenous Services Canada | \$ 4,922,169 | \$ 3,806,544 | \$ 3,583,478 | \$ 24,403,430 | \$ 22,878,006 | \$ 18,230,942 |
| Federal Government | - | - | - | 905,594 | 4,727,546 | 1,252,065 |
| Provincial Government | - | - | 57,484 | 11,455,639 | 9,924,385 | 8,803,946 |
| Other Aboriginal Groups | - | 2,937 | 1,295,852 | 8,732,310 | 9,244,719 | 10,208,650 |
| Band Generated | - | - | - | 979,054 | 1,896,623 | 2,006,978 |
| Interest income | - | - | - | - | 3,141,479 | 1,589,730 |
| Administration fee | - | - | - | - | 100,737 | (81,880) |
| Transfer from deferred revenue | 500,000 | 472,199 | - | 500,000 | 854,763 | 3,235,391 |
| Other revenue | 51,451 | (449,041) | (2,581,281) | 3,577,498 | 15,503,450 | 5,087,040 |
| Total revenue | 5,473,620 | 3,832,639 | 2,355,533 | 50,553,525 | 68,271,708 | 50,332,862 |
| Expenses | | | | | | |
| Administration fees | 539,509 | - | - | 2,435,280 | - | 1 |
| Amortization | - | - | - | - | 2,305,176 | 2,198,391 |
| Capital purchases | 60,000 | - | - | 364,450 | - | - |
| Contracted services | - | - | 713 | 1,411,303 | 1,059,613 | 596,550 |
| Professional fees | 447,333 | 255,726 | 15,279 | 2,126,772 | 2,906,292 | 1,802,348 |
| Repairs and maintenance | 15,000 | 25,648 | 16,361 | 1,024,484 | 1,685,193 | 928,758 |
| Travel | 353,974 | 516,186 | 242,257 | 2,974,339 | 4,827,861 | 3,318,758 |
| Wages and benefits | 1,567,319 | 696,388 | 604,627 | 13,554,903 | 12,913,698 | 12,191,823 |
| Other expenses | 2,773,756 | 2,386,849 | 1,061,050 | 15,852,310 | 20,071,782 | 18,445,086 |
| Total expenses | 5,756,891 | 3,880,797 | 1,940,287 | 39,743,841 | 45,769,615 | 39,516,714 |
| | (283,271) | (48,158) | 415,246 | 10,809,684 | 22,502,093 | 10,816,148 |
| Other income (expenses) | - | - | - | - | 7,759,685 | 160,880 |
| Annual surplus (deficit) | \$ (283,271)\$ | (48,158)\$ | 415,246 \$ | 10,809,684 \$ | 30,261,778 \$ | 10,977,028 |