

WEI WAI KUM FIRST NATION
Consolidated Financial Statements

March 31, 2025

WEI WAI KUM FIRST NATION

Consolidated Financial Statements

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Year Ended March 31, 2025

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WEI WAI KUM FIRST NATION
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
March 31, 2025

The accompanying consolidated financial statements of the Wei Wai Kum First Nation as at March 31, 2025 and for the year ended are the responsibility of management. 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 judgments. 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.

Management 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 consolidated financial information is relevant, reliable and accurate and the Nation's assets are appropriately accounted for and adequately safeguarded.

The Wei Wai Kum First Nation Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council reviews the consolidated financial statements and approves them. Chief and Council meets periodically with management, as well as the external auditor, 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 financial statements and the independent auditor's report. Chief and Council consider their findings when approving the consolidated financial statements for issuance to the Members.

The consolidated financial statements have been approved by Chief and Council. In addition, these consolidated financial statements have been audited by Chan Nowosad Boates Inc. in accordance with Canadian generally accepted auditing standards on behalf of the members. Chan Nowosad Boates Inc. has full access to Chief and Council for the purpose of their audit.



Muhammad Imran, CPA, CGA, MBA
Chief Financial Officer

August 6, 2025



INDEPENDENT AUDITORS' REPORT

To the Chief and Council of the Wei Wai Kum First Nation,

Opinion

We have audited the consolidated financial statements of the Wei Wai Kum First Nation (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2025, and the consolidated results of its financial performance and cash flows for the year then ended in accordance with Canadian 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 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 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 Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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 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 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 Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chan Nowsad Boates Inc

Chartered Professional Accountants
Campbell River, BC

August 6, 2025

WEI WAI KUM FIRST NATION

Consolidated Statement of Financial Position

March 31, 2025

2025

2024
(Note 21)

FINANCIAL ASSETS

Cash and Cash Equivalents (Note 2)	\$ 35,835,743	\$ 27,729,012
Trust Funds Held by Federal Government (Note 3)	214,824	214,824
Accounts Receivable (Note 4)	2,029,020	1,538,640
Inventory (Note 5)	389,014	363,947
Portfolio Investment (Note 6)	110	110
Investments in Government Business Partnerships (Note 7)	62,189,299	57,139,663
Loan to Related Party (Note 8)	<u>1,055,000</u>	<u>-</u>
	<u>101,713,010</u>	<u>86,986,196</u>

LIABILITIES

Accounts Payable and Accrued Liabilities (Note 9)	1,338,034	1,253,380
Asset Retirement Obligation (Note 10)	772,992	736,533
Deferred Revenue (Note 11)	13,365,698	10,279,569
Long Term Debt (Note 12)	<u>1,096,230</u>	<u>1,151,989</u>
	<u>16,572,954</u>	<u>13,421,471</u>
	<u>85,140,056</u>	<u>73,564,725</u>

NET FINANCIAL ASSETS

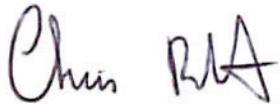
NON-FINANCIAL ASSETS

Prepaid Expenses	-	9,006
Tangible Capital Assets (Note 13)	<u>14,317,352</u>	<u>14,643,105</u>
	<u>14,317,352</u>	<u>14,652,111</u>

ACCUMULATED SURPLUS **(Note 15)**

\$ 99,457,408 \$ 88,216,836

Approved by:



Chief



Councillor

WEI WAI KUM FIRST NATION

Consolidated Statement of Operations and Accumulated Surplus

Year Ended March 31, 2025

	2025		2024
	Actual	Budget (Note 18)	(Note 21)
Revenue			
Federal Government:			
Indigenous Services Canada	\$ 4,851,432	\$ 5,170,356	\$ 5,701,195
Ottawa Trust Funds	3,622	-	9,249
CMHC	136,090	83,535	90,245
First Nations Health Authority	1,143,754	13,953	1,126,189
Province of British Columbia	5,437,442	2,078,904	12,145,307
School District 72	25,494	24,857	29,857
Taxation	1,704,853	1,722,880	1,720,880
Income from Government Business Partnerships	6,814,665	-	6,553,285
Rent and Land Leases	925,557	33,600	723,101
Sales	3,034,353	1,996,674	3,118,317
Other	<u>7,687,412</u>	<u>6,103,223</u>	<u>7,282,940</u>
	<u>31,764,674</u>	<u>17,227,982</u>	<u>38,500,565</u>
Expenditures (Note 19)			
Band Government	5,211,932	6,093,129	3,960,880
Education	2,648,415	2,091,560	2,141,418
Health	30,129	22,953	21,849
Economic Development	8,259,854	6,453,850	4,388,224
Housing and Lands	2,394,039	2,040,263	2,048,637
Community and Social Services	1,950,230	2,339,870	1,928,558
Employment Programs	<u>29,503</u>	<u>75,000</u>	<u>64,900</u>
	<u>20,524,102</u>	<u>19,116,625</u>	<u>14,554,466</u>
Annual Surplus			
	11,240,572	\$ <u>(1,888,643)</u>	23,946,099
Accumulated Surplus - Beginning of Year			
	<u>88,216,836</u>		<u>64,270,737</u>
Accumulated Surplus - End of Year			
	<u>\$ 99,457,408</u>		<u>\$ 88,216,836</u>

WEI WAI KUM FIRST NATION

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2025

	2025		
	Actual	Budget (Note 18)	2024 (Note 21)
Annual Surplus (Deficit)	\$ 11,240,572	\$ (1,888,643)	\$ 23,946,099
Purchase of Tangible Capital Assets	(331,477)	-	(1,160,934)
Amortization of Tangible Capital Assets	657,230	-	566,260
Disposal of Tangible Capital Assets	-	-	2,869
	<u>325,753</u>	<u>-</u>	<u>(591,805)</u>
Use of Prepaid Asset	9,006	-	17,544
Increase (Decrease) in Net Financial Assets	11,575,331	\$ (1,888,643)	23,371,838
Net Financial Assets - Beginning of Year	73,564,725		50,192,887
Net Financial Assets - End of Year	\$ 85,140,056		\$ 73,564,725

WEI WAI KUM FIRST NATION

Consolidated Statement of Cash Flows

Year Ended March 31, 2025

2025

2024

Cash Flows From Operating Activities:

Cash Flows from Government and Other Sources	\$ 25,963,109	\$ 35,133,922
Cash Paid to Suppliers and Employees	(19,731,025)	(13,944,014)
Interest Received	1,527,649	1,886,227
Interest Paid	(30,795)	(26,755)
	<u>7,728,938</u>	<u>23,049,380</u>

Cash Flows From Investing Activities:

Investment in Government Business Partnerships	(448,474)	(18,618,805)
Distributions from Government Business Partnerships	2,213,503	4,626,350
Purchase of Tangible Capital Assets	(331,477)	(1,160,934)
Disposal of Tangible Capital Assets	-	2,869
Loan to Related Party	(1,000,000)	-
	<u>433,552</u>	<u>(15,150,520)</u>

Cash Flows From Financing Activities:

Repayment of Long Term Debt	(55,759)	(70,362)
Increase in Cash and Cash Equivalents	8,106,731	7,828,498
Cash and Cash Equivalents - Beginning of Year	27,729,012	19,900,514
Cash and Cash Equivalents - End of Year	\$ 35,835,743	\$ 27,729,012

Cash is Represented by:

Cash on Hand and Held in Banks (Note 2)	\$ 35,456,799	\$ 27,367,666
Restricted Cash (Note 2)	378,944	361,346
	<u>\$ 35,835,743</u>	<u>\$ 27,729,012</u>

WEI WAI KUM FIRST NATION

Notes to Consolidated Financial Statements

March 31, 2025

1. Significant Accounting Policies:

a) Basis of Accounting:

These consolidated financial statements are the representation of management and have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board of CPA Canada.

b) Basis of Consolidation:

The consolidated financial statements include the accounts of the Wei Wai Kum First Nation (the "Nation") and organizations controlled by the Nation, Discovery Harbour Holdings Ltd., 1323088 B.C. Ltd., the WWKUM Holding Society, WHLLP Managing Partner Ltd. and the Campbell River Indian Band Development Corporation (the "Controlled Entities"). The Controlled Entities do not meet the definition of a government business enterprise or partnership.

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

Under the modified equity method of accounting, only the Nation's investment in the business enterprise and partnerships and the enterprise's and partnership's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprises and partnerships that are different from those of the Nation, except that any other comprehensive income of the business enterprise and partnerships is accounted for as an adjustment to the accumulated surplus. Inter-organizational transactions and balances are not eliminated.

Investments in the following entities are accounted for by the modified equity method and, as such, the accounting policies of these entities are not adjusted to conform with those of the Nation:

CRIBCO Limited Partnership (99.99%)
Weiwaikum General Partner Ltd. (100%)
CRIBCO Forest Products Limited Partnership (99.99%)
CRIBCO Forest Products Ltd. (100%)
A-tlegay Fisheries Limited Partnership (23.50%)
Laich-Kwil-Tach Environmental Assessments Limited Partnership (50.00%)
Discovery Harbour Shopping Centre (55.00%)
Discovery Crescent Shopping Centre (50.00%)
Discovery Residential Holding Ltd. (Lot 4) Joint Venture (50.00%)
Laich-Kwil-Tach Way Key Sand & Gravel Joint Venture (45.00%)
Nanwakolas Offset Limited Partnership (26.18%)
Nanwakolas Timber Limited Partnership (17.31%)
Knight Inlet Grizzly Tours Ltd. - Indirect Ownership (17.31%)
Discovery Enterprises Limited Partnership (51.00%)
TFL 64 (GP) Inc. (25.00%)
TFL 64 Limited Partnership (24.98%)
Discovery Joint Venture Management Ltd. (51.00%)
Discovery Joint Venture (51.00%)
WHLLP Managing Partner Ltd. (100%)
La-Kwa Sa Muqw Forestry Ltd. (11.52%)
La-Kwa Sa Muqw Forestry Limited Partnership (11.52%)
ELLP Managing Partner Ltd. (100%)
WWKUM Holdings LLP (99.99%)

WEI WAI KUM FIRST NATION

Notes to Consolidated Financial Statements

March 31, 2025

1. Significant Accounting Policies (continued):

c) Asset Classification:

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services and may be consumed in normal operations. Non-financial assets include tangible capital assets, and prepaid expenses. Intangible assets, and items inherited by right of the Nation, are not recognized in the consolidated financial statements.

d) Cash and Cash Equivalents:

Cash and cash equivalents include cash on hand, restricted cash and balances held with banks.

e) Inventory:

Inventory consists of goods purchases for resale and is recorded at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale.

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. Amortization is provided for using the following rates and methods:

Buildings	4%	Declining Balance
Community Infrastructure	4 - 10%	Declining Balance
Furniture, Equipment and Vehicles	15 - 55%	Declining Balance

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Nation's ability to provide goods and services, or when the value of future economic benefits associated with the assets are less than their net book value. The net writedowns 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) Basis of Accounting for Revenues and Expenses:

Restricted transfers from other governments are initially deferred to the extent they contain a stipulation that gives rise to a liability. Amounts deferred are recognized as revenue in the period the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions are recorded in the year the contribution becomes receivable under the terms of the applicable funding agreement. Contributions that are specifically designated to fund expenses of a future period, or that are restricted and unspent at the end of a period, are deferred and recognized in the period the related expenses are incurred.

Rents, leases, contributions from non-government agreements, other fees and interest are recognized as revenue in the period earned, when collection is reasonably assured.

The sales of goods and services are recognized as revenue in the period the good or services are provided to the recipient, and collection is reasonably assured.

WEI WAI KUM FIRST NATION

Notes to Consolidated Financial Statements

March 31, 2025

1. Significant Accounting Policies (continued):

g) Basis of Accounting for Revenues and Expenses (continued):

Taxation revenues are recognized when authorized by Council, the taxable event has occurred, and the definition of an asset is met.

Other economic activities represent activities of subsidiaries and partnerships controlled by the Nation. Revenues from economic activities consist of sale of goods and services, government transfers, management fees, and lease revenue.

Expenses are recognized as they are incurred and measurable as a result of goods and services being received and/or the creation of a legal obligation to pay.

h) Measurement Uncertainty:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the report amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, estimated useful lives of tangible capital assets, impairment of tangible capital assets, recoverability of investments and advances, accrued liabilities and the possibility of contingent liabilities. In addition, the Nation's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs. Actual results could differ from these estimates.

i) Portfolio Investments:

Investments in limited partnerships without control or significant influence are accounted for as portfolio investments using the cost method. Investments will be recorded at cost and any share of income received will be recognized as income when received or receivable.

j) 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. The Nation accounts for these recoveries or surpluses in the year the funding agency requests.

k) Segment Disclosures:

A segment is defined as a distinguishable activity of group of activities of the Nation, for which it is appropriate to separately report financial information to achieve the objectives of the standard. The Nation has provided definitions used by the Nation as well as presented financial information in segment formation in Note 20.

l) Asset Retirement Obligations:

The Nation recognizes a liability for an asset retirement obligation when there is legal obligation to incur retirement costs in relation to a tangible capital asset; 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 liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. The liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability resulted in an expense as the asset is not in use by the Nation.

WEI WAI KUM FIRST NATION

Notes to Consolidated Financial Statements

March 31, 2025

2. Cash and Cash Equivalents:

	<u>2025</u>	<u>2024</u>
Externally Restricted		
Social Housing Replacement Reserve	\$ 267,761	\$ 255,326
Social Housing Operating Reserve	<u>111,183</u>	<u>106,020</u>
	<u>378,944</u>	<u>361,346</u>
Unrestricted		
Operating	<u>35,456,799</u>	<u>27,367,666</u>
	<u>\$ 35,835,743</u>	<u>\$ 27,729,012</u>

Under the terms of an agreement with Canada Mortgage and Housing Corporation (CMHC), the Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets.

These funds, along with accumulated interest, must be held in separate bank accounts. The funds are to be invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC with any interest earned to be credited as to the replacement reserve. The funds in the account may only be used for CMHC approved expenditures.

The Nation is also required to maintain a separate bank account for the operating surplus resulting from the operation of the program under the agreement, known as the operating reserve.

3. Trust Funds Held by Federal Government:

	<u>2024</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>2025</u>
Capital	\$ 214,824	\$ -	\$ -	\$ 214,824

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*.

WEI WAI KUM FIRST NATION

Notes to Consolidated Financial Statements

March 31, 2025

4. Accounts Receivable:

	<u>2025</u>	<u>2024</u>
Due from Discovery Harbour Authority	\$ 108,316	\$ 108,316
Due from Canada Mortgage and Housing Corporation	6,766	6,711
Due from Taxpayers	447,309	419,181
Due from Others	2,093,219	1,630,796
Due from Members	151,994	152,220
	2,807,604	2,317,224
Less: Allowance for Doubtful Accounts	(778,584)	(778,584)
	<u>\$ 2,029,020</u>	<u>\$ 1,538,640</u>

5. Inventory:

	<u>2025</u>	<u>2024</u>
We Wai Kum House of Treasures	\$ 323,116	\$ 318,710
Cigarettes	65,898	45,237
	<u>\$ 389,014</u>	<u>\$ 363,947</u>

The cost of inventories recognized as an expense and included in expenditures amounted to \$1,362,019 (2024 - \$1,436,073).

6. Portfolio Investment:

The portfolio investment consists of an investment in the BC Gaming First Nations Revenue Sharing LP which is recorded at cost as described in Note 1.

7. Investments in Government Business Partnerships:

	<u>2025</u>	<u>2024</u>
CRIBCO Limited Partnership (99.99%)	\$ 15,160,612	\$ 13,577,933
CRIBCO Forest Products Limited Partnership (99.99%)	5,934,537	4,983,234
A-tlegay Fisheries Limited Partnership (23.50%)	3,405,490	3,053,571
Laich-Kwil-Tach Environmental Assessments LP (50.00%)	1,768,658	1,543,798
Discovery Harbour Shopping Centre (55.00%)	19,967,046	19,091,220
Discovery Crescent Shopping Centre (50.00%)	(1,175,063)	(1,241,947)
Discovery Residential Holdings Ltd. (Lot 4) Joint Venture (50.00%)	228,038	228,859
Discovery Joint Venture (51.00%)	231,779	-
WWKum Holding LLP (99.99%)	2,479,505	-
Laich-Kwil-Tach Way Key Sand & Gravel Joint Venture (45.00%)	41,220	42,113
Nanwakolas Offset Limited Partnership (26.18%)	525,746	981,793
Nanwakolas Timber Limited Partnership (17.31%)	2,828,266	2,871,178
Knight Inlet Grizzly Tours Ltd. - Indirect Ownership (17.31%)	(503,718)	(482,088)
La-kwa sa muqw Forestry Limited Partnership (11.52%)	11,020,920	12,162,920
TFL 64 Limited Partnership (11.52%)	276,263	327,079
	<u>\$ 62,189,299</u>	<u>\$ 57,139,663</u>

WEI WAI KUM FIRST NATION

Notes to Consolidated Financial Statements

March 31, 2025

7. Investments in Government Business Partnerships (continued):

The following is a description of the activities of each commercial enterprises:

- (a) CRIBCO Limited Partnership operates a marina and marine fuel dock and has a March 31 year-end.
- (b) CRIBCO Forest Products Limited Partnership harvests timber for sale and has a March 31 year-end.
- (c) A-tlegay Fisheries Limited Partnership acquires and manages various fishing licenses and quota and has a March 31 year-end.
- (d) Laich-Kwil-Tach Environmental Assessments LP conducts environmental assessments and has a March 31 year-end.
- (e) Discovery Harbour Shopping Centre is a shopping centre that leases to commercial tenants and has a December 31 year-end.
- (f) Discovery Crescent Shopping Centres is a real estate project that leases to commercial tenants and has a December 31 year-end.
- (g) Discovery Residential Holdings Ltd. (Lot 4) Joint Venture sub leases lands for a boat repair yard and has a December 31 year-end.
- (h) Discovery Joint Venture completes civil work projects that encourage Indigenous participation and has a December 31 year-end.
- (i) WWKUM Holding LLP holds investments on behalf of the Nation and has a December 31 year-end.
- (j) Laich-Kwil-Tach Way Key Sand & Gravel Joint Venture contracts rock hauling and rock sales and has a December 31 year-end.
- (k) Nanwakolas Offset Limited Partnership verifies and sells carbon credits on the open market and has a March 31 year-end.
- (l) Nanwakolas Timber Limited Partnership harvests and manages timber and has an investment in a grizzly tour resort and has a March 31 year-end.
- (m) Knight Inlet Grizzly Tours Ltd. operates the Knight Inlet Lodge (the "Lodge") that provides Grizzly Tours. It is wholly owned by the Nanwakolas Timber Limited Partnership but its operations are not reflected within the financial statements of Nanwakolas Timber Limited Partnership as it is not consolidated into the Nanwakolas Limited Partnership financial statements. The Lodge has an October 31 year-end.
- (n) La-kwa sa muqw Forestry Limited Partnership harvests and manages timber and has a March 31 year-end.
- (o) TFL 64 Limited Partnership provides forestry contract and information services and has a March 31 year-end.

Investments that the Nation holds in the General Partners of the above described Limited Partnerships have not been disclosed in this note as the General Partners have no activity and the value of the investments the Nation holds in them is considered to be immaterial. The Nations investments in Discovery JV Management Ltd. and ELLP Managing Partner Ltd. have also not been recorded at March 31, 2025 as they are considered to be immaterial.. Following is a summary of the most recent financial statement information available. The reported amounts present 100% of the activities of the Government Business Partnership with the Nations interest in them only representing their proportionate interest previously disclosed, and with the Nation only recording their proportionate share of the income or loss detailed.

WEI WAI KUM FIRST NATION

Notes to Consolidated Financial Statements

March 31, 2025

7. Investments in Government Business Partnerships (continued):

	Natural Resource Businesses	Real Estate Businesses	Commercial and Tourism Businesses	Total 2025	Total 2024
Total Assets	<u>\$160,675,512</u>	<u>\$ 47,229,417</u>	<u>\$ 26,135,377</u>	<u>\$234,040,306</u>	<u>\$120,665,666</u>
Total Liabilities	21,652,863	33,628,074	8,022,875	63,303,812	52,601,960
Total Equity	<u>139,022,649</u>	<u>13,601,343</u>	<u>18,112,502</u>	<u>170,736,494</u>	<u>68,063,706</u>
Total Liabilities and Equity	<u>\$160,675,512</u>	<u>\$ 47,229,417</u>	<u>\$ 26,135,377</u>	<u>\$234,040,306</u>	<u>\$120,665,666</u>
Revenue	\$ 90,093,445	\$ 8,835,512	\$ 33,951,261	\$132,880,218	\$ 45,502,618
Expenses	<u>94,332,763</u>	<u>6,952,051</u>	<u>29,105,648</u>	<u>130,390,462</u>	<u>33,285,776</u>
Net Income	<u>\$ (4,239,318)</u>	<u>\$ 1,883,461</u>	<u>\$ 4,845,613</u>	<u>\$ 2,489,756</u>	<u>\$ 12,216,842</u>

8. Loan to Related Party:

On May 1, 2024 the Nation loaned \$1,000,000 to Discovery Joint Venture. The loan accrues interest an annual rate of 6% and is repayable to the Nation after three years.

9. Accounts Payable and Accrued Liabilities:

	2025	2024
Government Remittances Payable	\$ 37,429	\$ 18,499
City of Campbell River	52,688	264,710
School District #72	269,734	229,974
Other Trade Payables	<u>978,183</u>	<u>740,197</u>
	<u>\$ 1,338,034</u>	<u>\$ 1,253,380</u>

10. Asset Retirement Obligation:

The Campbell River Cruise Ship Terminal (the "Terminal") was built and opened in 2007 to receive cruise ships in Campbell River on their way north to Alaska. The Terminal received limited traffic in its first few years of operations and was subsequently closed to cruise ship traffic in the next two years following its opening. The Terminal has not been in productive use for the Nation since its closure in 2009.

The Terminal consists of both on land buildings and facilities and significant infrastructure located in the water. The Nation obtained a third party report that estimated removal and remediation costs, which when adjusted for inflation since the date of the report, are estimated to be \$4,242,596. The Terminal had an estimated period for replacement of 30 years from the date of the report. It is estimated that at the date of recognition of the liability the remaining remediation and replacement period is 29 years. A discount rate of 6.7% was initially applied by the Nation when present valuing the replacement cost, and a liability and expense of \$646,936 was recognized at April 1, 2022 based on the prospective application of PS 3280 and the adoption of it, and the assets themselves no longer being in productive use. The liability has subsequently been updated using a current discount rate of 4.95%. During the year ending March 31, 2025 an accretion expense associated with the obligation was recognized in the amount of \$36,458 (2024 - \$46,253).

WEI WAI KUM FIRST NATION

Notes to Consolidated Financial Statements

March 31, 2025

11. Deferred Revenue:

	<u>2024</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>ISC Recovery</u>	<u>2025</u>
Indigenous Services Canada (ISC)					
ISC - Fixed Funding	\$ 3,724,554	\$ 7,321,935	\$ (4,032,429)	\$ -	\$ 7,014,060
ISC - Flexible Funding	1,923,796	-	-	-	1,923,796
ISC - Grant Funding	-	819,003	(819,003)	-	-
	<u>\$ 5,648,350</u>	<u>\$ 8,140,938</u>	<u>\$ (4,851,432)</u>	<u>\$ -</u>	<u>\$ 8,937,856</u>
Prepaid Rent					
Home Depot - Prepaid Rent	\$ 1,413,522	-	\$ (42,671)	\$ -	\$ 1,370,851
Walmart - Prepaid Rent	2,586,634	-	(75,469)	-	2,511,165
	<u>\$ 4,000,156</u>	<u>\$ -</u>	<u>\$ (118,140)</u>	<u>\$ -</u>	<u>\$ 3,882,016</u>
Other					
BC Hydro	457,500	-	-	-	457,500
MakeWay - Indigenous Watersheds	173,563	-	(85,237)	-	88,326
	<u>631,063</u>	<u>-</u>	<u>(85,237)</u>	<u>-</u>	<u>545,826</u>
	<u>\$ 10,279,569</u>	<u>\$ 8,140,938</u>	<u>\$ (5,054,809)</u>	<u>\$ -</u>	<u>\$ 13,365,698</u>

12. Long Term Debt:

	<u>2025</u>	<u>2024</u>
All Nations Trust Company (Social Housing): Repayable at \$1,609 per month including interest at 4.02% per annum; guaranteed by Canada Mortgage and Housing Corporation; due March 1, 2029	146,334	159,064
All Nations Trust Company (Social Housing): Repayable at \$577 per month including interest at 3.21% per annum; guaranteed by Canada Mortgage and Housing Corporation; due November 1, 2029	89,019	93,817
All Nations Trust Company (Social Housing): Repayable at \$1,808 per month including interest at 1.01% per annum; guaranteed by Canada Mortgage and Housing Corporation; due August 1, 2026	328,549	346,572
All Nations Trust Company (Social Housing): Repayable at \$3,519 per month including interest at 3.12% per annum; guaranteed by Canada Mortgage and Housing Corporation; renewed until April 1, 2028	<u>532,328</u>	<u>552,536</u>
Total Long Term Debt	<u>\$ 1,096,230</u>	<u>\$ 1,151,989</u>

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Notes to Consolidated Financial Statements

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12. Long Term Debt (continued):

Interest expense on long term debt for the year ended March 31, 2025 is \$30,795 (2024 - \$26,755). Scheduled principal repayments for the next five years is estimated as follows:

2026	\$ 62,612
2027	64,313
2028	66,047
2029	67,968
2030 and Thereafter	835,290

13. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2025	2024
Land	\$ 4,626,402	\$ -	\$ -	\$ 4,626,402	\$ -	\$ -	\$ -	\$ -	\$ 4,626,402	\$ 4,626,402
Buildings	9,859,313	-	-	9,859,313	3,756,599	238,470	-	3,995,069	5,864,244	6,102,714
Community Infrastructure	5,641,199	-	-	5,641,199	2,191,324	119,370	-	2,310,694	3,330,505	3,449,875
Furniture, Equipment and Vehicles	1,541,339	331,477	-	1,872,816	1,077,225	299,390	-	1,376,615	496,201	464,114
Total	\$ 21,668,253	\$ 331,477	\$ -	\$ 21,999,730	\$ 7,025,148	\$ 657,230	\$ -	\$ 7,682,378	\$ 14,317,352	\$ 14,643,105

14. Contingent Liabilities:

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

In addition, in the normal course of its operations, if the 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 the Nation's financial statements.

- a) The Nation is contingently liable for \$8,441,672 (2024 - \$8,896,284) with respect to loans from the Bank of Montreal for Nation members for homes built on reserve land.
- b) The Nation is contingently liable for \$14,887,756 (2024 - \$15,367,478) with respect to the mortgage payable for the Discovery Harbour Shopping Centre.
- c) The Nation is contingently liable for \$106,723 (2024 - \$128,090) with respect to loans from the Coastal Community Credit Union for Nation members for homes built on reserve land.
- d) The Nation is contingently liable for \$2,787,152 (2024 - \$2,875,000) with respect to the mortgage payable for the Discovery Crescent Shopping Centre.

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Notes to Consolidated Financial Statements

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15. Pension Plan:

The Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 3 - 7% of their salary. The Nation contributes 3 - 7% to the members' contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. During the year ended March 31, 2025, the Nation contributed \$162,695 (2024 - \$97,337) for its retirement benefits. As at March 31, 2025, the Nation owed \$32,211 (2024 - \$24,270) in pension plan contributions.

16. Accumulated Surplus:

	<u>2025</u>	<u>2024</u>
Internally Restricted		
Equity in Tangible Capital Assets	\$ 13,221,122	\$ 13,491,116
Externally Restricted		
Equity in Ottawa Trust	214,824	214,824
Unrestricted		
Operating Surplus	<u>86,021,462</u>	<u>74,510,896</u>
Total Accumulated Surplus	<u>\$ 99,457,408</u>	<u>\$ 88,216,836</u>

17. Risk Management:

The Nation has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. The Nation has identified its risks and ensures that management monitors and controls them.

Credit Risk

Credit risk is the risk of financial loss to an institution if a customer or counter party to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

The Nation is primarily exposed to credit risk in their receivables in relation to their amounts due from trade receivables which in 2025 totaled \$2,624,890 (2024 - \$1,112,749).

It is management's opinion that the Nation is not exposed to significant credit risk associated with its cash deposits as they are placed in recognized British Columbia institutions.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of interest rate risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. It is management's opinion that the Nation is not exposed to significant interest rate risk as its only investment is Trust Funds Held by Federal Government.

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Notes to Consolidated Financial Statements

March 31, 2025

17. Risk Management (continued):

Liquidity Risk

Liquidity risk is the risk that the Nation will not be able to meet its financial obligations as they become due.

The Nation manages liquidity risk by continually monitoring cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Nation's reputation.

18. Budget Figures:

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by Chief and Council and have not been audited.

19. Schedule of Expenses by Object:

	<u>2025</u>	<u>2024</u>
Administration	\$ 26,324	\$ 12,570
Advertising	50,739	40,782
Amortization	657,230	566,260
Bad Debt Expense	-	208,442
Computers and Technology	99,573	81,465
Cost of Goods Sold	1,362,019	1,436,073
Direct Member Benefit	872,700	840,750
Donations	48,420	223,433
Honoraria	364,253	308,862
Insurance	278,562	222,093
Interest on Long Term Debt	30,795	26,755
Material and Supplies	691,077	184,540
Office and Sundry	106,542	129,971
Payment Processing Fees	62,624	58,422
Professional Fees	2,158,299	1,482,653
Programs	3,684,055	576,397
Repairs and Maintenance	793,234	561,313
Security	56,691	21,093
Subcontract	421,128	427,491
Social Programs	999,269	828,098
Taxation	401,726	544,754
Tuition	1,496,156	1,222,047
Training	106,499	371,546
Travel	331,561	139,370
Utilities and Telephone	472,384	495,242
Wages and Benefits	<u>4,952,242</u>	<u>3,544,044</u>
	<u>\$ 20,524,102</u>	<u>\$ 14,554,466</u>

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Notes to Consolidated Financial Statements

March 31, 2025

20. Subsequent Event:

On April 30, 2025 the Nation purchased property located at 1739 Smit Road, Sayward BC for \$1,975,000 and obtained financing from a commercial lender to assist with the purchase.

21. Prior Period Adjustment:

During the year ending March 31, 2025, it was identified that income from A-tlegay Fisheries Limited Partnership and CRIBCO Forest Products Limited Partnership were understated in the previous year. Additionally, income from A-tlegay Fisheries Limited Partnership in years previous to March 31, 2024 was also identified to be incorrect due to adjustments to grant revenues netted against fishing licenses. The amounts have been adjusted appropriately in the current year, and prior years, the impact of which is detailed below:

	Balance at March 31, 2024 as Previously Stated	Adjustment	Balance at March 31, 2024 as Restated
Investments in Government Business Partnership	\$ 56,440,258	\$ 699,405	\$ 57,139,663
Income from Government Business Partnerships	6,305,025	248,260	6,553,285
Accumulated Surplus - Beginning of Year	63,819,592	451,145	64,270,737
Accumulated Surplus - End of Year	87,517,431	699,405	88,216,836

22. Segment Disclosure:

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function. For each separate segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segments are grouped as follows:

Band Government:

Band Government contains activities that are needed to manage and administer the Nation's organization including corporate administration. Band Government is responsible for the support and coordination of all Nation departments.

Education:

Education contains activities that provide education and facilitate educational opportunities to members for primary and secondary schooling and adult vocational training.

Health:

Health contains activities that provide health services, medical services, financial support or support by other means to members that is aimed at developing both the individual as well as the community.

Economic Development:

Economic Development contains activities that are involved in the development of the community and the development and operation of economic opportunities.

Housing and Lands:

Housing contains activities that relate to on reserve housing as well as off reserve properties owned by the Nation.

WEI WAI KUM FIRST NATION

Notes to Consolidated Financial Statements

March 31, 2025

22. Segment Disclosure (continued):

Community and Social Services:

The objectives of the department are to assist Nation members in maintaining a basic standard of living, developing family strengths and providing financial support to enhance their ability towards a more independent lifestyle.

Employment Program:

The objectives of the department are to assist Nation members to develop as individuals and find gainful employment.

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Notes to Consolidated Financial Statements

March 31, 2025

22. Segment Disclosure (continued):

March 31, 2025	Band Government	Education	Health	Economic Development	Housing and Lands	Community and Social Services	Employment Program	Consolidated Totals
Revenues								
Indigenous Services Canada	\$ 847,174	\$ 2,004,995	\$ -	\$ 39,528	\$ 2,856,305	\$ 2,392,936	\$ -	\$ 8,140,938
Ottawa Trust Funds	-	-	-	-	3,622	-	-	3,622
Canada Mortgage and Housing Corporation	-	-	-	-	136,090	-	-	136,090
First Nations Health Authority - Set Contribution	-	1,129,765	13,989	-	-	-	-	1,143,754
Income from Government Business Partnerships	-	-	-	6,814,665	-	-	-	6,814,665
Province of British Columbia	1,056,500	5,280	-	4,375,662	-	-	-	5,437,442
Taxation	1,704,853	-	-	-	-	-	-	1,704,853
Other Revenue	<u>638,898</u>	<u>379,053</u>	<u>-</u>	<u>8,441,741</u>	<u>1,034,775</u>	<u>1,168,349</u>	<u>10,000</u>	<u>11,672,816</u>
	<u>4,247,425</u>	<u>3,519,093</u>	<u>13,989</u>	<u>19,675,218</u>	<u>4,027,170</u>	<u>3,561,285</u>	<u>10,000</u>	<u>35,054,180</u>
Deferred Revenue Adjustment	-	-	-	-	-	-	-	(3,289,506)
	<u>4,247,425</u>	<u>3,519,093</u>	<u>13,989</u>	<u>19,675,218</u>	<u>4,027,170</u>	<u>3,561,285</u>	<u>10,000</u>	<u>31,764,674</u>
Expenses								
Wages and Benefits	973,580	814,564	-	1,639,871	474,940	708,573	-	4,611,528
Interest and Bank Charges	13,552	-	-	49,072	30,796	-	-	93,420
Amortization	332,760	-	-	268,710	55,760	-	-	657,230
Other Expenses	<u>3,892,040</u>	<u>1,833,851</u>	<u>30,129</u>	<u>6,302,201</u>	<u>1,832,543</u>	<u>1,241,657</u>	<u>29,503</u>	<u>15,161,924</u>
	<u>5,211,932</u>	<u>2,648,415</u>	<u>30,129</u>	<u>8,259,854</u>	<u>2,394,039</u>	<u>1,950,230</u>	<u>29,503</u>	<u>20,524,102</u>
Annual Surplus (Deficit)	<u>\$ (964,507)</u>	<u>\$ 870,678</u>	<u>\$ (16,140)</u>	<u>\$ 11,415,364</u>	<u>\$ 1,633,131</u>	<u>\$ 1,611,055</u>	<u>\$ (19,503)</u>	<u>\$ 11,240,572</u>

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Notes to Consolidated Financial Statements

March 31, 2025

22. Segment Disclosure (continued):

March 31, 2024	Band Government	Education	Health	Economic Development	Housing and Lands	Community and Social Services	Employment Program	Consolidated Totals
Revenues								
Indigenous Services Canada	\$ 1,126,141	\$ 1,545,371	\$ -	\$ 39,528	\$ 1,479,280	\$ 1,510,875	\$ -	\$ 5,701,195
Ottawa Trust Funds	-	-	-	-	9,249	-	-	9,249
Canada Mortgage and Housing Corporation	-	-	-	-	90,245	-	-	90,245
First Nations Health Authority - Set Contribution	-	1,112,236	13,953	-	-	-	-	1,126,189
Income from Government Business Partnerships	-	-	-	6,553,285	-	-	-	6,553,285
Province of British Columbia	-	-	-	11,879,872	-	265,435	-	12,145,307
Taxation	1,720,880	-	-	-	-	-	-	1,720,880
Other Revenue	<u>578,674</u>	<u>470,808</u>	<u>-</u>	<u>8,336,085</u>	<u>1,298,520</u>	<u>470,128</u>	<u>-</u>	<u>11,154,215</u>
	<u>3,425,695</u>	<u>3,128,415</u>	<u>13,953</u>	<u>26,818,019</u>	<u>2,868,045</u>	<u>2,246,438</u>	<u>-</u>	<u>38,500,565</u>
Expenses								
Wages and Benefits	841,514	741,522	-	1,149,689	464,480	346,839	-	3,544,044
Interest and Bank Charges	11,535	3	-	46,281	27,358	-	-	85,177
Amortization	345,160	-	-	150,740	70,360	-	-	566,260
Other Expenses	<u>2,762,671</u>	<u>1,399,893</u>	<u>21,849</u>	<u>3,041,514</u>	<u>1,486,439</u>	<u>1,581,719</u>	<u>64,900</u>	<u>10,358,985</u>
	<u>3,960,880</u>	<u>2,141,418</u>	<u>21,849</u>	<u>4,388,224</u>	<u>2,048,637</u>	<u>1,928,558</u>	<u>64,900</u>	<u>14,554,466</u>
Annual Surplus (Deficit)	\$ (535,185)	\$ 986,997	\$ (7,896)	\$ 22,429,795	\$ 819,408	\$ 317,880	\$ (64,900)	\$ 23,946,099