

**Mamalilikulla First Nation
Consolidated Financial Statements**

March 31, 2021

Mamalilikulla First Nation Contents

For the year ended March 31, 2021

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Management's Responsibility

To the Members of Mamatiluk First Nation:

The accompanying consolidated financial statements of Mamalilikulla First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Mamalilikulla First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Chief and Council and management to discuss their audit findings.

July 26, 2021

Denia Roberts
Band Administrator

To the Members of Mamalilikulla First Nation:

Opinion

We have audited the consolidated financial statements of Mamalilikulla First Nation and its subsidiaries (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, the consolidated statements of operations and accumulated surplus, change in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2021, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the 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 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 consolidated 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.

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- 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 group audit. We remain solely responsible for our audit opinion.

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

Nanaimo, British Columbia

July 26, 2021

MNP LLP

Chartered Professional Accountants

Mamalilikulla First Nation
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020
	Restated (Note 3)	
Financial assets		
Cash and cash equivalents	2,422,681	3,636,900
Accounts receivable (Note 4)	303,871	159,057
Restricted cash (Note 5)	33,873	33,893
Funds held in trust (Note 6)	81,570	79,660
Advances to related parties (Note 7)	74,526	176,663
Investments in First Nation business enterprises (Note 8)	1,660,511	1,419,228
Investments in First Nation business partnerships (Note 8)	4,541,151	4,957,103
Total financial assets	9,118,183	10,462,504
Liabilities		
Accounts payable and accruals	47,775	51,038
Deferred revenue	125,969	125,969
Advances from related parties (Note 9)	663,568	284,851
Long-term debt (Note 10)	78,331	136,481
Total financial liabilities	915,643	598,339
Net financial assets	8,202,540	9,864,165
Contingent liabilities (Note 11)		
Significant event (Note 15)		
Non-financial assets		
Tangible capital assets (Schedule 1)	4,216,302	996,076
Prepaid expenses	5,998	179,748
Total non-financial assets	4,222,300	1,175,824
Accumulated surplus (Note 3), (Note 16)	12,424,840	11,039,989

Approved on behalf of the Chief and Council


John Powell Chief
Councillor


Bob Bawch

Councillor

Mamalilikulla First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

	<i>Schedules</i>	2021 <i>Budget</i> <i>(Note 17)</i>	2021	2020 <i>Restated</i> <i>(Note 3)</i>
Revenue				
Indigenous Services Canada (Note 12)		577,075	839,721	610,321
Gaming revenue		593,665	593,665	553,622
Other revenue		604,982	532,294	599,134
Province of British Columbia		165,190	460,815	185,041
First Nation Health Authority		-	114,765	7,927
Canada Mortgage and Housing Corporation		-	554	1,661
Earnings from investments in First Nation business partnerships (Note 8)		487,195	552,234	1,109,685
Earnings from investments in First Nation business enterprises (Note 8)		-	241,165	493,381
Contribution of tangible capital asset		-	400,000	-
Cost recoveries		-	83,213	272,162
Interest income		23,524	16,128	69,719
		2,451,631	3,834,554	3,902,653
Expenses				
Band Government	3	1,381,809	1,257,241	1,164,473
Economic Development	4	790,950	1,176,560	681,276
Social Housing	5	-	15,902	20,136
		2,172,759	2,449,703	1,865,885
Annual surplus		278,872	1,384,851	2,036,768
Accumulated surplus, beginning of year (Note 3)		11,039,989	11,039,989	9,003,221
Accumulated surplus, end of year		11,318,861	12,424,840	11,039,989

Mamalilikulla First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2021

	2021 <i>Budget</i> <i>(Note 17)</i>	2021	2020 <i>Restated</i> <i>(Note 3)</i>
Annual surplus (deficit)	278,872	1,384,851	2,036,768
Purchases of tangible capital assets	-	(2,916,209)	(328,887)
Amortization of tangible capital assets	-	95,983	68,284
Loss on disposal of tangible capital assets	-	-	21,380
Contribution of tangible capital asset	-	(400,000)	-
Decrease (increase) in prepaid expenses	-	173,750	(173,750)
Increase (decrease) in net financial assets	278,872	(1,661,625)	1,623,795
Net financial assets, beginning of year	9,864,165	9,864,165	8,240,370
Net financial assets, end of year	10,143,037	8,202,540	9,864,165

Mamalilikulla First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

2021 **2020**
*Restated
(Note 3)*

Cash provided by (used for) the following activities

Operating activities

Annual surplus	1,384,851	2,036,768
Non-cash items		
Amortization	95,983	68,284
Loss on disposal of tangible capital assets	-	21,380
Earnings from investments in First Nation business partnerships	(552,234)	(1,109,685)
Earnings from investments in First Nation business enterprises	(241,165)	(493,381)
Contribution of tangible capital asset	(400,000)	-

Changes in working capital accounts	287,435	523,366
Accounts receivable	(144,814)	(120,948)
Accounts payable and accruals	(3,242)	1,092
Prepaid expenses	173,750	(173,750)
Deferred revenue	-	75,969
	313,129	305,729

Financing activities

Repayment of long-term debt	(58,151)	(13,126)
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Capital activities

Purchases of tangible capital assets	(2,916,209)	(328,887)
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Investing activities

Decrease (increase) in funds held in trust	(1,910)	1,220,167
Redemption of Guaranteed Investment Certificate	-	1,000,000
Advances from related parties	480,736	268,324
Distributions from First Nation business partnerships	968,186	529,672
	1,447,012	3,018,163

Increase (decrease) in cash and cash equivalents	(1,214,219)	2,981,879
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Cash and cash equivalents, beginning of year	3,636,900	655,021
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Cash and cash equivalents, end of year	2,422,681	3,636,900
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Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

1. Operations

Mamalilikulla First Nation (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Mamalilikulla First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business enterprises and First Nation business partnerships.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Social Housing

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Mamalilikulla First Nation business enterprises, owned or controlled by the First Nation's Chief and Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Mamalilikulla First Nation business partnerships, jointly owned and controlled by the First Nation's Chief and Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Nanwakolas Carbon Credit Limited Partnership (23% ownership)
- Nanwakolas Forestry Limited Partnership (18% ownership)
- Nanwakolas Offset Limited Partnership (26% ownership)
- Nanwakolas Timber Limited Partnership (21% ownership)
- Nanwakolas Business Corporation (17% ownership)
- Gwabalis Fisheries Society (25% ownership)
- Mamalilikulla Economic Development Corporation (Wholly owned)
- Mamalilikulla Economic Development Limited Partnership (Wholly owned)

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

Cash and cash equivalents includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

2. Significant accounting policies *(Continued from previous page)*

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Contributed tangible assets are recorded at their fair value at the date of contribution.

All intangible assets and items inherited by the right of the First Nation, such as reserve land, forests, water and mineral resources, are not recognized in the First Nation's consolidated financial statements.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. Assets under construction are not amortized until completion.

	Method	Rate
Buildings	declining balance	5 %
Automotive equipment	declining balance	30 %
Equipment	declining balance	20 %
Boats	declining balance	15 %
Social Housing	declining balance	5 %
Docks	declining balance	5 %

Long-lived assets

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

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when asset's service potential is reduced. Impairment is measured as the amount by which the assets' carrying amount exceeds its fair value. Any impairment is included in surplus for the year. Prices for similar items are used to measure fair value of long-lived assets.

The First Nation does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

Asset classification

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

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2021.

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

2. Significant accounting policies *(Continued from previous page)*

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2021, no liability for contaminated sites exists.

Funds held in trust

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenue recognition

i) *Government Funding*

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

ii) *First Nation Capital and Revenue Trust Funds*

The First Nation recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

iii) *Canada Mortgage and Housing Corporation ("CMHC")*

CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

iv) *Own source and other revenue*

Own source and other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.

v) *Investment income*

Investment income is recognized by the First Nation when investment income is earned.

Segments

The First Nation conducts its business through a number of reportable segments as described in Note 14. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

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

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (Use of estimates)

The preparation of consolidated 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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Expenditures that relate to on-going environmental and remediation programs are charged against operations as incurred. A liability for a contaminated site reflects management's best estimate of the amount required to remediate the contaminated site. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the periods in which they become known.

3. Prior period adjustment

The First Nation is part owner of Gwabal Fisheries Limited Partnership by way of 99% ownership of Mamalilikulla Economic Development Limited Partnership, which holds 99% ownership of Mamalilikulla Fisheries Limited Partnership, which in turn holds 25% ownership of Gwabal Fisheries Limited Partnership. The First Nation also holds 25% equity in Gwabal Fisheries Society. Equity in Gwabal Fisheries Limited Partnership and Gwabal Fisheries Society should have been recorded in the prior year.

The correction of the above noted error was applied retrospectively, and prior periods have been restated. The impact of the above noted changes to the First Nation as of March 31, 2021 was to increase opening accumulated surplus by \$1,254,016. The aggregate effect in the prior year, as of March 31, 2020, was to increase investments in First Nation business enterprises by \$201,373, increase investments in First Nation business partnerships by \$1,052,643, increase opening accumulated surplus by \$819,257, increase earnings from First Nation business enterprises by \$201,373, increase earnings from First Nation business partnerships by \$233,386, and increase annual surplus by \$434,759.

4. Accounts receivable

	2021	2020
Province of British Columbia	200,000	-
Indigenous Services Canada	63,488	89,888
'Namgis First Nation	24,130	69,031
Centre for Indigenous Environmental Resources	15,000	-
First Nation Education Steering Committee	1,253	-
Canada Mortgage and Housing Corporation	-	138
	303,871	159,057

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

5. Restricted cash

	2021	2020
Social Housing Replacement Reserve	26,117	26,137
Social Housing Operating Reserve	7,756	7,756
	33,873	33,893

Social Housing Reserves

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the replacement reserve account is to be credited in the amount of \$667 (2020 - \$2,000) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, these reserves were under-funded by \$3,128 (2020 - \$2,440).

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), excess revenues over expenditures for the Post 1996 phases may be retained in an operating reserve. These funds along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At year end, the operating reserve was adequately funded (2020 - adequately funded).

6. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Chief and Council.

	2021	2020
Capital Trust		
Balance, beginning and end of year	30,122	30,122
Revenue Trust		
Balance, beginning of year	49,538	1,269,704
Interest	1,910	32,615
British Columbia special distribution	-	976
	51,448	1,303,295
Less: Transfers to Nation (Band Council Resolution: 10-12-2019)	-	1,253,757
Balance, end of year	51,448	49,538
	81,570	79,660

Ottawa Trust Funds

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*.

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

7. Advances to related parties

Advances to related parties are unsecured, non-interest bearing and due on demand. These entities are related by virtue of common control or joint control by the First Nation.

	2021	2020
DMT Fisheries Society	74,526	67,958
Mamalilikulla Forestry Limited Partnership	-	108,705
	74,526	176,663

8. Investments in First Nation business entities

The First Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Contributions (draws)</i>	<i>Other adjustments</i>	2021 Total investment
First Nation Business Enterprises:						
Mamalilikulla Economic Development Corporation - 100%						
	342,939	-	3,522	-	118	346,579
Mamalilikulla Economic Development LP - 100%						
	1,076,289	-	237,643	-	-	1,313,932
	1,419,228	-	241,165	-	118	1,660,511
First Nation Business Partnerships:						
Nanwakolas Carbon Credit LP - 23%						
	16,237	-	(859)	-	-	15,378
Nanwakolas Forestry LP - 18%						
	865	-	(766)	-	-	99
Nanwakolas Offset LP - 26%						
	741,058	-	419,567	(968,186)	-	192,439
Nanwakolas Timber LP - 21%						
	3,146,299	-	153,387	-	-	3,299,686
Nanwakolas Business Corporation - 17%						
	1	-	-	-	-	1
Gwabalnis Fisheries Society - 25%						
	1,052,643	-	(19,095)	-	-	1,033,548
	4,957,103	-	552,234	(968,186)	-	4,541,151
	6,376,331	-	793,399	(968,186)	118	6,201,662

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

8. Investments in First Nation business entities *(Continued from previous page)*

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Contributions (draws)</i>	<i>Other adjustments</i>	<i>2020 Restated (Note 3)</i>	<i>Total investment</i>
First Nation Business Enterprises:							
Mamalilikulla Economic Development Corporation - 100%							
	2,711	338,088	2,140	-	-	342,939	
Mamalilikulla Economic Development LP - 100%							
	585,048	-	491,241	-	-	1,076,289	
	587,759	338,088	493,381	-	-	1,419,228	
First Nation Business Partnerships:							
Nanwakolas Carbon Credit LP - 23%							
	144,261	-	(1,150)	(126,874)	-	16,237	
Nanwakolas Forestry LP - 18%							
	72,976	-	(1,178)	(70,933)	-	865	
Nanwakolas Offset LP - 26%							
	511,893	-	561,030	(331,865)	-	741,058	
Nanwakolas Timber LP - 21%							
	3,166,790	-	317,597	(338,088)	-	3,146,299	
Nanwakolas Business Corporation - 17%							
	1	-	-	-	-	1	
Gwabalnis Fisheries Society - 25%							
	819,257	-	233,386	-	-	1,052,643	
	4,715,178	-	1,109,685	(867,760)	-	4,957,103	
	5,302,937	338,088	1,603,066	(867,760)	-	6,376,331	

The First Nation's investment in Mamalilikulla Economic Development Corporation was established for the purposes of running the economic activities of various business endeavours for the First Nation. It owns investments in Mamalilikulla Forestry Corporation and Mamalilikulla Fisheries Corporation.

Mamalilikulla Economic Development Limited Partnership was established for the purposes of running the economic activities of various business endeavours for the First Nation. It owns investments in Mamalilikulla Forestry Limited Partnership and Mamalilikulla Fisheries Limited Partnership.

The year-end for the First Nation business entities is December 31, 2020. No significant or unusual transactions occurred between December 31, 2020 and March 31, 2021, therefore the December 31, 2020 figures are included without adjustment.

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

8. Investments in First Nation business entities *(Continued from previous page)*

Summary financial information for each First Nation business partnerships and each First Nation business entity, accounted for using the modified equity method, for their respective year-end is as follows:

The below information is unaudited for the following entities:

	<i>Nanwakolas Carbon Credit Limited Partnership As at March 31, 2021 (Unaudited)</i>	<i>Nanwakolas Forestry Limited Partnership As at July 23, 2020 (Unaudited)</i>
Assets		
Cash	64,771	5,799
Accounts receivable	-	-
Inventory	-	-
Due from related parties	2,050	-
Other	-	-
Investment	-	-
Due from related parties	-	-
Total assets	66,821	5,799
Accounts payable and accruals	-	5,794
Due to related parties	-	-
Other	-	-
Total liabilities	-	5,794
Retained earnings	66,821	5
Total revenue	-	-
Total expenses	3,736	4,090
Net income (loss)	(3,736)	(4,090)
Comprehensive income (loss)	(3,736)	(4,090)

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

8. Investments in First Nation business entities *(Continued from previous page)*

	<i>Nanwakolas Offset Limited Partnership</i> <i>As at March 31, 2021</i> <i>(Unaudited)</i>	<i>Nanwakolas Timber Limited Partnership</i> <i>As at March 31, 2021</i> <i>(Unaudited)</i>	<i>Nanwakolas Business Corporation</i> <i>As at March 31, 2021</i> <i>(Unaudited)</i>	<i>Gwabalis Fisheries Society</i> <i>As at March 31, 2021</i> <i>(Unaudited)</i>
Assets				
Cash	1,769,825	8,522,656	6	272,712
Accounts receivable	29,659	-	-	-
Inventory	63,961	-	-	-
Due from related parties	400	2,576,774	-	3,861,549
Other	-	123,473	-	490
Investment	-	5,406,449	30	-
Due from related parties	-	-	-	-
Total assets	1,863,845	16,629,352	36	4,134,751
Accounts payable and accruals	-	42,978	-	558
Due to related parties	1,124,449	581,206	30	-
Other	-	34,253	-	-
Total liabilities	1,124,449	658,437	30	558
Retained earnings	739,396	15,970,915	6	4,134,193
Total revenue	2,443,181	1,009,504	-	28,489
Total expenses	840,555	266,638	-	104,869
Net income (loss)	1,602,626	742,866	-	(76,380)
Comprehensive income (loss)	1,602,626	742,866	-	(76,380)

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

8. Investments in First Nation business entities *(Continued from previous page)*

	<i>Mamalilikulla Economic Development Corporation</i> <i>As at December 31, 2020 (Unaudited)</i>	<i>Economic Development Limited Partnership</i> <i>As at December 31, 2020 (Unaudited)</i>
Assets		
Cash	1	-
Accounts receivable	-	-
Inventory	-	-
Due from related parties	-	1
Other	-	-
Investment	9,328	1,339,832
Due from related parties	338,088	-
Total assets	347,417	1,339,833
 Liabilities		
Accounts payable and accruals	788	1,750
Due to related parties	340,457	14,727
Other	48	-
Total liabilities	341,293	16,477
 Retained earnings	6,124	1,323,356
 Total revenue	4,435	445,513
Total expenses	913	2,062
Net income (loss)	3,522	443,451
Comprehensive income (loss)	3,522	443,451

9. Advances from related parties

Advances from related parties are unsecured, non-interest bearing and due on demand. These entities are related by virtue of common control or joint control by the First Nation.

	2021	2020
Mamalilikulla Forestry Corporation	282,486	284,851
Mamalilikulla Forestry Limited Partnership	381,082	-
	663,568	284,851

10. Long-term debt

	2021	2020
RBC loan - repaid during the year	-	3,770
All Nations Trust Company loan - repaid during the year	-	54,380
Government of Canada, repayable when the claim is settled, interest free	78,331	78,331
	78,331	136,481

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

11. Contingent liabilities

As at March 31, 2021, there existed outstanding claims against the First Nation. These claims have been referred to legal counsel. It is not possible to determine the First Nation's potential liability, if any, with respect to these matters.

12. Indigenous Services Canada funding reconciliation

	2021	2020
Direct Band Funding		
ISC revenue per confirmation	839,721	653,537
ISC recoveries during the year	-	(43,216)
 Balance, end of year	 839,721	 610,321

13. Contributions to endowment fund

During the year, the First Nation made an irrevocable contribution to an endowment fund managed by Coast Funds of \$500,000 (2020 - nil). This contribution was to match contributions from private funders made when Coast Funds was created in 2007.

The balance in the endowment fund at March 31, 2021 is \$1,000,000 (2020 - nil), which consists of \$500,000 contributed by the First Nation, and \$500,000 contributed by private funders. Coast Funds will disburse the income of the fund from time to time to the First Nation for eligible projects as defined in the funding approval policy of Coast Funds. Fees and expenses for administering the fund will be charged against income and will not exceed 1% of the aggregate funds comprising the fund at the start of each calendar year. No distributions were received from Coast Funds during the year.

14. Segments

The First Nation receives revenue and incurs expenses from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by the following segments:

Band Government:

Includes general operations, support, and financial management of the First Nation.

Economic Development:

Includes revenue and expenses related to the development of economic opportunities to members, as well as the activities related to the growth of revenue producing projects with the First Nation.

Housing:

Includes revenue and expenses related to band owned and social housing of the members of the First Nation.

15. Significant event

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

16. Accumulated surplus

Accumulated surplus consists of the following:

	2021	2020 <i>Restated (Note 3)</i>
Equity in Ottawa Trust Funds	81,570	79,660
Equity in operating fund	1,888,306	3,605,969
Equity in tangible capital assets	4,216,302	941,695
Investment in First Nation business entities	6,201,662	6,376,332
Replacement and operating reserves	37,000	36,333
	<hr/>	<hr/>
	12,424,840	11,039,989

17. Budget information

Budgets were not prepared for all segments and all departments in 2021. As such, the budget figures in the consolidated financial statements are not presented for the same scope of activities as the actual results.

The disclosed budget information was approved by the Chief and Council of the Mamalilikulla First Nation on July 23, 2020.

Chief and Council has not budgeted for the following segment: Social Housing

	2021
Budget approved by Chief and Council	6,295,567
Less: equity included in budget	(5,986,695)
Less: internal transfers	(30,000)
	<hr/>
Budgeted annual surplus per Statement of Operations and Accumulated Surplus	278,872

18. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

Mamalilikulla First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2021

	<i>Buildings</i>	<i>Automotive equipment</i>	<i>Equipment</i>	<i>Boats</i>	<i>Social Housing</i>	<i>Docks</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	162,593	65,021	53,088	366,098	227,335	442,024	1,316,159
Acquisition of tangible capital assets	439,365	-	-	27,422	-	-	466,787
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	601,958	65,021	53,088	393,520	227,335	442,024	1,782,946
Accumulated amortization							
Balance, beginning of year	34,339	31,056	29,022	65,274	139,292	21,100	320,083
Annual amortization	17,397	10,190	4,813	47,180	4,402	12,001	95,983
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	51,736	41,246	33,835	112,454	143,694	33,101	416,066
Net book value of tangible capital assets	550,222	23,775	19,253	281,066	83,641	408,923	1,366,880
2020 Net book value of tangible capital assets	128,254	33,965	24,066	300,824	88,043	420,924	998,096

Mamalilikulla First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2021

	<i>Subtotal</i>	<i>Land</i>	<i>2021</i>	<i>2020</i>
Cost				
Balance, beginning of year	1,316,159	-	1,316,159	1,015,772
Acquisition of tangible capital assets	466,787	2,849,422	3,316,209	328,887
Disposal of tangible capital assets	-	-	-	(28,500)
Balance, end of year	1,782,946	2,849,422	4,632,368	1,316,159
Accumulated amortization				
Balance, beginning of year	320,083	-	320,083	258,919
Annual amortization	95,983	-	95,983	68,284
Accumulated amortization on disposals	-	-	-	(7,120)
Balance, end of year	416,066	-	416,066	320,083
Net book value of tangible capital assets	1,366,880	2,849,422	4,216,302	996,076
2020 Net book value of tangible capital assets	998,096	-	996,076	

Mamalilikulla First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2021

	2021 Budget (Note 17)	2021	2020
Consolidated expenses by object			
Administration	26,300	2,495	3,384
Amortization	-	95,983	68,284
Bank charges and interest	3,726	3,756	4,452
Contracted services	170,252	239,613	219,639
Cultural and community	184,752	142,881	57,374
Distribution to members	75,600	73,600	75,600
Food and crisis security	-	158,135	-
Honouraria	42,300	41,975	47,805
Insurance	31,418	29,616	25,052
Interest on long-term debt	2,754	-	-
Language (recovery)	-	(500)	7,533
Living allowance	97,419	113,908	167,945
Loss on sale of asset	-	-	21,380
Materials and supplies	87,218	106,416	87,332
Meeting expenses	13,779	7,268	32,994
Miscellaneous	24,920	8,032	15,779
Office expense	84,253	47,705	48,828
Contribution to endowment fund (Note 13)	-	500,000	-
Professional fees	92,694	143,926	126,191
Property	71,215	-	-
Property tax	7,448	2,692	127
Rent	14,065	19,678	14,541
Repairs and maintenance	107,279	128,644	44,712
Salaries and benefits	520,230	443,354	471,286
Surveying and licenses	14,000	7,816	30,312
Training	269,024	5,234	22,290
Travel	139,601	50,940	159,567
Tuition	73,620	64,676	97,218
Utilities and telephone	18,892	11,860	16,260
	2,172,759	2,449,703	1,865,885

Mamalilikulla First Nation
Band Government
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 17)	2021	2020 Restated (Note 3)
Revenue			
Indigenous Services Canada	557,228	762,874	553,374
Gaming revenue	593,665	593,665	553,622
Province of British Columbia	-	200,000	-
Other revenue	55,895	118,746	51,240
First Nation Health Authority	-	76,103	7,927
Cost recoveries	-	83,213	272,162
	1,206,788	1,834,601	1,438,325
Expenses			
Administration	19,179	2,495	118
Bank charges and interest	3,625	3,502	3,579
Contracted services	19,000	133,977	82,681
Cultural and community	184,752	131,281	57,374
Food and crisis security	-	147,462	-
Honouraria	42,300	41,975	47,805
Insurance	25,052	22,656	20,257
Interest on long-term debt	2,754	-	-
Language (recovery)	-	(500)	7,533
Living allowance	97,419	95,908	157,445
Materials and supplies	23,050	72,189	35,884
Meeting expenses	3,000	1,942	22,147
Miscellaneous	13,120	-	-
Office expense	77,935	43,474	44,712
Professional fees	92,694	46,907	120,091
Rent	12,525	12,420	13,260
Repairs and maintenance	95,879	112,792	30,209
Salaries and benefits	258,205	283,601	289,646
Surveying and licenses	-	-	110
Training	257,426	5,434	15,160
Travel	62,822	23,186	102,986
Tuition	73,620	64,676	97,218
Utilities and telephone	17,452	11,864	16,258
	1,381,809	1,257,241	1,164,473
Annual surplus (deficit)	(175,021)	577,360	273,852

Mamalilikulla First Nation
Economic Development
Schedule 4 - Schedule of Revenue and Expenses

For the year ended March 31, 2021

	2021 Budget (Note 17)	2021	2020 Restated (Note 3)
Revenue			
Other revenue	549,087	411,110	538,630
Province of British Columbia	165,190	260,815	185,041
Indigenous Services Canada	19,847	76,847	56,947
First Nation Health Authority revenue	-	38,662	-
Earnings from investments in First Nation business partnerships	487,195	552,234	1,109,685
Earnings from investments in First Nation business enterprises	-	241,165	493,381
Contribution of tangible capital asset	-	400,000	-
Interest income	23,524	16,128	69,719
	1,244,843	1,996,961	2,453,403
Expenses			
Administration	7,121	-	3,266
Amortization	-	91,580	63,650
Bank charges and interest	101	-	-
Contracted services	151,252	105,636	136,958
Contribution to endowment fund (Note 13)	-	500,000	-
Cultural and community	-	11,600	-
Distribution to members	75,600	73,600	75,600
Food and crisis security	-	10,673	-
Insurance	6,366	2,504	-
Living allowance	-	18,000	10,500
Loss on disposal of tangible capital asset	-	-	21,380
Materials and supplies	64,168	34,227	51,449
Meeting expenses	10,779	5,326	10,847
Miscellaneous	11,800	8,032	15,779
Office expense	6,318	4,231	4,116
Professional fees	-	90,229	-
Property	71,215	-	-
Property tax	7,448	2,692	127
Rent	1,540	7,258	1,281
Repairs and maintenance	11,400	15,851	10,771
Salaries and benefits	262,025	159,752	181,639
Surveying and licenses	14,000	7,816	30,202
Training (recovery)	11,598	(200)	7,130
Travel	76,779	27,754	56,581
Utilities and telephone	1,440	-	-
	790,950	1,176,561	681,276
Annual surplus	453,893	820,400	1,772,127

Mamalilikulla First Nation
Social Housing
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 <i>Budget</i> <i>(Note 17)</i>	2021	2020
Revenue			
Rental income	-	2,438	9,264
Canada Mortgage and Housing Corporation	-	554	1,661
	-	2,992	10,925
Expenses			
Amortization	-	4,402	4,634
Bank charges and interest	-	254	874
Insurance	-	4,456	4,795
Professional fees	-	6,790	6,100
Repairs and maintenance	-	-	3,733
	-	15,902	20,136
Annual deficit	-	(12,910)	(9,211)