

**Mamalilikulla First Nation  
Consolidated Financial Statements**

*March 31, 2023*

# Mamalilikulla First Nation Contents

For the year ended March 31, 2023

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## **Management's Responsibility**

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To the Members of Mamalilikulla 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 both the Chief and Council and management to discuss their audit findings.

July 25, 2023

Signed by: Sonia Roberts

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Band Administrator

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## Independent Auditor's Report

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To the Members of Mamalilikulla First Nation:

### Opinion

We have audited the financial statements of Mamalilikulla First Nation and its subsidiaries (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, 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, 2023, 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 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 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 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 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 financial statements, including the disclosures, and whether the 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.

The logo for MNP LLP, featuring the letters 'MNP' in a bold, black, sans-serif font, with 'LLP' in a smaller, black, sans-serif font directly below it.

Nanaimo, British Columbia

July 25, 2023

Chartered Professional Accountants

The logo for MNP LLP, featuring the letters 'MNP' in a bold, black, sans-serif font, with 'LLP' in a smaller, black, sans-serif font directly below it.

**Mamalilikulla First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2023*

	<b>2023</b>	<b>2022</b>
		<i>Restated (Note 15)</i>
<b>Financial assets</b>		
Cash and cash equivalents	5,430,016	4,956,523
Accounts receivable (Note 3)	199,493	58,471
Funds held in trust (Note 4)	87,694	83,276
Advances to related parties (Note 5)	99,941	91,803
Investments in First Nation business enterprises (Note 6)	3,802,647	3,293,489
Investments in First Nation business partnerships (Note 6)	4,124,520	3,787,537
<b>Total financial assets</b>	<b>13,744,311</b>	12,271,099
<b>Liabilities</b>		
Accounts payable and accruals	41,697	32,551
Deferred revenue (Note 7)	221,776	357,969
Advances from related parties (Note 8)	2,080,592	2,085,597
Long-term debt (Note 9)	-	78,331
<b>Total financial liabilities</b>	<b>2,344,065</b>	2,554,448
<b>Net financial assets</b>	<b>11,400,246</b>	9,716,651
<b>Contingent liabilities (Note 10)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	4,636,786	4,305,852
Prepaid expenses	155,998	17,998
<b>Total non-financial assets</b>	<b>4,792,784</b>	4,323,850
<b>Accumulated surplus (Note 13)</b>	<b>16,193,030</b>	14,040,501

**Approved on behalf of the Chief and Council**

Signed by: Chief John Powell

**Chief  
Councillor**

Signed by: Councillor Brad Puglas

**Councillor**

**Mamalilikulla First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2023*

	<i>Schedules</i>	<b>2023</b> <i>Budget</i> <i>(Note 14)</i>	<b>2023</b>	<b>2022</b> <i>Restated</i> <i>(Note 15)</i>
<b>Revenue</b>				
Indigenous Services Canada		563,229	2,176,558	1,907,289
Gaming revenue		337,874	794,297	337,874
Province of British Columbia		161,065	279,110	235,057
First Nation Health Authority		84,559	100,848	88,500
Other revenue		381,245	431,826	411,111
BC Timber Sales		-	164,000	-
Indigenous Protected and Conserved Areas		-	139,478	-
Earnings from investments in First Nation business partnerships <i>(Note 6)</i>		484,067	725,087	720,599
Earnings from investments in First Nation business enterprises <i>(Note 6)</i>		-	505,024	1,624,053
Interest income		14,217	48,020	30,250
Cost recoveries		-	25,703	30,948
		<b>2,026,256</b>	<b>5,389,951</b>	5,385,681
<b>Expenses</b>				
Band Government	3	1,595,898	1,973,205	1,532,236
Economic Development	4	649,740	1,260,244	1,068,956
Housing	5	-	3,973	4,182
		<b>2,245,638</b>	<b>3,237,422</b>	2,605,374
<b>Surplus (deficit) before other income</b>		<b>(219,382)</b>	<b>2,152,529</b>	2,780,307
<b>Other income (loss)</b>				
Gain on sale of tangible capital assets		-	-	5,500
Change in accounting for First Nation partnership <i>(Note 15.)</i>		-	-	(990,146)
<b>Annual surplus (deficit)</b>		<b>(219,382)</b>	<b>2,152,529</b>	1,795,661
<b>Accumulated surplus, beginning of year</b>		<b>14,040,501</b>	<b>14,040,501</b>	12,244,840
<b>Accumulated surplus, end of year</b>		<b>13,821,119</b>	<b>16,193,030</b>	14,040,501

**Mamalilikulla First Nation**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2023*

	<b>2023</b> <i>Budget</i> <i>(Note 14)</i>	<b>2023</b>	<b>2022</b> <i>Restated</i> <i>(Note 15)</i>
<b>Annual surplus</b>	<b>(219,382)</b>	<b>2,152,529</b>	<b>1,795,661</b>
Purchases of tangible capital assets	-	(517,460)	(195,694)
Amortization of tangible capital assets	-	186,526	104,644
Gain on sale of tangible capital assets	-	-	(5,500)
Proceeds of disposal of tangible capital assets	-	-	7,000
Increase in prepaid expenses	-	(138,000)	(12,000)
<b>Increase (decrease) in net financial assets</b>	<b>(219,382)</b>	<b>1,683,595</b>	<b>1,694,111</b>
<b>Net financial assets, beginning of year</b>	<b>9,716,651</b>	<b>9,716,651</b>	<b>8,022,540</b>
<b>Net financial assets, end of year</b>	<b>9,497,269</b>	<b>11,400,246</b>	<b>9,716,651</b>

# **Mamalilikulla First Nation**

## **Consolidated Statement of Cash Flows**

*For the year ended March 31, 2023*

*For the year ended March 31, 2023*

	2023	2022 Restated (Note 15)
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	2,152,529	1,795,661
Non-cash items		
Amortization	186,526	104,644
Gain on disposal of tangible capital assets	-	(5,500)
Earnings from investments in First Nation business partnerships	(725,087)	(720,599)
Earnings from investments in First Nation business enterprises	(505,024)	(1,624,053)
Change in accounting for First Nation partnership	-	990,146
Changes in working capital accounts	1,108,944	540,299
Accounts receivable	(141,022)	65,400
Accounts payable and accruals	9,146	(15,223)
Prepaid expenses	(138,000)	(12,000)
Deferred revenue	(136,193)	232,000
	702,875	810,476
<b>Financing activities</b>		
Repayment of long-term debt	(78,331)	-
	(78,331)	-
<b>Capital activities</b>		
Purchases of tangible capital assets	(517,460)	(195,694)
Proceeds of disposal of tangible capital assets	-	7,000
	(517,460)	(188,694)
<b>Investing activities</b>		
Increase in funds held in trust	(4,418)	(1,706)
Advances from related parties	-	1,395,826
Advances to related parties	(16,718)	-
Distributions from First Nation business partnerships	387,545	484,067
	366,409	1,878,187
<b>Increase in cash and cash equivalents</b>	473,493	2,499,969
<b>Cash and cash equivalents, beginning of year</b>	4,956,523	2,456,554
<b>Cash and cash equivalents, end of year</b>	5,430,016	4,956,523

*The accompanying notes are an integral part of these financial statements*

**Mamalilikulla First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**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***

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.

***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.

**Mamalilikulla First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

***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.

	<b>Method</b>	<b>Rate</b>
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 %
Leasehold improvements	straight-line	5 years

***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, 2023.

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, 2023, no liability for contaminated sites exists.

**Mamalilikulla First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

***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) *Own source and other revenue*

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

iv) *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 15. 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.

***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.

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

**Mamalilikulla First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

**Asset retirement obligation**

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2023, the First Nation has not identified any asset retirement obligations, therefore no liability has been recorded.

**3. Accounts receivable**

	2023	2022
Indigenous Services Canada	11,162	44,556
'Namgis First Nation	-	13,915
BC Aboriginal Child Care Society	15,000	-
GST	1,920	-
Province of British Columbia	133,531	-
First Nations Health Authority	10,880	-
Nanwakolas Council Society	27,000	-
	<b>199,493</b>	<b>58,471</b>

**4. 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.

	2023	2022
<b>Capital Trust</b>		
Balance, beginning and end of year	<b>30,122</b>	30,122
<b>Revenue Trust</b>		
Balance, beginning of year	53,154	51,448
Interest	4,418	1,706
Balance, end of year	<b>57,572</b>	53,154
	<b>87,694</b>	83,276

**Mamalilikulla First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**4. Fund held in trust** *(Continued from previous page)*

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*.

**5. 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.

	2023	2022
DMT Fisheries Society	99,941	91,803

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**6. 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>	<i>2023 Total investment</i>
<b>First Nation Business Enterprises:</b>						
Mamalilikulla Economic Development Corporation - 100%						
	362,868	937	1,972	-	-	365,777
Mamalilikulla Economic Development LP - 100%						
	2,930,621	3,197	503,052	-	-	3,436,870
	<b>3,293,489</b>	<b>4,134</b>	<b>505,024</b>	<b>-</b>	<b>-</b>	<b>3,802,647</b>
<b>First Nation Business Partnerships:</b>						
Nanwakolas Carbon Credit LP - 23%						
	12,898	-	-	(12,339)	(559)	-
Nanwakolas Offset LP - 26%						
	280,287	-	573,621	(375,206)	-	478,702
Nanwakolas Timber LP - 21%						
	3,494,350	-	151,466	-	-	3,645,816
Nanwakolas Business Corporation - 17%						
	1	-	-	-	-	1
Gwabalnis Fisheries Society - 25%						
	1	-	-	-	-	1
	<b>3,787,537</b>	<b>-</b>	<b>725,087</b>	<b>(387,545)</b>	<b>(559)</b>	<b>4,124,520</b>
	<b>7,081,026</b>	<b>4,134</b>	<b>1,230,111</b>	<b>(387,545)</b>	<b>(559)</b>	<b>7,927,167</b>

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**Mamalilikulla First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

						2022
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Contributions (draws)</i>	<i>Other adjustments (Note 15)</i>	<i>Total investment Restated (Note 15)</i>
<b>First Nation Business Enterprises:</b>						
Mamalilikulla Economic Development Corporation - 100%						
Mamalilikulla Economic Development LP - 100%	346,579	1,310	14,979	-	-	362,868
	1,313,932	7,615	1,609,074	-	-	2,930,621
	<b>1,660,511</b>	<b>8,925</b>	<b>1,624,053</b>	<b>-</b>	<b>-</b>	<b>3,293,489</b>
<b>First Nation Business Partnerships:</b>						
Nanwakolas Carbon Credit LP - 23%						
Nanwakolas Forestry LP - 18%	15,378	-	(2,480)	-	-	12,898
Nanwakolas Offset LP - 26%	99	-	(99)	-	-	-
Nanwakolas Timber LP - 21%	192,439	-	571,915	(484,067)	-	280,287
Nanwakolas Business Corporation - 17%	3,299,686	-	194,664	-	-	3,494,350
Gwabalnis Fisheries Society - 25%	1	-	-	-	-	1
	1,033,548	-	(43,401)	-	(990,146)	1
	<b>4,541,151</b>	<b>-</b>	<b>720,599</b>	<b>(484,067)</b>	<b>(990,146)</b>	<b>3,787,537</b>
	<b>6,201,662</b>	<b>8,925</b>	<b>2,344,652</b>	<b>(484,067)</b>	<b>(990,146)</b>	<b>7,081,026</b>

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 through the Limited Partnerships. 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 enterprises is December 31, 2022. No significant or unusual transactions occurred between December 31, 2022 and March 31, 2023, therefore the December 31, 2022 figures are included without adjustment.

Nanwakolas Carbon Credit Limited Partnership was dissolved during the year.

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:

**Mamalilikulla First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

The below information is unaudited for the following entities:

	<i>Nanwakolas Business Corporation As at March 31, 2023 (Unaudited)</i>	<i>Nanwakolas Offset Limited Partnership As at March 31, 2023 (Unaudited)</i>	<i>Nanwakolas Timber Limited Partnership As at March 31, 2023 (Unaudited)</i>	<i>Mamalilikulla Economic Development Limited Partnership As at December 31, 2022 (Unaudited)</i>
<b>Assets</b>				
Cash	6	3,531,264	7,916,095	-
Accounts receivable	-	88,200	-	-
Inventory	-	48,628	-	-
Due from related parties	-	400	5,271,543	1
Other	-	-	74,400	-
Investment	20	-	5,407,509	3,480,529
<b>Total assets</b>	<b>26</b>	<b>3,668,492</b>	<b>18,669,547</b>	<b>3,480,530</b>
<b>Liabilities</b>				
Accounts payable and accruals	-	2,815	42,999	2,900
Due to related parties	20	1,834,623	978,297	20,812
<b>Total liabilities</b>	<b>20</b>	<b>1,837,438</b>	<b>1,021,296</b>	<b>23,712</b>
<b>Retained earnings</b>	<b>6</b>	<b>1,831,054</b>	<b>17,648,251</b>	<b>3,456,818</b>
<b>Total revenue</b>	<b>-</b>	<b>2,347,678</b>	<b>1,171,290</b>	<b>1,940,955</b>
<b>Total expenses</b>	<b>-</b>	<b>156,613</b>	<b>437,726</b>	<b>3,347</b>
<b>Net income</b>	<b>-</b>	<b>2,191,065</b>	<b>733,564</b>	<b>1,937,608</b>

**Mamalilikulla First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

<i>Mamalilikulla Economic Development Corporation As at December 31, 2022 (Unaudited)</i>	
<b>Assets</b>	
Cash	1
Accounts receivable	-
Inventory	-
Due from related parties	338,087
Other	-
Investment	30,663
<b>Total assets</b>	<b>368,751</b>
<b>Liabilities</b>	
Accounts payable and accruals	2,973
Due to related parties	342,702
<b>Total liabilities</b>	<b>345,675</b>
<b>Retained earnings</b>	<b>23,076</b>
<b>Total revenue</b>	<b>19,376</b>
<b>Total expenses</b>	<b>2,966</b>
<b>Net income</b>	<b>16,410</b>

**7. Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Recognized in the year</i>	<i>Balance, end of year</i>
First Nations Health Authority	125,969	-	-	125,969
Province of British Columbia	120,000	-	77,443	42,557
Environment Funders Canada	112,000	-	58,750	53,250
	<b>357,969</b>	<b>-</b>	<b>136,193</b>	<b>221,776</b>

**8. 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.

	<b>2023</b>	<b>2022</b>
Mamalilikulla Forestry Corporation	778,040	779,820
Mamalilikulla Forestry Limited Partnership	1,302,552	1,305,777
	<b>2,080,592</b>	<b>2,085,597</b>

**Mamalilikulla First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**9. Long-term debt**

	<b>2023</b>	2022
Government of Canada, fully repaid during the year	-	78,331

**10. Contingent liabilities**

As at March 31, 2023, 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.

**11. Contribution to endowment fund**

During the year, the First Nation made an irrevocable contribution to an endowment fund managed by Coast Funds of \$75,000 (2022 - \$35,165). 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, 2023 is \$1,110,165 (2022 - \$1,035,165), which consists of \$610,165 contributed by the First Nation, and \$500,000 contributed by private funders. This fund is not recorded as an asset of the First Nation. 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.

**12. 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 housing of the members of the First Nation.

**13. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2023</b>	2022
		Restated (Note 15)
Equity in Ottawa Trust Funds	87,694	83,276
Equity in operating fund	3,541,383	2,570,347
Equity in tangible capital assets	4,636,786	4,305,852
Investment in First Nation business entities	7,927,167	7,081,026
	<b>16,193,030</b>	14,040,501

**Mamalilikulla First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**14. Budget information**

Budgets were not prepared for all segments and all departments in 2023. 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 Mamalilikulla First Nation on March 23, 2022.

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

**2023**

Budget approved by Chief and Council	<b>11,293,370</b>
Less: equity included in budget	<b>(11,482,752)</b>
Less: internal transfers	<b>(30,000)</b>
<hr/>	<hr/>
Budgeted annual surplus per Statement of Operations and Accumulated Surplus	<b>(219,382)</b>

**15. Prior period adjustment**

During the year, it was determined that the investment in Gwabalis Fisheries Society was no longer qualified to be recorded as a government partnership due to the Society transferring the fishing licenses and quota to Gwabalis Fisheries Limited Partnership. The investment is now recorded in portfolio investments, at cost, as at March 31, 2023.

Since this transfer occurred during the 2022 financial year, the write-down of this investment has been recorded as a prior period adjustment. For the year ended March 31, 2022, the impact of this correction has resulted in a decrease in the following accounts by \$990,146: Investment in First Nation business partnerships, annual surplus and accumulated surplus.

**16. Comparative figures**

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

**Mamalilikulla First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2023*

	<i>Buildings</i>	<i>Automotive equipment</i>	<i>Equipment</i>	<i>Boats</i>	<i>Social Housing</i>	<i>Docks</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	601,958	105,715	53,088	393,520	227,335	442,024	1,823,640
Acquisition of tangible capital assets	-	-	25,504	-	-	-	25,504
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	601,958	105,715	78,592	393,520	227,335	442,024	1,849,144
<b>Accumulated amortization</b>							
Balance, beginning of year	79,247	42,783	37,686	154,614	147,876	45,004	507,210
Annual amortization	26,135	18,880	5,631	35,836	3,973	11,810	102,265
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	105,382	61,663	43,317	190,450	151,849	56,814	609,475
<b>Net book value of tangible capital assets</b>	<b>496,576</b>	<b>44,052</b>	<b>35,275</b>	<b>203,070</b>	<b>75,486</b>	<b>385,210</b>	<b>1,239,669</b>
2022 Net book value of tangible capital assets	522,711	62,932	15,402	238,906	79,459	397,020	1,318,452

**Mamalilikulla First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2023*

	<i>Subtotal</i>	<i>Land</i>	<i>Leasehold improvements</i>	2023	2022
<hr/>					
<b>Cost</b>					
Balance, beginning of year	1,823,640	2,849,422	140,000	4,813,062	4,632,368
Acquisition of tangible capital assets	25,504	-	491,956	517,460	195,694
Disposal of tangible capital assets	-	-	-	-	(15,000)
Balance, end of year	<b>1,849,144</b>	<b>2,849,422</b>	<b>631,956</b>	<b>5,330,522</b>	<b>4,813,062</b>
<hr/>					
<b>Accumulated amortization</b>					
Balance, beginning of year	507,210	-	-	507,210	416,066
Annual amortization	102,265	-	84,261	186,526	104,644
Accumulated amortization on disposals	-	-	-	-	(13,500)
Balance, end of year	<b>609,475</b>	<b>-</b>	<b>84,261</b>	<b>693,736</b>	<b>507,210</b>
<hr/>					
<b>Net book value of tangible capital assets</b>	<b>1,239,669</b>	<b>2,849,422</b>	<b>547,695</b>	<b>4,636,786</b>	<b>4,305,852</b>
<hr/>					
2022 Net book value of tangible capital assets	1,318,452	2,849,422	140,000	4,305,852	

**Mamalilikulla First Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2023*

	<b>2023</b> <i>Budget</i> <i>(Note 14)</i>	<b>2023</b>	2022
<b>Consolidated expenses by object</b>			
Administration	13,873	7,089	20,236
Amortization	-	186,526	104,644
Bank charges and interest	3,625	3,442	2,943
Contracted services	106,499	208,585	343,216
Contribution to endowment fund (Note 11)	-	75,000	35,165
Cultural and community	358,908	375,274	190,446
Distribution to members	160,000	232,592	191,020
Floathouse	12,000	7,048	27,030
Food and crisis security	-	-	131,234
Honouraria	40,834	74,580	63,120
Insurance	10,463	53,278	46,027
Living allowance	114,342	221,934	131,566
Materials and supplies	90,129	104,944	108,065
Meeting expenses	25,050	37,071	20,278
Miscellaneous	400	2,379	3,292
Office expense	69,654	83,810	105,799
Professional fees	179,900	361,705	275,808
Property tax	-	9,450	13,076
Rent	61,439	85,909	13,043
Repairs and maintenance	65,595	203,749	65,796
Salaries and benefits	471,378	365,524	369,185
Surveying and licenses	-	11,169	6,673
Training	228,230	117,742	63,501
Travel	108,800	264,532	135,263
Tuition	108,859	116,122	120,847
Utilities and telephone	15,660	27,968	18,101
	<b>2,245,638</b>	<b>3,237,422</b>	<b>2,605,374</b>

**Mamalilikulla First Nation**  
**Band Government**  
**Schedule 3 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023</b> <b>Budget</b> <b>(Note 14)</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	543,382	2,155,909	1,692,167
Gaming revenue	337,874	794,297	337,874
First Nation Health Authority	84,559	100,848	79,800
Other revenue	73,482	86,134	127,243
Cost recoveries	-	25,703	30,948
	<b>1,039,297</b>	<b>3,162,891</b>	2,268,032
<b>Expenses</b>			
Administration	10,607	1,050	16,384
Bank charges and interest	3,625	3,442	2,943
Contracted services	19,000	13,175	33,034
Contribution to endowment fund	-	75,000	-
Cultural and community	348,608	275,073	188,142
Food and crisis security	-	-	125,134
Honouraria	40,834	63,410	60,260
Insurance	10,463	38,760	34,758
Living allowance	114,342	221,934	128,566
Materials and supplies	34,900	60,467	43,592
Meeting expenses	10,800	1,793	1,698
Miscellaneous	-	-	300
Office expense	63,318	70,270	99,157
Professional fees	179,900	285,581	256,165
Rent	54,239	85,553	12,100
Repairs and maintenance	48,375	145,921	48,799
Salaries and benefits	262,638	247,207	228,014
Training	220,230	115,515	55,427
Travel	49,500	124,963	58,815
Tuition	108,859	116,122	120,847
Utilities and telephone	15,660	27,969	18,101
	<b>1,595,898</b>	<b>1,973,205</b>	1,532,236
<b>Surplus (deficit) before transfers</b>	<b>(556,601)</b>	<b>1,189,686</b>	735,796
<b>Transfers between programs</b>			
Capital Asset Adjustment	-	(13,000)	-
<b>Annual surplus (deficit)</b>	<b>(556,601)</b>	<b>1,176,686</b>	735,796

**Mamalilikulla First Nation**  
**Economic Development**  
**Schedule 4 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget (Note 14)</b>	<b>2023</b>	<b>2022 Restated (Note 15)</b>
<b>Revenue</b>			
Other revenue	307,763	345,692	283,868
Province of British Columbia	161,065	279,110	235,057
Indigenous Services Canada	19,847	20,649	215,122
First Nation Health Authority revenue	-	-	8,700
Earnings from investments in First Nation business enterprises (Note 6)	-	505,024	1,624,053
Earnings from investments in First Nation business partnerships (Note 6)	484,067	725,087	720,599
BC Timber Sales	-	164,000	-
Indigenous Protected and Conserved Areas	-	139,478	-
Interest income	14,217	48,020	30,250
	<b>986,959</b>	<b>2,227,060</b>	3,117,649
<b>Expenses</b>			
Administration	3,266	6,039	3,852
Amortization	-	182,554	100,462
Contracted services	87,499	195,409	310,182
Contribution to endowment fund (Note 11)	-	-	35,165
Cultural and community	10,300	100,201	3,552
Distribution to members	160,000	232,592	191,020
Floathouse	12,000	7,048	27,030
Food and crisis security	-	-	6,100
Honouraria	-	11,170	2,860
Insurance	-	14,518	11,269
Living allowance	-	-	3,000
Materials and supplies	55,229	44,476	64,474
Meeting expenses	14,250	35,279	18,580
Miscellaneous	400	2,379	1,744
Office expense	6,336	13,540	6,641
Professional fees	-	76,124	19,643
Property tax	-	9,450	13,076
Rent	7,200	356	943
Repairs and maintenance	17,220	57,827	16,997
Salaries and benefits	208,740	118,317	141,171
Surveying and licenses	-	11,169	6,673
Training	8,000	2,227	8,074
Travel	59,300	139,569	76,448
	<b>649,740</b>	<b>1,260,244</b>	1,068,956
<b>Surplus before other income</b>	<b>337,219</b>	<b>966,816</b>	2,048,693
<b>Other income</b>			
Gain on disposal of tangible capital assets	-	-	5,500
Change in accounting for First Nation partnership (Note 15)	-	-	(990,146)
	<b>-</b>	<b>-</b>	(984,646)
<b>Transfers between programs</b>			
Capital Asset Adjustment	-	13,000	-
<b>Annual surplus</b>	<b>337,219</b>	<b>979,816</b>	1,064,047

**Mamalilikulla First Nation**  
**Housing**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023</b> <i>Budget</i> <i>(Note 15)</i>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		-	-
<b>Expenses</b>			
Amortization	-	3,973	4,182
<b>Annual deficit</b>	-	(3,973)	(4,182)