

Mamalilikulla First Nation
Consolidated Financial Statements
March 31, 2024

Mamalilikulla First Nation

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For the year ended March 31, 2024

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Independent Auditor's Report

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, 2024, 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, 2024, 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 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.

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- 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.
- Evaluate the overall presentation, structure and content of the consolidated 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.

Nanaimo, British Columbia

July 24, 2024

MNP LLP

Chartered Professional Accountants

Mamalilikulla First Nation
Consolidated Statement of Financial Position

As at March 31, 2024

	2024	2023
Financial assets		
Cash and cash equivalents	1,946,754	2,399,297
Guaranteed investment certificates (Note 4)	3,650,773	3,030,719
Accounts receivable (Note 5)	576,331	199,493
Funds held in trust (Note 6)	91,675	87,694
Advances to related party (Note 7)	106,235	99,941
Investments in First Nation business enterprises (Note 8)	4,433,373	3,802,647
Investments in First Nation business partnerships (Note 8)	4,405,056	4,124,520
Total financial assets	15,210,197	13,744,311
Liabilities		
Accounts payable and accruals	52,220	41,697
Advances from related parties (Note 9)	2,073,915	2,080,592
Deferred revenue (Note 10)	227,635	221,776
Total liabilities	2,353,770	2,344,065
Net financial assets	12,856,427	11,400,246
Contingent liabilities (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	5,109,298	4,636,786
Prepaid expenses	5,998	155,998
Total non-financial assets	5,115,296	4,792,784
Accumulated surplus (Note 14)	17,971,723	16,193,030

Approved on behalf of the Chief and Council

Signed by : John Powell

**Chief
Councillor**

Signed by : Brad Puglas

Councillor

The accompanying notes are an integral part of these financial statements

Mamalilikulla First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2024

	<i>Schedules</i>	2024 Budget (Note 15)	2024	2023
Revenue				
Other revenue		373,260	1,866,804	457,529
Indigenous Services Canada		729,909	987,348	2,176,558
Gaming revenue		593,665	731,700	794,297
Province of British Columbia		69,295	476,471	279,110
First Nation Health Authority		98,809	68,598	100,848
Earnings from investments in First Nation business partnerships		484,067	1,143,974	725,087
Earnings from investments in First Nation business enterprises		91,771	625,886	505,024
Interest income		20,959	189,622	48,020
Indigenous Protected and Conserved Areas		-	147,058	193,478
Contribution of tangible capital asset		-	37,970	110,000
		2,461,735	6,275,431	5,389,951
Expenses				
Band Government	3	1,964,671	2,730,419	1,973,205
Economic Development	4	932,412	1,737,586	1,260,244
Housing	5	-	18,406	3,973
		2,897,083	4,486,411	3,237,422
Surplus (deficit) before other items		(435,348)	1,789,020	2,152,529
Other items				
Loss on disposal of tangible capital assets		-	(10,327)	-
Annual surplus (deficit)		(435,348)	1,778,693	2,152,529
Accumulated surplus, beginning of year		16,193,030	16,193,030	14,040,501
Accumulated surplus, end of year		15,757,682	17,971,723	16,193,030

The accompanying notes are an integral part of these financial statements

Mamalilikulla First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2024

	2024 Budget (Note 15)	2024	2023
Annual surplus (deficit)	(435,348)	1,778,693	2,152,529
Purchases of tangible capital assets	-	(755,653)	(517,460)
Amortization of tangible capital assets	-	264,814	186,526
Loss on sale of tangible capital assets	-	10,327	-
Proceeds of disposal of tangible capital assets	-	8,000	-
Increase in prepaid expenses	-	-	(138,000)
Use of prepaid expenses	-	150,000	-
Increase (decrease) in net financial assets	(435,348)	1,456,181	1,683,595
Net financial assets, beginning of year	11,400,246	11,400,246	9,716,651
Net financial assets, end of year	10,964,898	12,856,427	11,400,246

The accompanying notes are an integral part of these financial statements

Mamalilikulla First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	1,778,693	2,152,529
Non-cash items		
Amortization	264,814	186,526
Loss on disposal of tangible capital assets	10,327	-
Earnings from investments in First Nation business partnerships	(1,143,974)	(725,087)
Earnings from investments in First Nation business enterprises	(625,886)	(505,024)
	283,974	1,108,944
Changes in working capital accounts		
Accounts receivable	(376,838)	(141,022)
Prepaid expenses	150,000	(138,000)
Accounts payable and accruals	10,523	9,146
Deferred revenue	(5,859)	(136,193)
	61,800	702,875
Financing activities		
Repayment of long-term debt	-	(78,331)
Capital activities		
Purchases of tangible capital assets	(755,653)	(517,460)
Proceeds of disposal of tangible capital assets	8,000	-
	(747,653)	(517,460)
Investing activities		
Purchase of guaranteed investment certificates	(3,650,773)	(3,030,719)
Redemption of guaranteed investment certificates	3,030,719	1,019,000
Increase in funds held in trust	(3,981)	(4,418)
Advances to related parties	(6,093)	(16,718)
Distributions from First Nation business partnerships	863,438	387,545
	233,310	(1,645,310)
Decrease in cash and cash equivalents	(452,543)	(1,538,226)
Cash and cash equivalents, beginning of year	2,399,297	3,937,523
Cash and cash equivalents, end of year	1,946,754	2,399,297

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, 2024

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. Change in accounting policy

Revenue

Effective April 1, 2023, the Nation adopted the the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 *Revenue*. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

3. 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 Offset Limited Partnership (26% ownership)
- Nanwakolas Timber Limited Partnership (21% ownership)
- Nanwakolas Business Corporation (17% 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.

3. 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.

	<i>Method</i>	<i>Rate</i>
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 annual surplus (deficit).

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

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, 2024.

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, 2024, 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) *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 13. 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.

3. 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.

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

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, 2024. 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, 2024, the First Nation has not identified any asset retirement obligations, therefore no liability has been recorded.

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. The First Nation has not presented a consolidated statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the consolidated statement of operation. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the consolidated statement of remeasurement gains and losses.

4. Guaranteed investment certificates

	2024	2023
Measured at cost		
GIC 1, matures April 3, 2024, interest at 5.3%	1,055,073	-
GIC 2, matures July 22, 2024, interest at 5.7%	1,043,700	-
GIC 3, matures January 10, 2025, interest at 5.4%	1,052,000	-
GIC 4, matures October 3, 2024, interest at 6.0%	500,000	-
GIC - matured during the year	-	1,030,719
GIC - matured during the year	-	1,000,000
GIC - matured during the year	-	1,000,000
	3,650,773	3,030,719

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

5. Accounts receivable

	2024	2023
'Namgis First Nation	320,797	-
Coast Claims	130,000	-
Province of British Columbia	91,164	133,531
Goods and Services Tax	20,514	1,920
First Nations Health Authority	13,856	10,880
Nanwakolas Council Society	-	27,000
BC Aboriginal Child Care Society	-	15,000
Indigenous Services Canada	-	11,162
	576,331	199,493

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.

	2024	2023
Capital Trust		
Balance, beginning and end of year	30,122	30,122
Revenue Trust		
Balance, beginning of year	57,572	53,154
Interest	3,981	4,418
Balance, end of year	61,553	57,572
	91,675	87,694

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*.

7. Advances to related party

Advances to related parties are unsecured, non-interest bearing and due on demand. This entity is related by virtue of joint control by the First Nation.

	2024	2023
DMT Fisheries Society	106,235	99,941

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

8. Investments in First Nation business enterprises and partnerships

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>2024 Total investment</i>
First Nation Business Enterprises:					
Mamalilikulla Economic Development Corporation - 100%	365,777	1,015	4,529	-	371,321
Mamalilikulla Economic Development LP - 99%	3,436,870	3,825	621,357	-	4,062,052
	3,802,647	4,840	625,886	-	4,433,373
First Nation Business Partnerships:					
Nanwakolas Offset LP - 26%	478,702	-	964,283	(462,784)	980,201
Nanwakolas Timber LP - 21%	3,645,816	-	179,691	(400,654)	3,424,853
Nanwakolas Business Corporation - 17%	1	-	-	-	1
Gwabalais Fisheries Society - 25%	1	-	-	-	1
	4,124,520	-	1,143,974	(863,438)	4,405,056
	7,927,167	4,840	1,769,860	(863,438)	8,838,429

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

8. Investments in First Nation business enterprises and partnerships *(Continued from previous page)*

2023

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Contributions (draws)</i>	<i>Total Investment</i>
First Nation Business Enterprises:					
Mamalilikulla Economic Development Corporation - 100%	362,868	937	1,972	-	365,777
Mamalilikulla Economic Development LP - 99%	2,930,621	3,197	503,052	-	3,436,870
	3,293,489	4,134	505,024	-	3,802,647
First Nation Business Partnerships:					
Nanwakolas Carbon Credit LP - 23%	12,898	(559)	-	(12,339)	-
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
Gwabalis Fisheries Society - 25%	1	-	-	-	1
	3,787,537	(559)	725,087	(387,545)	4,124,520
	7,081,026	3,575	1,230,111	(387,545)	7,927,167

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, 2023. No significant or unusual transactions occurred between December 31, 2023 and March 31, 2024, therefore the December 31, 2023 figures are included without adjustment.

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, 2024

8. Investments in First Nation business enterprises and partnerships *(Continued from previous page)*

The below information is unaudited for the following entities:

	<i>Nanwakolas Business Corporation As at March 31, 2024 (Unaudited)</i>	<i>Nanwakolas Offset Limited Partnership As at March 31, 2024 (Unaudited)</i>	<i>Nanwakolas Timber Limited Partnership As at March 31, 2024 (Unaudited)</i>	<i>Mamalilikulla Economic Development Limited Partnership As at December 31, 2023 (Unaudited)</i>	<i>Mamalilikulla Economic Development Corporation As at December 31, 2023 (Unaudited)</i>
Assets					
Cash	6	2,630,981	6,424,711	-	1
Accounts receivable	-	1,220,719	-	-	-
Inventory	-	38,756	-	-	-
Prepays	-	-	17,630	-	-
Deposits	-	-	74,400	-	-
Due from related parties	-	510	5,092,877	1	338,087
Investments	20	-	5,406,509	4,112,839	36,939
Total assets	26	3,890,966	17,016,127	4,112,840	375,027
Liabilities					
Accounts payable and accruals	-	142,843	42,492	3,751	3,706
Due to related parties	20	4,035	396,524	24,638	343,717
Total liabilities	20	146,878	439,016	28,389	347,423
Retained earnings	6	3,744,088	16,577,111	4,084,451	27,604
Total revenue	-	4,052,444	1,103,257	632,309	6,276
Total expenses	-	369,161	232,997	4,676	1,747
Net income	-	3,683,283	870,260	627,633	4,529

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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.

	2024	2023
Mamalilikulla Forestry Corporation	776,237	778,040
Mamalilikulla Forestry Limited Partnership	1,297,678	1,302,552
	2,073,915	2,080,592

10. 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	42,557	-	22,145	20,412
Environment Funders Canada	53,250	64,514	36,510	81,254
	221,776	64,514	58,655	227,635

11. Contingent liabilities

As at March 31, 2024, 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. 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 (2023 - \$75,000). 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, 2024 is \$1,185,165 (2023 - \$1,110,165), which consists of \$685,165 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.

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

13. 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.

14. Accumulated surplus

Accumulated surplus consists of the following:

	2024	2023
Equity in Ottawa Trust Funds	91,675	87,694
Equity in operating fund	3,932,321	3,541,383
Equity in tangible capital assets	5,109,298	4,636,786
Investment in First Nation business entities	8,838,429	7,927,167
	17,971,723	16,193,030

15. Budget information

The disclosed budget information was approved by the Chief and Council of Mamalilikulla First Nation on January 29, 2023.

Budget annual surplus approved by Chief and Council	12,646,632
Less: accumulated surplus included in budget	(13,081,980)
Budgeted annual deficit per Statement of Operations and Accumulated Surplus	(435,348)

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, 2024

	<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	601,958	105,715	78,592	393,520	227,335	442,024	1,849,144
Acquisition of tangible capital assets	-	-	-	456,966	292,632	-	749,598
Disposal of tangible capital assets	-	-	-	(27,422)	-	-	(27,422)
Balance, end of year	601,958	105,715	78,592	823,064	519,967	442,024	2,571,320
Accumulated amortization							
Balance, beginning of year	105,382	61,663	43,317	190,450	151,849	56,814	609,475
Annual amortization	24,829	13,216	7,055	61,983	18,406	11,723	137,212
Accumulated amortization on disposals	-	-	-	(9,095)	-	-	(9,095)
Balance, end of year	130,211	74,879	50,372	243,338	170,255	68,537	737,592
Net book value of tangible capital assets	471,747	30,836	28,220	579,726	349,712	373,487	1,833,728
2023 Net book value of tangible capital assets	496,576	44,052	35,275	203,070	75,486	385,210	1,241,692

Mamalilikulla First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2024

	<i>Subtotal</i>	<i>Land</i>	<i>Leasehold improvements</i>	<i>2024</i>	<i>2023</i>
Cost					
Balance, beginning of year	1,849,144	2,849,422	631,956	5,330,522	4,813,062
Acquisition of tangible capital assets	749,598	-	6,055	755,653	517,460
Disposal of tangible capital assets	(27,422)	-	-	(27,422)	-
Balance, end of year	2,571,320	2,849,422	638,011	6,058,753	5,330,522
Accumulated amortization					
Balance, beginning of year	609,475	-	84,261	693,736	507,210
Annual amortization	137,212	-	127,602	264,814	186,526
Accumulated amortization on disposals	(9,095)	-	-	(9,095)	-
Balance, end of year	737,592	-	211,863	949,455	693,736
Net book value of tangible capital assets	1,833,728	2,849,422	426,148	5,109,298	4,636,786
2023 Net book value of tangible capital assets	1,241,692	2,849,422	547,695	4,636,786	

Mamalilikulla First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2024

	2024 Budget (Note 15)	2024	2023
Consolidated expenses by object			
Administration	11,307	12,131	7,089
Amortization	-	264,814	186,526
Bank charges and interest	3,625	7,987	3,442
Contracted services	115,000	315,960	208,585
Contribution to endowment fund	-	75,000	75,000
Cultural and community	317,132	350,605	239,660
Distribution to Band Members	237,500	288,700	232,592
Food and crisis security	-	161,875	136,839
Honouraria	55,200	114,277	74,580
Insurance	56,274	56,671	53,278
Living allowance	173,079	204,966	221,934
Materials and supplies	227,263	91,371	104,944
Meeting expenses	23,850	41,867	37,071
Miscellaneous	1,326	-	1,154
Office expense	78,859	98,475	83,809
Professional fees	224,280	873,458	361,705
Property tax	9,463	10,952	9,450
Rent	82,719	122,002	85,909
Repairs and maintenance	95,480	100,596	210,797
Salaries and benefits	556,050	577,853	365,524
Surveying and licenses	-	4,152	11,169
Training	228,830	208,422	117,742
Travel	254,460	418,299	264,532
Tuition	128,634	58,180	116,122
Utilities and telephone	16,752	27,798	27,969
	2,897,083	4,486,411	3,237,422

Mamalilikulla First Nation
Band Government
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2024

	2024 <i>Budget</i> <i>(Note 15)</i>	2024	2023
Revenue			
Other revenue	119,172	1,058,835	111,837
Indigenous Services Canada	708,863	903,136	2,155,909
Gaming revenue	593,665	731,700	794,297
Province of British Columbia	-	145,500	-
First Nation Health Authority	98,809	68,598	100,848
	1,520,509	2,907,769	3,162,891
Expenses			
Administration	10,607	5,000	1,050
Bank charges and interest	3,625	7,991	3,442
Contracted services	25,600	107,447	13,175
Contribution to endowment fund	-	75,000	75,000
Cultural and community	221,132	248,552	138,234
Food and crisis security	-	161,837	136,839
Honouraria	55,200	105,840	63,410
Insurance	50,539	47,772	38,760
Living allowance	173,079	204,966	221,934
Materials and supplies	187,500	30,177	60,467
Meeting expenses	3,600	3,985	1,793
Office expense	71,318	77,547	70,270
Professional fees	224,280	614,912	285,581
Rent	82,719	116,525	85,553
Repairs and maintenance	41,480	59,494	145,921
Salaries and benefits	366,816	368,728	247,207
Training	220,830	208,048	115,515
Travel	80,960	200,620	124,963
Tuition	128,634	58,180	116,122
Utilities and telephone	16,752	27,798	27,969
	1,964,671	2,730,419	1,973,205
Surplus (deficit) before transfers	(444,162)	177,350	1,189,686
Transfers	-	(20,500)	(13,000)
Annual surplus (deficit)	(444,162)	156,850	1,176,686

Mamalilikulla First Nation
Economic Development
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2024

	2024 Budget (Note 15)	2024	2023
Revenue			
Other revenue	254,088	807,969	345,692
Province of British Columbia	69,295	330,971	279,110
Indigenous Services Canada	21,046	84,212	20,649
Earnings from investments in First Nation business partnerships (Note 8)	484,067	1,143,974	725,087
Earnings from investments in First Nation business enterprises (Note 8)	91,771	625,886	505,024
Interest income	20,959	189,622	48,020
Indigenous Protected and Conserved Areas	-	147,058	193,478
BC Timber Sales	-	37,970	110,000
	941,226	3,367,662	2,227,060
Expenses			
Administration	700	7,131	6,039
Amortization	-	246,409	182,554
Contracted services	89,400	208,513	195,409
Cultural and community	96,000	102,053	101,426
Distribution to members	237,500	288,700	232,592
Food and crisis security	-	38	-
Honouraria	-	8,437	11,170
Insurance	5,735	8,899	14,518
Materials and supplies	39,763	61,193	44,476
Meeting expenses	20,250	37,882	35,279
Miscellaneous	1,325	-	1,154
Office expense	7,542	20,925	13,540
Professional fees	-	258,546	76,124
Property tax	9,463	10,952	9,450
Rent	-	5,477	356
Repairs and maintenance	54,000	41,102	64,875
Salaries and benefits	189,234	209,124	118,317
Surveying and licenses	-	4,152	11,169
Training	8,000	374	2,227
Travel	173,500	217,679	139,569
	932,412	1,737,586	1,260,244
Other items			
Loss on disposal of tangible capital assets	-	(10,327)	-
Surplus before transfers	8,814	1,619,749	966,816
Transfers	-	20,500	13,000
Annual surplus	8,814	1,640,249	979,816

Mamalilikulla First Nation
Housing
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2024

	2024 Budget (Note 15)	2024	2023
Expenses			
Amortization	-	18,406	3,973
Annual deficit	-	(18,406)	(3,973)