

Mamalilikulla First Nation
Consolidated Financial Statements
March 31, 2025

Mamalilikulla First Nation

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For the year ended March 31, 2025

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To the Members of Mamalilikulla First Nation:

Opinion

We have audited the consolidated financial statements of Mamalilikulla First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2025, the consolidated statements of operations and accumulated surplus, change in net financial assets, cash flows and 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, 2025, 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.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Nanaimo, British Columbia

July 21, 2025

MNP LLP

Chartered Professional Accountants

Mamalilikulla First Nation
Consolidated Statement of Financial Position
As at March 31, 2025

	2025	2024
Financial assets		
Cash and cash equivalents	4,360,036	1,946,754
Guaranteed investment certificates (Note 3)	4,353,890	3,650,773
Accounts receivable (Note 4)	846,675	576,331
Funds held in trust (Note 5)	95,763	91,675
Advances to related party (Note 6)	81,168	106,235
Investment in First Nation business enterprises (Note 7)	4,574,874	4,433,373
Investments in First Nation partnerships (Note 7)	3,897,813	4,405,056
Total financial assets	18,210,219	15,210,197
Liabilities		
Accounts payable and accruals	74,447	52,220
Advances from related parties (Note 8)	2,069,248	2,073,915
Deferred revenue (Note 9)	352,772	227,635
Total liabilities	2,496,467	2,353,770
Net financial assets	15,713,752	12,856,427
Contingent liabilities (Note 10)		
Non-financial assets		
Tangible capital assets (Schedule 1)	5,372,138	5,109,298
Prepaid expenses	5,998	5,998
Total non-financial assets	5,378,136	5,115,296
Accumulated surplus (Note 13)	21,091,888	17,971,723
Approved on behalf of Chief and Council		

Signed electronically by: John Powell

**Chief
Councillor**

Signed electronically by: Brad Puglas

Councillor

Mamalilikulla First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2025

	<i>Schedules</i>	<i>2025 Budget (Note 14)</i>	<i>2025</i>	<i>2024</i>
Revenue				
Other revenue		365,117	3,406,373	1,866,804
Province of British Columbia		69,295	1,026,759	476,471
First Nation Health Authority		84,559	941,472	68,598
Indigenous Services Canada (Note 15)		702,599	836,306	987,348
Gaming revenue		731,364	594,374	731,700
Earnings from investments in First Nation business partnerships		-	561,674	1,143,974
Interest income		50,899	346,919	189,622
Earnings from investments in First Nation business enterprises		91,771	134,159	625,886
Indigenous Protected and Conserved Areas		-	122,710	147,058
Contribution of tangible capital asset		-	-	37,970
		2,095,604	7,970,746	6,275,431
Expenses				
Band Government	3	2,284,859	2,664,990	2,730,419
Economic Development	4	1,092,672	1,922,615	1,737,586
Housing	5	-	17,486	18,406
Land & Resources	6	-	232,826	-
Culture	7	-	12,664	-
		3,377,531	4,850,581	4,486,411
Surplus (deficit) before other items		(1,281,927)	3,120,165	1,789,020
Other items				
Loss on disposal of tangible capital assets		-	-	(10,327)
Annual surplus (deficit)		(1,281,927)	3,120,165	1,778,693
Accumulated surplus, beginning of year		-	17,971,723	16,193,030
Accumulated surplus, end of year		(1,281,927)	21,091,888	17,971,723

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

Mamalilikulla First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2025

	2025 Budget (Note 14)	2025	2024
Annual surplus (deficit)	(1,281,927)	3,120,165	1,778,693
Purchases of tangible capital assets	-	(595,084)	(755,653)
Amortization of tangible capital assets	-	332,244	264,814
Loss on sale of tangible capital assets	-	-	10,327
Proceeds of disposal of tangible capital assets	-	-	8,000
Use of prepaid expenses	-	-	150,000
Increase (decrease) in net financial assets	(1,281,927)	2,857,325	1,456,181
Net financial assets, beginning of year	12,856,427	12,856,427	11,400,246
Net financial assets, end of year	11,574,500	15,713,752	12,856,427

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

Mamalilikulla First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	3,120,165	1,778,693
Non-cash items		
Amortization	332,244	264,814
Loss on disposal of tangible capital assets	-	10,327
Earnings from investments in First Nation business partnerships	(561,674)	(1,143,974)
Earnings from investments in First Nation business enterprises	(134,159)	(625,886)
	2,756,576	283,974
Changes in working capital accounts		
Accounts receivable	(270,344)	(376,838)
Prepaid expenses	-	150,000
Accounts payable and accruals	22,227	10,523
Deferred revenue	125,137	(5,859)
	2,633,596	61,800
Capital activities		
Purchases of tangible capital assets	(595,084)	(755,653)
Proceeds of disposal of tangible capital assets	-	8,000
	(595,084)	(747,653)
Investing activities		
Purchase of guaranteed investment certificates	(4,353,890)	(3,650,773)
Redemption of guaranteed investment certificates	3,650,773	3,030,719
Distributions from First Nation business partnerships	1,068,917	863,438
Increase in funds held in trust	(4,088)	(3,981)
Advances to related parties	13,058	(6,093)
	374,770	233,310
Increase (decrease) in cash and cash equivalents	2,413,282	(452,543)
Cash and cash equivalents, beginning of year	1,946,754	2,399,297
Cash and cash equivalents, end of year	4,360,036	1,946,754

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

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

1. Operations

The 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 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 consolidated

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 equivalent include 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.

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. Land and artwork are not amortized as they have indefinite useful lives.

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

Tangible capital assets *(Continued from previous page)*

	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 %
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.

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, 2025.

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, 2025, no liability for contaminated sites exists.

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) ***Other revenue***

Revenue from transactions with performance obligations is recognized when the First Nation satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time.

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 12. 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.

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, 2025. 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.

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 has not made such an election during the year.

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 statement of remeasurement gains and losses.

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

3. Guaranteed investment certificates

	2025	2024
Measured at cost		
GIC - matured during the year	-	1,055,073
GIC - matured during the year	-	1,043,700
GIC - matured during the year	-	1,052,000
GIC - matured during the year	-	500,000
GIC 1, matures July 22, 2025 interest at 5.05%	1,103,699	-
GIC 2, matures January 12, 2026 interest at 3.80%	1,108,964	-
GIC 3, matures December 18, 2025 interest at 3.70%	500,000	-
GIC 4, matures October 3, 2025 interest at 4.25%	530,082	-
GIC 5, matures April 6, 2026, interest at 5.45%	1,111,145	-
	4,353,890	3,650,773

4. Accounts receivable

	2025	2024
Province of British Columbia	324,624	91,164
Interfor Corporation	226,569	-
Indigenous Services Canada	138,825	-
First Nations Health Authority	90,259	13,856
Goods and Services Tax	36,398	20,514
Nanwakolas Council Society	30,000	-
'Namgis First Nation	-	320,797
Coast Claims	-	130,000
	846,675	576,331

5. 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.

	2025	2024
Capital Trust		
Balance, beginning and end of year	30,122	30,122
Revenue Trust		
Balance, beginning of year	61,553	57,572
Interest	4,088	3,981
Balance, end of year	65,641	61,553
	95,763	91,675

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, 2025

6. 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.

	2025	2024
DMT Fisheries Society	81,168	106,235

7. 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>2025 Total investment</i>
First Nation Business Enterprises:					
Mamalilikulla Economic Development Corporation - 100%	371,321	3,803	(17)	-	375,107
Mamalilikulla Economic Development LP - 99%	4,062,052	3,539	134,176	-	4,199,767
	4,433,373	7,342	134,159	-	4,574,874
First Nation Business Partnerships:					
Nanwakolas Offset LP - 26%	980,201	-	394,000	(850,047)	524,154
Nanwakolas Timber LP - 21%	3,424,853	-	167,674	(218,870)	3,373,657
Nanwakolas Business Corporation - 17%	1	-	-	-	1
Gwabalish Fisheries Society - 25%	1	-	-	-	1
	4,405,056	-	561,674	(1,068,917)	3,897,813
	8,838,429	7,342	695,833	(1,068,917)	8,472,687

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

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

	<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
Gwabalis 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

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, 2024. No significant or unusual transactions occurred between December 31, 2024 and March 31, 2025, therefore the December 31, 2024 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, 2025

7. 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, 2025</i>	<i>Nanwakolas Offset Limited Partnership As at March 31, 2025</i>	<i>Nanwakolas Timber Limited Partnership As at March 31, 2025</i>	<i>Mamalilikulla Economic Development Limited Partnership As at December 31, 2024</i>
Assets				
Cash	6	1,486,121	6,001,402	-
Accounts receivable	-	177,190	-	-
Inventory	-	125,922	-	-
Investments	20	-	5,406,509	4,251,909
Prepays	-	-	1,426	-
Deposits	-	-	74,400	-
Promissory note receivable	-	222,667	-	-
Due from related parties	-	510	4,887,121	1
Total assets	26	2,012,410	16,370,858	4,251,910
Liabilities				
Accounts payable and accruals	-	7,500	41,649	3,751
Due to related parties	20	4,554	33	28,177
Total liabilities	20	12,054	41,682	31,928
Retained earnings	6	2,000,356	16,329,176	4,219,982
Total revenue	-	1,671,161	1,067,697	139,070
Total expenses	-	166,198	255,632	3,539
Net Income (loss)	-	1,504,963	812,065	135,531

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

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

	<i>Mamalilikulla Economic Development Corporation As at December 31, 2024</i>
Assets	
Cash	1
Accounts receivable	-
Inventory	-
Investments	38,293
Prepays	-
Deposits	-
Promissory note receivable	-
Due from related parties	338,087
Total assets	376,381
Liabilities	
Accounts payable and accruals	1,275
Due to related parties	347,520
Total liabilities	348,795
Retained earnings	27,586
Total revenue	1,355
Total expenses	1,372
Net Income (loss)	(17)

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.

	2025	2024
Mamalilikulla Forestry Limited Partnership	1,294,086	1,297,678
Mamalilikulla Forestry Corporation	775,162	776,237
	2,069,248	2,073,915

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

9. 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>Amortization</i>	<i>Balance, end of year</i>
First Nations Health Authority	125,969	-	-	125,969
Province of British Columbia	20,412	99,470	20,412	99,470
Environment Funders Canada	81,254	-	81,254	-
Indigenous Services Canada	-	127,333	-	127,333
	227,635	226,803	101,666	352,772

10. Contingent liabilities

As at March 31, 2025, 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 \$nil (2024 - \$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, 2025 is \$1,185,165 (2024 - \$1,185,165), 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.

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.

Land & Resources:

Includes revenue and expenses from projects dealing with the land & resources of the First Nation.

Culture:

Includes revenue and expenses from various projects related to culture of the First Nation.

Mamalilikulla First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

13. Accumulated surplus

Accumulated surplus consists of the following:

	2025	2024
Equity in Ottawa Trust Funds	95,763	91,675
Equity in operating fund	7,151,300	3,932,321
Equity in tangible capital assets	5,372,138	5,109,298
Investment in First Nation business entities	8,472,687	8,838,429
	21,091,888	17,971,723

14. Budget information

The disclosed budget information was approved by the Chief and Council of Mamalilikulla First Nation on January 15, 2024.

Budget annual surplus approved by Chief and Council	11,216,640
Less: accumulated surplus included in budget	(12,498,567)
Budgeted annual deficit per Statement of Operations and Accumulated Surplus	(1,281,927)

15. Indigenous Services Canada funding reconciliation

	2025	2024
Revenue per confirmation	963,639	987,348
Funding deferred	(127,333)	-
	836,306	987,348

Mamalilikulla First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2025

	<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	601,956	105,715	78,592	823,066	519,967	442,024	2,571,320
Acquisition of tangible capital assets	81,850	197,438	-	245,522	-	-	524,810
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	683,806	303,153	78,592	1,068,588	519,967	442,024	3,096,130
Accumulated amortization							
Balance, beginning of year	130,211	74,879	50,372	243,338	170,255	68,537	737,592
Annual amortization	25,633	38,867	5,644	105,373	17,486	11,639	204,642
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	155,844	113,746	56,016	348,711	187,741	80,176	942,234
Net book value of tangible capital assets	527,962	189,407	22,576	719,877	332,226	361,848	2,153,896
2024 Net book value of tangible capital assets	471,747	30,836	28,220	579,726	349,712	373,487	1,833,728

Mamalilikulla First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2025

	<i>Subtotal</i>	<i>Land</i>	<i>Leasehold improvements</i>	<i>Artwork</i>	<i>2025</i>	<i>2024</i>
Cost						
Balance, beginning of year	2,571,320	2,849,422	638,011	-	6,058,753	5,330,522
Acquisition of tangible capital assets	524,810	-	-	70,274	595,084	755,653
Disposal of tangible capital assets	-	-	-	-	-	(27,422)
Balance, end of year	3,096,130	2,849,422	638,011	70,274	6,653,837	6,058,753
Accumulated amortization						
Balance, beginning of year	737,592	-	211,863	-	949,455	693,736
Annual amortization	204,642	-	127,602	-	332,244	264,814
Accumulated amortization on disposals	-	-	-	-	-	(9,095)
Balance, end of year	942,234	-	339,465	-	1,281,699	949,455
Net book value of tangible capital assets	2,153,896	2,849,422	298,546	70,274	5,372,138	5,109,298
2024 Net book value of tangible capital assets	1,833,728	2,849,422	426,148	-	5,109,298	

Mamalilikulla First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2025

	2025 Budget (Note 14)	2025	2024
Consolidated expenses by object			
Administration	8,387	39,555	12,131
Amortization	-	332,244	264,814
Bank charges and interest	9,289	5,024	7,987
Contracted services	194,889	387,201	315,960
Contribution to endowment fund	-	-	75,000
Cultural and community	450,675	221,213	350,605
Distribution to Band Members	288,800	277,200	288,700
Food and crisis security	-	154,217	161,875
Honouraria	90,000	115,251	114,277
Insurance	57,761	85,211	56,671
Living allowance	173,079	199,524	204,966
Materials and supplies	93,440	166,068	91,371
Meeting expenses	48,632	16,620	41,867
Miscellaneous	925	-	-
Office expense	85,228	77,668	98,475
Professional fees	335,285	788,559	873,458
Insurance proceeds transfer	-	130,000	-
Property tax	11,663	11,752	10,952
Rent	87,019	99,791	122,002
Repairs and maintenance	91,500	197,611	100,596
Salaries and benefits	566,380	726,866	577,853
Surveying and licenses	-	16,382	4,152
Training	328,515	298,532	208,422
Travel	307,030	385,989	418,299
Tuition	128,634	81,223	58,180
Utilities and telephone	20,400	36,880	27,798
	3,377,531	4,850,581	4,486,411

Mamalilikulla First Nation
Band Government
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2025

	2025 Budget (Note 14)	2025	2024
Revenue			
First Nation Health Authority revenue	84,559	941,472	68,598
Indigenous Services Canada	682,149	813,795	903,136
Gaming revenue	731,364	594,374	731,700
Other revenue	96,932	546,612	1,058,835
Province of British Columbia	-	464	145,500
	1,595,004	2,896,717	2,907,769
Expenses			
Administration	7,687	2,377	5,000
Bank charges and interest	9,289	5,024	7,991
Contracted services	68,600	166,416	107,447
Contribution to endowment fund	-	-	75,000
Cultural and community	337,732	171,698	248,552
Food and crisis security	-	123,584	161,837
Honouraria	90,000	97,338	105,840
Insurance	51,315	45,879	47,772
Living allowance	173,079	199,524	204,966
Materials and supplies	34,600	25,069	30,177
Meeting expenses	4,200	4,969	3,985
Office expense	66,478	59,531	77,547
Professional fees	335,285	641,074	614,912
Rent	81,519	91,716	116,525
Repairs and maintenance	35,500	9,035	59,494
Salaries and benefits	366,546	409,235	368,728
Training	326,515	298,532	208,048
Travel	147,480	197,886	200,620
Tuition	128,634	81,223	58,180
Utilities and telephone	20,400	34,880	27,798
	2,284,859	2,664,990	2,730,419
Surplus (deficit) before transfers	(689,855)	231,727	177,350
Transfers between programs	-	(107,276)	(20,500)
Annual surplus (deficit)	(689,855)	124,451	156,850

Mamalilikulla First Nation
Economic Development
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2025

	<i>2025 Budget (Note 14)</i>	<i>2025</i>	<i>2024</i>
Revenue			
Other revenue	268,185	2,363,811	807,969
Province of British Columbia	69,295	1,026,295	330,971
Indigenous Services Canada	20,450	22,511	84,212
Earnings from investment in Nation partnerships	-	561,674	1,143,974
Interest income	50,899	346,919	189,622
Earnings from investment in Nation business entities	91,771	134,159	625,886
Indigenous Protected and Conserved Areas	-	88,710	147,058
BC Timber Sales	-	-	37,970
	500,600	4,544,079	3,367,662
Expenses			
Administration	700	12,678	7,131
Amortization	-	314,759	246,409
Contracted services	126,289	213,785	208,513
Cultural and community	112,943	49,515	102,053
Distribution to Band Members	288,800	277,200	288,700
Food and crisis security	-	30,633	38
Honouraria	-	13,913	8,437
Insurance	6,446	39,332	8,899
Insurance proceeds transfer	-	130,000	-
Materials and supplies	58,840	121,783	61,193
Meeting expenses	44,432	11,651	37,882
Miscellaneous	925	-	-
Office expense	18,750	17,168	20,925
Professional fees	-	103,055	258,546
Property tax	11,663	11,752	10,952
Rent	5,500	8,075	5,477
Repairs and maintenance	56,000	169,076	41,102
Salaries and benefits	199,834	206,431	209,124
Surveying and licenses	-	16,382	4,152
Training	2,000	-	374
Travel	159,550	173,427	217,679
Utilities and telephone	-	2,000	-
	1,092,672	1,922,615	1,737,586
Surplus (deficit) before other items	(592,072)	2,621,464	1,630,076
Other items			
Loss on disposal of capital assets	-	-	(10,327)
Surplus (deficit) before transfers	(592,072)	2,621,464	1,619,749
Transfers between programs	-	107,276	20,500
Annual surplus (deficit)	(592,072)	2,728,740	1,640,249

Mamalilikulla First Nation
Housing
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2025

	<i>2025 Budget (Note 14)</i>	<i>2025</i>	<i>2024</i>
Expenses			
Amortization	-	17,486	18,406
Annual deficit	-	(17,486)	(18,406)

Mamalilikulla First Nation
Land & Resources
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2025

	2025 Budget (Note 14)	2025	2024
Revenue			
Other revenue	-	449,500	-
Indigenous Protected and Conserved Areas	-	34,000	-
	-	483,500	-
Expenses			
Administration	-	24,500	-
Contracted services	-	7,000	-
Honouraria	-	4,000	-
Materials and supplies	-	7,180	-
Office expense	-	969	-
Professional fees	-	44,429	-
Repairs and maintenance	-	19,500	-
Salaries and benefits	-	111,200	-
Travel	-	14,048	-
	-	232,826	-
Annual surplus	-	250,674	-

Mamalilikulla First Nation
Culture
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2025

	<i>2025 Budget (Note 14)</i>	<i>2025</i>	<i>2024</i>
Revenue			
Other revenue	-	46,450	-
Expenses			
Materials and supplies	-	12,036	-
Travel	-	628	-
	-	12,664	-
Annual surplus	-	33,786	-