

Xatśūll First Nation

**CONSOLIDATED FINANCIAL
STATEMENTS**

For the year ended March 31, 2024

Xat'süll First Nation

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2024

CONTENTS

	<u>Page</u>
MANAGEMENT RESPONSIBILITY STATEMENT	
INDEPENDENT AUDITOR'S REPORT	1 - 2
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	3
CHANGES IN NET FINANCIAL ASSETS	4
CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS	5
CONSOLIDATED STATEMENT OF CASH FLOWS	6
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	7 - 18
CONSOLIDATED SCHEDULE OF REVENUES	19
CONSOLIDATED SCHEDULE OF EXPENSES	20



MANAGEMENT RESPONSIBILITY STATEMENT

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

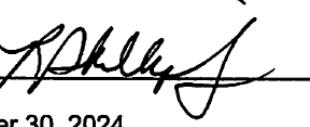
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Xatsüll First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Nation's assets are appropriately accounted for and adequately safeguarded.

The Chief and Council are responsible for ensuring the integrity of the Nation's accounting and reporting systems and that appropriate internal controls are in place, including those for monitoring risk, financial reporting and compliance with the laws and that management fulfills its responsibilities for financial reporting. The Chief and Council are ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council review Xatsüll First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the independent auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and independent auditor's report. The Chief and Council also consider the engagement of the independent auditor.

The Xatsüll First Nation consolidated financial statements have been audited by FBB Chartered Professional Accountants LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. FBB Chartered Professional Accountants LLP has full access to Chief and Council.


Chief
October 30, 2024


Councillor



223 Reid Street, Quesnel, BC, V2J 2M1
Telephone: 778-414-5678 FAX: 778-414-5679

INDEPENDENT AUDITOR'S REPORT

To the Chief and Council of

Xats'ull First Nation

Opinion

We have audited the consolidated financial statements of Xats'ull First Nation, which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and changes in net assets and cash flows 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 Nation as at March 31, 2024, and its consolidated results of 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 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 Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Nation or to cease operations, or has no realistic alternative but to do so.

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



INDEPENDENT AUDITOR'S REPORT, continued

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 Nation's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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.

*FBB Chartered Professional
Accountants LLP*

Xat̄sūll First Nation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Cash (note 3)	\$ 21,320,847	\$ 17,683,450
Investments (note 7)	4,670,750	4,048,206
Accounts receivable (note 5)	4,572,266	1,716,861
Trust funds held by Canada (note 6)	748,487	722,874
Restricted cash (note 4)	329,065	313,941
	<u>31,641,415</u>	<u>24,485,332</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (note 9)	1,471,145	958,774
Deferred revenue (note 10)	-	12,522
Due to related party (note 11)	152,951	135,400
	<u>1,624,096</u>	<u>1,106,696</u>
Net financial assets	<u>30,017,319</u>	<u>23,378,636</u>
NON-FINANCIAL ASSETS		
Prepaid expenses (and deposits)	164,731	95,676
Ranch inventory	984,481	1,170,970
Tangible capital assets (note 8)	13,633,411	11,759,745
	<u>14,782,623</u>	<u>13,026,391</u>
	<u>\$ 44,799,942</u>	<u>\$ 36,405,027</u>
Replacement reserve (note 12)	\$ 360,583	\$ 360,583
Contributed surplus (note 13)	271,381	271,381
Accumulated surplus (note 14)	44,167,978	35,773,063
ACCUMULATED SURPLUS	<u>\$ 44,799,942</u>	<u>\$ 36,405,027</u>

On behalf of the Chief and Council



Chief



Councillor

See accompanying notes

Xat̄sūll First Nation

CONSOLIDATED CHANGES IN NET FINANCIAL ASSETS

As at March 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
Excess of revenues over expenses	\$ 2,771,123	\$ 8,394,915	\$ 3,156,471
Acquisition of prepaid expenses (and deposits)	-	(69,055)	16,973
Change in ranch inventory	-	186,489	(182,270)
Acquisition of tangible capital assets	-	(2,424,576)	(1,577,634)
Amortization	-	550,910	475,262
	-	(1,873,666)	(1,102,372)
Other	-	-	(1)
Increase in net financial assets	2,771,123	6,638,683	1,888,801
Net financial assets, beginning of year	23,378,636	23,378,636	21,489,835
Net financial assets, end of year	\$ 26,149,759	\$ 30,017,319	\$ 23,378,636

See accompanying notes

Xat̄sūll First Nation

CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended March 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
REVENUES, Schedule 1	\$ 12,796,161	\$ 17,371,053	\$ 10,224,917
EXPENSES, Schedule 2	<u>10,025,038</u>	<u>11,624,540</u>	<u>8,979,937</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>2,771,123</u>	<u>5,746,513</u>	<u>1,244,980</u>
OTHER INCOME			
Equity income in investments	-	622,544	935,527
Tangible capital asset acquisitions	<u>-</u>	<u>2,025,858</u>	<u>975,964</u>
	<u>-</u>	<u>2,648,402</u>	<u>1,911,491</u>
EXCESS OF REVENUES OVER EXPENSES	2,771,123	8,394,915	3,156,471
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>-</u>	<u>35,773,063</u>	<u>32,616,592</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ -</u>	<u>\$ 44,167,978</u>	<u>\$ 35,773,063</u>

See accompanying notes

Xat̄sūl First Nation
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 8,394,915	\$ 3,156,471
Item not affecting cash		
Amortization	<u>550,910</u>	<u>475,262</u>
	8,945,825	3,631,733
Change in non-cash working capital items		
Investments	(622,544)	1,043,061
Accounts receivable	(2,855,405)	(192,525)
Trust funds held by Canada	(25,613)	(22,630)
Accounts payable and accrued liabilities	512,369	346,853
Deferred revenue	(12,522)	672
Prepaid expenses	(69,055)	16,973
Ranch inventory	<u>186,489</u>	<u>(182,270)</u>
	6,059,544	4,641,867
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,424,574)	(1,577,634)
FINANCING ACTIVITY		
Advances to related party	<u>17,551</u>	<u>49,567</u>
INCREASE IN CASH		
CASH, BEGINNING OF YEAR	<u>17,997,391</u>	<u>14,883,591</u>
CASH, END OF YEAR	<u>\$ 21,649,912</u>	<u>\$ 17,997,391</u>
CASH CONSISTS OF:		
Cash	\$ 21,320,847	\$ 17,683,450
Restricted cash	<u>329,065</u>	<u>313,941</u>
	<u>\$ 21,649,912</u>	<u>\$ 17,997,391</u>

See accompanying notes

Xat̄sūll First Nation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

1. Nature of operations

Xat̄sūll First Nation (the "Nation") is a First Nation, formerly known as the Soda Creek Indian Band providing various municipal services to community members such as administration, capital improvements, education, health and well-being, housing, natural resource management, infrastructure, social development, archaeology, and treaty negotiation.

2. Accounting policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards as required by the *Reporting Guide to Financial Reporting* as issued by Indigenous Services Canada ("ISC"). The significant accounting policies are detailed as follows:

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

(b) Inventory

Inventory of ranch supplies is recorded at the lower of cost and net realizable value on the first-in first-out method. Biological assets, such as livestock ranch inventory are recorded at fair value less estimated costs to sell at the point of sale in accordance with IAS41 (International Accounting Standards), since Public Sector Accounting Standards does not address the treatment of biological assets.

(c) Tangible capital assets

Tangible capital assets are non-financial assets having physical substance that:

- Are held for use in the production or supply of good and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- Have useful economic lives extending beyond an accounting period;
- Are to be used on a continuing basis; and
- Are not for sale in the ordinary course of operations.

Tangible capital assets are recorded at cost. Tangible capital assets contributed are recorded at fair market value. The Nation provides for amortization using the declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	2-4%
Vehicles	20%
Office equipment	20%
Machinery and equipment	20%
Signs	10%

Xat̄sūl First Nation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

2. Accounting policies, continued

(c) Tangible capital assets, continued

Assets under construction are not amortized as they are not available for use.

Housing tangible capital assets acquired under Canada Mortgage and Housing Corporation sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in the related long-term debt as required by Canada Mortgage and Housing Corporation's reporting requirements.

(d) Investments

The Nation accounts for its investments in Nation owned enterprises using the equity method. Under this method, the investment is initially recorded at cost and then increased or decreased to recognize subsequent earnings or losses. The investment is also increased or decreased to reflect advances to or repayments from the limited partnerships.

Ottawa Trust Fund operating account revenues are recorded on the accrual basis and include all interest and distributions on the Ottawa Trust accounts.

(e) Liability for contaminated sites

The Nation recognizes a liability for contaminated sites when as at the reporting date:

- a) An environmental standard exists;
- b) Contamination exceeds the environmental standard;
- c) the government is directly responsible or accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

The Nation has reviewed the implications of the section and has concluded that it is not exposed to any contaminated sites it would be responsible for remediating. It has therefore not recorded any liability for remediation of contaminated sites.

(f) Revenue recognition

Revenue is recognized as it becomes receivable and collection is reasonably assured under the terms of applicable funding agreements. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Consolidated Statement of Financial Position.

Expenses are accounted for in the period the goods and services are acquired and a liability is incurred, or transfers are due.

Rental revenue is recognized when a tenant commences occupancy and rent is due. The Nation retains all benefits of risk of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

Xat̄sūl First Nation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

2. Accounting policies, continued

(g) Surplus recoveries and deficit funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

(h) Use of estimates

The preparation of 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are the useful lives of assets and rates for depreciation and amortization.

(i) Basis of presentation

a. The focus of PSAB statements is on the consolidated financial position of the Nation and the changes thereto. The Consolidated Statement of Financial Position includes all the assets and liabilities of the Nation. Financial assets are economic resources controlled by the Nation as a result of past transactions from which future economic benefits may be obtained. Liabilities are present obligations of the Nation to others arising from past transactions, the settlement of which is expected to result in the future sacrifice of economic benefits.

b. The Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions.

The various funds have been consolidated for the purpose of presentation in the consolidated financial statements. Details of the operation of each fund are set out in the supplementary schedules.

The Nation maintains the following funds:

- The Operations Fund which reports the general activities of the Nation.
- The Capital Fund which reports the capital projects of the Nation together with their related financing, other than those tangible capital assets funded by CMHC and the Enterprise Fund.
- The Enterprise Fund which reports the Nation's investment in Nation owned enterprises.
- The Trust Fund which reports on the trust funds owned by the Nation and held by third parties.
- The CMHC Social Housing Fund which reports assets, liabilities, revenues, expenses and reserves specifically related to housing funded by CMHC.
- The Treaty Self-Government Fund which reports on activities related to treaty negotiations.

Xat̄sūl First Nation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

2. Accounting policies, continued

Basis of presentation, continued

c. Reporting entity and principles of financial reporting: The Nation reporting entity includes the Nation and all related entities which are accountable to the Chief and Council and are either owned or controlled by the Nation.

The consolidated financial statements include the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Nation government administration (Operating and Capital funds)
- Nation Enterprise Fund
- Nation Trust Fund (comprising the Ottawa Trust Funds)
- Nation CMHC Social Housing Fund
- Treaty Self-Government Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each fund, transactions amongst funds have not been eliminated on the individual schedules.

3. Cash

	<u>2024</u>	<u>2023</u>
Operations	\$ 3,628,735	\$ 9,029,593
CMHC housing program	140,482	111,770
Treaty self government program	422,328	185,316
Savings	<u>17,129,302</u>	<u>8,356,771</u>
	<u><u>\$ 21,320,847</u></u>	<u><u>\$ 17,683,450</u></u>

4. Restricted cash

	<u>2024</u>	<u>2023</u>
Replacement reserve	<u><u>\$ 329,065</u></u>	<u><u>\$ 313,941</u></u>

The previous replacement reserve under CMHC is no longer a requirement, so the Nation now internally restricts these funds for future repairs or capital expenditures for Nation housing.

Xat̄sūl First Nation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

5. Accounts receivable

	2024	2023
All other	\$ 287,451	\$ 170,219
ISC	4,512	348,529
Province of British Columbia	2,763,167	9,650
Osisko Developments	58,882	-
Three Corners Health Services Society	431,248	166,949
Enbridge	3,210	3,210
Ministry of Transportation and Infrastructure	23,328	-
Northern Shuswap Treaty Society	217,007	108,504
Northern Shuswap Tribal Council	250,000	-
Barkerville Gold Mines Ltd.	-	234,275
Westcoast Transmission	123,929	123,929
GST recoverable	95,052	39,190
Housing program	209,102	233,121
Tolko	-	95,000
Insurance claim	-	40,312
Celtic and Eldorado Construction	15,420	15,420
FNESC	-	2,010
Bank of Montreal funding in transit	-	152,965
Nenqayni Welless Centre Society	(7,569)	(9,900)
Terra Archaeology	9,555	9,555
Wildwoods Lumber	5,826	5,826
Xatsull T'micw Resources LLP	<u>181,201</u>	<u>67,152</u>
Less: Allowance for doubtful accounts	<u>4,671,321</u> <u>99,055</u>	<u>1,815,916</u> <u>99,055</u>
	<u><u>\$ 4,572,266</u></u>	<u><u>\$ 1,716,861</u></u>

6. Trust funds held by Canada

	2024	2023
Revenue account	\$ 92,927	\$ 67,314
Capital account	<u>655,560</u>	<u>655,560</u>
	<u><u>\$ 748,487</u></u>	<u><u>\$ 722,874</u></u>

The Ottawa Trust Accounts arise from monies 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 governed by Sections 63 and 69 of the *Indian Act*.

Xat'sull First Nation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

7. Investments

	2024	2023
Xat'sull Limited Partnership equity interest	\$ 2,990,158	\$ 2,417,891
Likely Xat'sull Community Forest Ltd. equity interest	1,599,206	1,575,872
Xat'sull T'micw Resources LLP	81,384	54,441
Investment in Xat'sull Logging Ltd	1	1
Investment in Xat'sull Development Ltd.	1	1
	<hr/> <u>\$ 4,670,750</u>	<hr/> <u>\$ 4,048,206</u>
	2024	2023
Xat'Sull Limited Partnership interest - beginning of year	\$ 2,417,891	\$ 3,515,085
Share in net revenues of partnership	572,267	881,393
Distributions (by) to Limited Partnership	-	(1,978,587)
Xat'Sull Limited Partnership interest - end of year	<hr/> <u>\$ 2,990,158</u>	<hr/> <u>\$ 2,417,891</u>

The Nation holds a 99.99% interest in the Xat'Sull Limited Partnership (the "Partnership") and a 100% interest in the general partner. For the year ended March 31, 2024, the Partnership reported revenues of \$1,754,861, expenses of \$1,182,593, current assets of \$2,950,778, capital assets of \$58,607 and current liabilities of \$19,226 (including the amount as disclosed in Note 12).

The Nation has a limited liability partnership agreement with Terra Archaeology Limited operating as Xatsull T'micw Resources LLP with the Nation holding a 51% interest. For the period from April 1, 2023 to March 31, 2024, the 51% interest in net income was \$26,943 along with an capital carried forward of \$54,441 for a total investment of \$81,384.

The Nation also holds a 50% interest in the Likely Xat'Sull Community Forest along with the community of Likely, B.C. The Nation records its investment in the Community Forest using the modified equity method whereby it records its share of the net earnings or loss from the Community Forest. The year end of the Community Forest is August 31 which does not coincide with the year end of the Nation. The Nation has reported its 50% share of the net income in equity from the Community Forest in the amount of \$23,334 from the August 31, 2023 internal financial statements and the net income in equity from September 1, 2023 to March 31, 2024 in the Nation's year ended March 31, 2024.

Xat̄sūll First Nation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

8. Tangible capital assets

			2024		2023	
	Cost	Accumulated amortization		Net		Net
Land	\$ 1,095,535	\$ -	\$ 1,095,535	\$ 687,995		
Buildings	18,523,800	6,945,318	11,578,482	10,021,603		
Vehicles	1,081,817	597,229	484,588	492,633		
Office equipment	281,448	238,858	42,590	47,393		
Machinery and equipment	857,676	435,344	422,332	499,139		
Signs	11,074	1,190	9,884	10,982		
	<u>\$ 21,851,350</u>	<u>\$ 8,217,939</u>	<u>\$ 13,633,411</u>	<u>\$ 11,759,745</u>		
Buildings consists of:						
Community building	\$ 4,199,029	\$ 609,560	\$ 3,589,469	\$ 3,655,624		
Soda Creek Emporium	108,921	84,340	24,581	25,605		
Campsite building	364,754	43,037	321,717	327,697		
CMHC Buildings	1,689,637	1,573,852	115,785	115,785		
Community infrastructure	10,116,190	3,595,069	6,521,121	4,849,174		
Xat'sull Heritage Village buildings	147,542	89,813	57,729	60,135		
Health Centre Building	1,897,727	949,647	948,080	987,583		
	<u>\$ 18,523,800</u>	<u>\$ 6,945,318</u>	<u>\$ 11,578,482</u>	<u>\$ 10,021,603</u>		

The Nation made the following purchases during the year ended March 31, 2023:

Xat̄sūll First Nation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

8. Tangible capital assets, continued

	<u>2024</u>
1575 Soda Creek Townsite Road property	\$ 407,540
Concrete pad for gazebo	7,100
Heating infrastructure	37,408
Electrical upgrades	2,986
Campsites House - pellet stove	7,501
Cemetery fencing	57,330
Playground	67,970
Housing - major renovations	316,365
Tri-plex in progress	508,298
Water infrastructure in progress	127,390
4plex in progress	666,798
Housing - furnaces	29,836
Retaining wall	35,740
Housing - well pump	13,800
2023 Promaster Wheelchair Van	106,449
Toshiba Copier	5,500
Mulcher	<u>26,563</u>
	<u><u>\$ 2,424,574</u></u>

9. Accounts payable and accrued liabilities

	<u>2024</u>	<u>2023</u>
Trade payables	\$ 1,163,638	\$ 578,643
Accrued payroll and source deductions	146,975	175,750
Other accrued liabilities	27,000	17,000
Vacation and banked time	133,532	117,881
ISC recovery payable	<u>-</u>	<u>69,500</u>
	<u><u>\$ 1,471,145</u></u>	<u><u>\$ 958,774</u></u>

10. Deferred revenue

	<u>2024</u>	<u>2023</u>
First Nation Education Steering Committee	<u>\$ -</u>	<u>\$ 12,522</u>

Xat'sull First Nation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

11. Due to related parties

(a) During the year, the Nation entered into transactions with Xat'sull Limited Partnership and Xatsull T'micw Resources LLP, partnerships in which the Nation holds a 99.99% limited partnership interest and 51% limited partnership interest, respectively. The Nation also owns 100% of the shares of the general partner of Xat'sull Limited Partnership LP. The transactions are recorded at the exchange amount, which is the amount established and agreed to by the related parties.

(b) Advances from related parties

	2024	2023
Due to Xat'Sull Limited Partnership	\$ 130,300	\$ 130,300
Due to Xatsull T'micw Resources LLP	<u>22,651</u>	<u>5,100</u>
	<u>\$ 152,951</u>	<u>\$ 135,400</u>

The balances due to related parties are unsecured, non-interest bearing with no specific terms of repayment.

12. Replacement reserve

The replacement reserve represents funds set aside by the Nation to fund future anticipated costs. The reserve fund balance consists of the following amounts:

	2024	2023
CMHC replacement reserve, beginning of year	<u>\$ 360,583</u>	<u>\$ 360,583</u>
	<u>\$ 360,583</u>	<u>\$ 360,583</u>

The Nation is no longer required to hold a replacement reserve as the funding arrangement and stipulations of the CMHC have been met. The Nation's replacement reserve is internally restricted for major repairs or capital purchases of the Nation's housing department.

Xat̄sūl First Nation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

13. Contributed surplus

	<u>2024</u>	<u>2023</u>
Nation land contribution to social housing program	<u>\$ 271,381</u>	<u>\$ 271,381</u>

14. Accumulated surplus

	<u>2024</u>	<u>2023</u>
Operating and capital project funds	\$ 38,740,405	\$ 31,001,933
CMHC Social Housing Fund	(75,485)	(75,485)
Investment in Nation Business Enterprises	4,670,750	4,048,207
Ottawa Trust Funds	748,487	722,874
Treaty Self-Government Program	83,821	75,534
Replacement reserve	360,583	360,583
Contributed surplus	<u>271,381</u>	<u>271,381</u>
	<u>\$ 44,799,942</u>	<u>\$ 36,405,027</u>

15. Supplemental statement of cash flows information

Non-cash capital activities:

Building transferred from Xatsull Limited Partnership	<u>\$ -</u>	<u>\$ 49,077</u>
---	-------------	------------------

16. Financial instruments

The Nation's financial instruments consist of cash, cash restricted as to use, accounts receivable, trust funds held by Canada, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The Nation is exposed to financial risk that arises from the credit quality of the entities to which it provides services. Credit risk arises from the possibility that the entities to which the Nation provides services may experience financial difficulty and be unable to fulfill their obligations. The Nation is exposed to interest rate risk arising from fluctuations in interest rates on its cash and investments and does not hold any financial instruments that mitigate this risk.

Xat̄sūl First Nation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

17. Reconciliation of ISC Comprehensive Funding Arrangement Revenue

Pursuant to the Indigenous and Northern Affairs Canada Reporting Guide's Financial Reporting Requirements, the following reconciliation has been prepared:

	<u>2024</u>
ISC - Operating revenue	<u>\$ 4,017,389</u>
ISC 2023/2024 Funding Confirmation Report	<u>\$ 4,017,389</u>

18. Band registered pension plan

The Nation provides a defined contribution pension plan to qualifying employees. Under the plan, the defined members' contributions, the Nation contributions, and the related plan earnings comprise the members' money purchase amount. The plan is registered with the Canada Revenue Agency. The Nation matched its employees' contributions during the year as follows:

	<u>2024</u>	<u>2023</u>
Employer contributions	<u>\$ 49,978</u>	<u>\$ 49,816</u>

Xat̄sūl First Nation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

19. Expenses by object

	2024	2023
Salaries, wages and benefits	\$ 2,607,730	\$ 2,451,341
Materials and supplies	620,164	185,290
Contracted services	5,183,559	3,096,862
Rent, maintenance and utilities	720,805	785,440
Honoraria	206,967	139,894
Insurance	225,472	173,648
Tuition and education related	630,929	600,242
Interest	75,325	35,083
Amortization	550,910	475,262
Travel	98,799	162,549
Social assistance	424,684	502,452
Member disbursements	-	161,600
Legal fees	-	210,272
Bad debts	279,196	-
	<hr/>	<hr/>
	\$ 11,624,540	\$ 8,979,935

20. Economic dependence

The Nation receives a significant portion of its revenues pursuant to funding arrangements with Indigenous Services Canada. The Nation's ability to continue operations would be severely hampered should this funding be discontinued.

21. Comparative figures

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year revenue, expenses or accumulated surplus.

Xat̄sūll First Nation

CONSOLIDATED SCHEDULE OF REVENUES For the year ended March 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
ISC - Operating	\$ 4,085,023	\$ 4,017,389	\$ 3,418,752
Northern Shuswap Treaty Society	-	434,014	434,014
Three Corners Health Society	5,937	431,248	336,972
First Nations Health Authority	219,929	222,850	80,216
CCATEC	67,241	67,241	56,263
CMHC	75,000	75,000	1,027
Northern Shuswap Tribal Council	131,991	381,991	24,514
Canada Summer Jobs	-	73,640	-
Interest income	183,771	1,007,397	420,432
National Energy	370,434	370,434	525,000
Province of British Columbia	4,522,040	7,315,207	2,967,876
Rentals	147,361	148,547	124,420
Taxation	147,466	147,466	138,133
Administration and management fees	43,855	-	-
Knucwentwecw Society	-	-	280,000
Tolko Industries Ltd.	45,000	45,000	150,250
FNESC	73,640	12,522	62,538
Enbridge	80,000	80,000	50,000
New Relationship Trust	260,000	260,000	-
Archaeology projects	319,713	315,583	142,624
Gibraltar Mines	97,500	97,500	130,000
Barkerville Gold Mines	46,129	46,129	30,077
All other sources	1,038,934	986,698	369,055
Livestock sales	835,197	835,197	482,754
	<u>\$ 12,796,161</u>	<u>\$ 17,371,053</u>	<u>\$ 10,224,917</u>

Xat'süll First Nation

CONSOLIDATED SCHEDULE OF EXPENSES
For the year ended March 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
Administration	\$ 2,834,122	\$ 3,288,469	\$ 2,895,068
Amortization	-	550,910	475,262
Capital improvement projects	156,804	402,410	364,756
Education	934,678	843,065	862,071
Health and well-being	355,719	358,253	608,291
Housing	775,184	2,203,299	329,030
Natural resources	1,109,831	1,346,907	818,420
Infrastructure	1,012,255	1,079,433	819,933
Social development	444,438	498,350	589,799
Archaeology projects	240,010	190,598	117,709
Treaty	1,669,921	378,631	410,183
Chief and Council	142,839	146,894	298,340
Carpenter Mountain Ranch	172,043	186,075	266,909
Information Technology	177,194	151,246	124,166
	\$ 10,025,038	\$ 11,624,540	\$ 8,979,937