

WILLIAMS LAKE FIRST NATION

**CONSOLIDATED FINANCIAL
STATEMENTS**

For the year ended March 31, 2024

**WILLIAMS LAKE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024**

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MANAGEMENT RESPONSIBILITY STATEMENT

The accompanying consolidated financial statements of Williams Lake 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 judgments. 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.

Williams Lake 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 Williams Lake 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 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 the Chief and Council.



Chief



Chair, Finance and Audit Committee



Chief Financial Officer

July 22, 2024



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

INDEPENDENT AUDITOR'S REPORT

To the Members of

Williams Lake First Nation

Opinion

We have audited the consolidated financial statements of Williams Lake First Nation, which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and statement of changes in net financial 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 management 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 management 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 management'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 management'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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the 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.

*FBB Chartered Professional
Accountants LLP*

Quesnel, BC
September 5, 2024

**FBB CHARTERED
PROFESSIONAL
ACCOUNTANTS LLP**

WILLIAMS LAKE FIRST NATION**CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

March 31, 2024

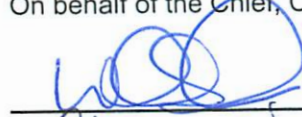


	2024 Budget (unaudited)	2024 Actual	2023 Actual
REVENUES, Schedule 1	\$ 20,285,851	\$ 29,954,482	\$ 33,086,386
EXPENDITURES, Schedule 2	<u>33,196,372</u>	<u>32,395,653</u>	<u>29,377,147</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	<u>(12,910,521)</u>	<u>(2,441,171)</u>	<u>3,709,239</u>
OTHER INCOME (EXPENSES)			
Amortization	-	(1,823,775)	(1,704,981)
Tangible capital asset acquisitions	-	6,370,888	5,132,484
Unrealized gain (loss) on WLFN trust funds	-	13,643,222	(175,671)
Operating results of Nation Enterprises	-	2,413,927	51,881
Dividends and interest on WLFN trust funds	-	3,983,097	3,867,984
Federal Settlement	-	-	130,000,000
Impairment loss on nation enterprise (note 6)	-	(1,237,898)	-
	<u>-</u>	<u>23,349,461</u>	<u>137,171,697</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	(12,910,521)	20,908,290	140,880,936
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>193,782,727</u>	<u>193,782,727</u>	<u>52,901,791</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 180,872,206</u>	<u>\$ 214,691,017</u>	<u>\$ 193,782,727</u>

See accompanying notes

WILLIAMS LAKE FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31, 2024

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Cash and investments (note 3)	\$ 162,124,233	\$ 145,733,927
Accounts receivable (note 4)	5,229,463	5,898,164
Work in progress	-	867,502
Trust funds held by Canada (note 5)	10,512	12,691
Investment in Nation business enterprises (note 6)	<u>6,868,533</u>	<u>5,464,902</u>
	<u>174,232,741</u>	<u>157,977,186</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (note 8)	2,233,579	1,351,135
Deferred revenue (note 9)	67,500	67,500
Bank indebtedness (note 10)	210,179	214,539
Long-term debt (note 11)	<u>12,004,680</u>	<u>12,873,391</u>
	<u>14,515,938</u>	<u>14,506,565</u>
Net financial assets (debt)	<u>159,716,803</u>	<u>143,470,621</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	335,795	262,250
Inventory	180,300	138,850
Tangible capital assets (note 7)	<u>55,360,049</u>	<u>50,812,936</u>
	<u>55,876,144</u>	<u>51,214,036</u>
	<u>\$ 215,592,947</u>	<u>\$ 194,684,657</u>
Contributed surplus (note 12)	901,930	901,930
Accumulated surplus	<u>214,691,017</u>	<u>193,782,727</u>
NATION EQUITY (note 13)	<u>215,592,947</u>	<u>194,684,657</u>
	<u>\$ 215,592,947</u>	<u>\$ 194,684,657</u>

On behalf of the Chief, Council, Management, and Finance and Audit Committee

Chief

Chief Financial Officer

Chair, Finance and Audit Committee

See accompanying notes

WILLIAMS LAKE FIRST NATION
CONSOLIDATED CHANGES IN NET FINANCIAL ASSETS
As at March 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
(Deficiency) excess of revenues over expenditures	<u>\$ (12,910,521)</u>	<u>\$ 20,908,290</u>	<u>\$ 140,880,936</u>
Acquisition of prepaid expenses	<u>-</u>	<u>(73,545)</u>	<u>27,476</u>
Acquisition of inventory	<u>-</u>	<u>(41,450)</u>	<u>19,675</u>
Acquisition of tangible capital assets	<u>-</u>	<u>(5,219,210)</u>	<u>(5,219,210)</u>
Amortization	<u>-</u>	<u>1,704,981</u>	<u>1,704,981</u>
	<u>-</u>	<u>(4,547,113)</u>	<u>(3,514,228)</u>
Increase (decrease) in net financial assets	<u>(12,910,521)</u>	<u>16,246,182</u>	<u>137,413,859</u>
Net financial assets, beginning of year	<u>143,470,621</u>	<u>143,470,621</u>	<u>6,056,762</u>
Net financial assets, end of year	<u><u>\$ 130,560,100</u></u>	<u><u>\$ 159,716,803</u></u>	<u><u>\$ 143,470,621</u></u>

See accompanying notes

WILLIAMS LAKE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
March 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 20,908,290	\$ 140,880,936
Items not affecting cash		
Amortization	1,823,775	1,704,981
Operating results of Nation Owned Enterprises	(2,413,927)	(51,881)
Operating results of Williams Lake Community Forest	(16,403)	121,809
Impairment loss	1,237,898	-
	<u>21,539,633</u>	<u>142,655,845</u>
Change in non-cash working capital items		
Accounts receivable	668,701	(2,854,618)
Work in progress	867,502	(687,548)
Accounts payable and accrued liabilities	882,445	268,757
Deferred revenue	-	(191,626)
Prepaid expenses	(73,545)	27,476
Inventory	(41,450)	19,675
	<u>23,843,286</u>	<u>139,237,961</u>
INVESTING ACTIVITIES		
Decrease (increase) in trust funds held by canada	2,179	(187)
Purchase of tangible capital assets	(6,370,888)	(5,219,210)
	<u>(6,368,709)</u>	<u>(5,219,397)</u>
FINANCING ACTIVITIES		
Investment in related parties	(211,200)	3,889
Repayment of long-term debt	(868,711)	(267,867)
Proceeds of long-term debt	-	5,920,626
	<u>(1,079,911)</u>	<u>5,656,648</u>
INCREASE IN CASH	16,394,666	139,675,212
CASH, BEGINNING OF YEAR	<u>145,519,388</u>	<u>5,844,176</u>
CASH, END OF YEAR	<u>\$ 161,914,054</u>	<u>\$ 145,519,388</u>
CASH CONSISTS OF:		
Cash and investments	\$ 16,598,903	\$ 11,453,741
FNFA Debt Reserve Fund	524,731	521,033
FNFA SRTA Trust Funds	105,019	91,465
WLFN Trust Funds	144,895,580	133,667,688
Bank indebtedness	(210,179)	(214,539)
	<u>\$ 161,914,054</u>	<u>\$ 145,519,388</u>

See accompanying notes

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

1. Nature of operations

Williams Lake First Nation is a First Nation in the Williams Lake, B.C. area and provides various municipal services for its nation members.

2. Accounting policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The significant accounting policies are detailed as follows:

(a) Basis of presentation

In order to satisfy the Reporting Guide's Financial Reporting Requirements of Indigenous Services Canada these consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards, as defined in the Chartered Professional Accountants Canada Public Sector Accounting Handbook, which encompasses the following:

- a. The focus of PSAB statements is on the 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. Williams Lake First 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 amalgamated for the purpose of presentation in the consolidated financial statements. Details of the operation of each fund are set out in the supplementary schedules.

Williams Lake First 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 capital assets funded by CMHC.
- The Investment Fund which reports the Nation's investments in related entities.
- The Trust Fund which reports on the trust funds owned by the Nation and held by third parties.
- The Treaty Self-Government Fund which reports on activities related to treaty negotiations.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

2. Accounting policies, continued

(b) Basis of consolidation

The Williams Lake First Nation reporting entity includes the Nation Government and all related entities which are accountable to the Nation 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 Investment 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.

Business entities, which are owned or significantly influenced by the Williams Lake First Nation and which are not dependent on the Nation for their continuing operations, are included in the financial statements using the modified equity method. These include:

- Borland Creek Logging Ltd.
- Sugar Cane Development Corporation
- Sugarcane Petroleum Products Corporation
- Sugar Cane TreadPro Limited
- Sugar Cane Community Diversification Association
- Chief William RV-Campsite Ltd.
- Coyote Rock GP Ltd.
- Coyote Rock LP
- Unity Cannabis LP
- Sugar Cane Cannabis LP
- WLFN SJM Residential School Project LP

(c) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

(d) Tangible capital assets

Tangible capital assets are recorded at cost. 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:

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

2. Accounting policies, continued

(d) Tangible capital assets, continued

Buildings	2-4%
Equipment	20%
Vehicles	30%
Fences	10%

Tangible capital assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

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

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

Tangible capital assets purchased are recorded at cost. Tangible capital assets contributed are recorded at the fair market value as at the date of contribution. Assets are not amortized until they are put into use.

Housing tangible 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 for Canada Mortgage and Housing Corporation reporting purposes.

(e) Investments

Investments in the Nation's wholly-owned enterprises are accounted for using the modified equity method. Under this method, the investments are initially recorded at cost and then increased or decreased to recognize subsequent earnings or losses. Investments are also increased or decreased to reflect advances to or repayments from the enterprises.

(f) Surplus recoveries and deficit funding

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

(g) Trust funds held by Canada (Ottawa Trust Fund)

Ottawa Trust Fund operating account revenues are recorded on an accrual basis, and include interest earned on the Ottawa Trust account. Ottawa Trust Fund capital account revenues are recorded when the Nation is notified of their deposit by Indigenous Services Canada.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

2. Accounting policies, continued

(h) Revenue recognition

Revenue is recognized as it becomes receivable 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. Williams Lake First Nation retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

(i) 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 impairment of tangible capital assets and due from Nation entities, rates for amortization and the useful lives of tangible capital assets..

(j) Liability for Contaminated Sites

PS3260 of the CPA Canada Public Sector Accounting Standards notes that a liability for remediation of contaminated sites should be recognized when, as at the reporting date: an environmental standard exists; contamination exceeds the standards; the Nation has accepted responsibility for or is directly responsible; it is expected that future economic benefits will be given up; and a reasonable estimate can be made.

The Nation is unaware of any contaminated sites on lands within the jurisdiction of the Nation. Should management become aware of any contaminated sites the Nation is responsible for remediating, a liability for contaminated sites would be setup in accordance with PS3260.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

3. Cash and investments

	<u>2024</u>	<u>2023</u>
Chequing and savings accounts	\$ 16,598,903	\$ 11,453,741
FNFA debt reserve funds	524,731	521,033
FNFA SRTA funds	105,019	91,465
WLFN Trust Funds (Cost - \$132,335,942)	<u>144,895,580</u>	<u>133,667,688</u>
	<u>\$ 162,124,233</u>	<u>\$ 145,733,927</u>

To secure its FNFA loan and FNFA interim financing, the Nation has debt reserve funds held by FNFA in the event the Nation is unable to meet its payment requirements. The Nation expects to recover these funds as the loans are repaid. The Secured Revenues Trust Account ("SRTA") are also funds held in trust to cover borrowing requirements over the loan term and any excess will be paid back to the Nation.

In November 2022, The Nation placed \$130 million of its \$135 million settlement into a trust which is held for the Nation by the Bank of Montreal and administered by an investment advisor. The funds are held in various pooled mutual funds and have since yielded dividend and interest returns of \$3,983,097 for the year ended March 31, 2024 (2023 - \$3,867,984), unrealized gain in market value of \$13,643,222 (2023 - (\$175,671) unrealized loss) and both are recorded in other income.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

4. Accounts receivable

	<u>2024</u>	<u>2023</u>
All other receivables	\$ 548,024	\$ 372,677
Allowance for doubtful accounts	(202,747)	(202,747)
Province of B.C.	1,199,740	1,580,925
Indigenous Services Canada	362,971	1,944,629
Natural Resources Canada	110,384	282,648
CMHC	18,250	-
FNESC	42,953	40,725
First Peoples' Heritage Language and Culture	1,889	1,889
First Nations Health Authority	-	8,400
First Nations Land Management Resource	25,000	90,000
Three Corners Health Services Society	152,003	-
New Relationship Trust	265,000	8,000
Atlantic Power LP	-	38,340
PWC LLP (FESBC)	448,516	-
Canada - Department of Fisheries and Oceans	85,860	-
Williams Lake Community Forest	882,500	791,700
CCATEC	22,373	22,949
GST recoverable	57,254	57,651
Northern Shuswap Treaty Society	108,504	108,504
Deloitte LLP	153,966	-
Mount Polley Mining Corporation	47,243	47,558
Tolko Forest Products	2,636	122,389
Rental and members	303,382	329,392
Cantex Okanagan Construction	17,325	17,325
Right to Play	-	28,500
Borland Creek Logging Ltd.	113,594	6,540
Chief William RV-Campsite Ltd.	771	1,176
Sugar Cane Development Corporation	23,401	19,342
Sugarcane Petroleum Products Corporation	427	4,408
Enbridge	188,000	-
Unity Cannabis LP	250,244	175,244
	<u>\$ 5,229,463</u>	<u>\$ 5,898,164</u>

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

5. Trust funds held by Canada

	<u>2024</u>	<u>2023</u>
Ottawa Trust Accounts	\$ 10,512	\$ 12,691

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 primarily governed by Sections 63 and 69 of the Indian Act.

6. Investment in Nation business enterprises

	<u>2024</u>	<u>2023</u>
Borland Creek Logging Ltd.	\$ 998,078	\$ 1,148,509
Coyote Rock LP	1,303,600	1,080,007
Sugar Cane Development Corporation	2,384,702	2,021,189
Sugarcane Petroleum Products Corporation	1,371,963	1,076,601
Chief William RV-Campsite Ltd.	12,527	40,951
Share capital of controlled corporations	18	18
Coyote Rock GP Ltd.	(9,787)	(8,789)
Unity Cannabis LP	1,113,998	528,443
Williams Lake Community Forest LP	45,150	28,747
Sugar Cane Cannabis LP	(949,537)	(837,394)
WLFN SJM Residential School Project LP	1	-
	<u>6,270,713</u>	<u>5,078,282</u>
Advances - Coyote Rock LP	24,450	(186,750)
Advances - Sugar Cane Development Corporation	323,370	323,370
Advances - Sugar Cane Cannabis LP	250,000	250,000
	<u>\$ 6,868,533</u>	<u>\$ 5,464,902</u>

The amounts due to the related companies are unsecured, non-interest bearing and have no specific terms of repayment. The investments are accounted for by the modified equity method. Under this method, the cost of the investments are adjusted for the earnings from the date of acquisition.

During the year, the Nation entered into a new limited partnership with wholly owned WLFN SJM Residential School Project GP Ltd., registered as WLFN SJM Residential School Project Limited Partnership (the "SJM LP"). The SJM LP had a net surplus for the year ended March 31, 2024 in the amount of \$1,237,899. The Nation does not expect to recognize any social or economic benefits from this project or develop the related property held by the SJM LP and as such, has recorded an impairment loss in the amount of \$1,237,898 to carry the Nation's investment in the SJM LP at a nominal value of \$1. The related ongoing investigation and acquisition of this property is for the purpose of Truth and Reconciliation and any further related expenditures will be charged to operating expenses as they are incurred.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

7. Tangible capital assets

	<u>2024</u>		<u>2023</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
Land	\$ 5,272,188	\$ -	\$ 5,272,188
Buildings	60,243,837	12,315,872	47,927,965
Equipment	1,318,276	623,032	695,244
Vehicles	1,732,469	647,399	1,085,070
Fences	398,378	18,796	379,582
	<u>\$ 68,965,148</u>	<u>\$ 13,605,099</u>	<u>\$ 55,360,049</u>
			<u>\$ 50,812,936</u>

During the year, the Nation purchased the following tangible capital assets:

	<u>2024</u>
Administration building - blinds	\$ 30,514
Osprey Nest building in progress	2,200,125
315 Yorston Office	142,429
O&M building	519,472
Elder's building - elevator in progress and HVAC	17,344
Cultural Mecca project	5,590
Nation housing projects	1,240,021
Downtown cultural park	84,833
Paving - Pow Wow/Heritage Site	91,042
Trailers	15,156
Crestliner Boat	33,858
Office and computer equipment	129,199
Osprey Nest - restaurant equipment	43,292
2023 Highlander	58,021
2022 Chevrolet Silverado	63,173
2022 Ford F150	73,241
2023 Ford F150	74,312
2018 Ford F150	37,349
2020 Dodge Ram	38,699
Polaris side by side ATVs (2)	30,114
Other	20,951
Infrastructure - Tillion Stream Restoration, Upper Coyote Slide	1,127,999
Archaeology Lab	42,154
Fencing	252,000
	<u>\$ 6,370,888</u>

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

8. Accounts payable and accrued liabilities

	<u>2024</u>	<u>2023</u>
Trade payables and accrued liabilities	\$ 1,588,758	\$ 1,018,946
Payroll and withholding taxes	73,584	91,626
GST payable	80,343	5,100
Wages payable	332,948	91,214
Other accrued liabilities	24,000	24,000
Borland Creek Logging Ltd.	79,949	68,038
Sugar Cane Development Corporation	53,997	52,211
	<u>\$ 2,233,579</u>	<u>\$ 1,351,135</u>

9. Deferred revenue

	<u>2024</u>	<u>2023</u>
Rental lease	<u>\$ 67,500</u>	<u>\$ 67,500</u>

The above mentioned lease payment was invoiced in March 2024, but is for the lease term of April 1, 2024 to March 31, 2025 and therefore is deferred to the subsequent fiscal year.

10. Bank indebtedness

	<u>2024</u>	<u>2023</u>
BMO - Demand loan bearing interest at prime plus 0.5% per annum (March 31, 2024 - 7.7%), repayable in monthly blended instalments of \$1,070	<u>\$ 210,179</u>	<u>\$ 214,539</u>
Estimated principal repayments are as follows:		
2025	\$ 5,539	
2026	5,978	
2027	6,452	
2028	6,963	
2029	7,515	
Subsequent years	<u>177,732</u>	
	<u>\$ 210,179</u>	

The above demand loans and unused line of credit are secured by a general security agreement. The line of credit also bears interest at prime plus 0.5% and has an aggregate limit of \$350,000. The demand loans are secured by Sugarcane Petroleum Products Corporation.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

11. Long-term debt

	<u>2024</u>	<u>2023</u>
FNFA - Demand loan bearing interest at their prime rate (March 31, 2024 - 7.2%) repayable in annual instalments tied to the Nation's B.C. First Nation Gaming Revenue Sharing Limited Partnership	\$ 4,918,549	\$ 5,092,622
Ford Credit Canada - Conditional sales contract repayable in monthly interest-free instalments of \$1,489, secured by a specific vehicle with a net carrying amount of \$25,368	29,782	47,651
BMO - Loan repayable in monthly blended instalments of \$2,074 bearing interest at bank prime plus 0.5% (March 31, 2024 - 7.7%), secured by a general security agreement as disclosed in Note 10	199,497	214,894
BMO - Loan repayable in monthly blended instalments of \$1,386 bearing interest at bank prime plus 0.5% (March 31, 2024 - 7.7%), secured by a general security agreement as disclosed in Note 10	235,957	241,807
BMO - Loan repayable in monthly blended instalments of \$1,386 bearing interest at bank prime plus 0.5% (March 31, 2024 - 7.7%), secured by a general security agreement as disclosed in Note 10	235,983	241,819
BMO - Loan repayable in monthly blended instalments of \$1,386 bearing interest at bank prime plus 0.5% (March 31, 2024 - 7.7%), secured by a general security agreement as disclosed in Note 10	234,717	240,193
BMO - Loan repayable in monthly blended instalments of \$1,386 bearing interest at bank prime plus 0.5% (March 31, 2024 - 7.7%), secured by a general security agreement as disclosed in Note 10	241,452	241,819
BMO - Loan repayable in monthly blended instalments of \$1,386 bearing interest at bank prime plus 0.5% (March 31, 2024 - 7.7%), secured by a general security agreement as disclosed in Note 10	235,969	241,819
BMO - Loan repayable in monthly blended instalments of \$360 bearing interest at bank prime plus 0.5% (March 31, 2024 - 7.7%), secured by a general security agreement as disclosed in Note 10	<u>522,302</u>	<u>534,518</u>
Carried forward	\$ 6,854,208	\$ 7,097,142

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

11. Long-term debt, continued

	<u>2024</u>	<u>2023</u>
Carried forward	\$ 6,854,208	\$ 7,097,142
BMO - Loan repayable in monthly blended instalments of \$360 bearing interest at bank prime plus 0.5% (March 31, 2024 - 7.7%), secured by a general security agreement as disclosed in Note 10	522,302	534,518
BMO - Conditional sales contract repayable in 60 monthly interest-free instalments of \$1,403, due April 2026, secured by a specific piece of equipment with a net carrying value of \$44,024	35,096	51,942
BMO - Loan repayable in monthly blended instalments of \$1,389 bearing interest at bank prime plus 0.5% (March 31, 2024 - 7.7%), secured by a general security agreement as disclosed in Note 10	236,298	242,156
FNFA Bond Series 2024 Term Debenture Financing with monthly fixed principal payments of \$6,661 and interest at 6.0% per annum, secured by a general security agreement	4,286,679	4,300,000
BMO - Loan repaid	-	423,900
BMO - Loan repaid	-	141,027
Conditional sales contract repayable in monthly instalments of \$1,479 plus interest at 6.67%, secured by a 2022 GMC suburban with a net carrying value of \$53,120, due December 2026	<u>70,097</u>	<u>82,706</u>
	<u>\$ 12,004,680</u>	<u>\$ 12,873,391</u>

The FNFA loan is secured by an assignment of the funding provided to the Nation by the B.C. First Nation Gaming Revenue Sharing Limited Partnership.

Estimated principal repayments are as follows:

2025	\$ 380,507
2026	382,379
2027	390,269
2028	354,649
2029	363,265
Subsequent years	<u>10,133,611</u>
	<u>\$ 12,004,680</u>

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

12. Contributed surplus

	<u>2024</u>	<u>2023</u>
Nation construction contribution	\$ 522,430	\$ 522,430
Land	<u>379,500</u>	<u>379,500</u>
	<u>\$ 901,930</u>	<u>\$ 901,930</u>

13. Nation equity

	<u>2024</u>	<u>2023</u>
Operating and capital funds	\$ 209,238,402	\$ 189,444,869
Ottawa Trust Funds	10,512	12,691
Investment in Nation Business Enterprises	5,397,721	4,221,692
Treaty Self-Government Fund	44,382	103,475
Contributed surplus (Note 13)	<u>901,930</u>	<u>901,930</u>
	<u>\$ 215,592,947</u>	<u>\$ 194,684,657</u>

14. Other cash flow information

Non-cash financing and investing activities:

Tangible capital asset financed with long-term debt	<u>\$ -</u>	<u>\$ 86,726</u>
Building purchased for WLFN SJM Residential School Project GP Ltd.	<u>\$ 1,225,500</u>	<u>\$ -</u>

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

15. Financial instruments

The Nation's financial instruments consist of cash and investments, accounts receivable, trust funds held by Canada, debt reserve fund, investments, bank advances, 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.

(a) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The WLFN Trust Funds are invested in pooled mutual funds and are subject to changes in market value. The Nation limits its exposure through use of an investment advisor who follows an investment strategy and uses diversification and targeted risk tolerances to limit the exposure of the invested funds to market risk to an acceptably low level.

(b) Credit risk

The Nation does have credit risk in accounts receivable of \$5,229,463 (2023 - \$5,898,164). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Nation reduces its exposure to credit risk by granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The Nation maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the Nation is low and is not material.

(c) Interest rate risk

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.

16. Reconciliation of ISC Funding Arrangement Revenue

	<u>2024</u>
ISC Funding Confirmation	<u><u>\$ 9,081,513</u></u>
ISC Revenue per Schedule 1	\$ 9,082,041
ISC Tutoring revenue 71658-Z7K0 2022	<u>(528)</u>
	<u><u>\$ 9,081,513</u></u>

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

17. Nation 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 amounts. The plan is registered with Canada Revenue Agency.

The Nation contributed \$323,230 to the plan during the year ended March 31, 2023 (2023 - \$271,648) to match its employees' required contributions.

18. Contingent liabilities

The Nation has guaranteed a \$100,000 line of credit and an equipment line of credit of \$200,000 for Borland Creek Logging Ltd. As at March 31, 2024, Borland Creek Logging Ltd. had a balance of \$3,389 on these lines of credit. The Nation has guaranteed financing agreements for log harvest equipment operated by Borland Creek Logging Ltd. As at March 31, 2024, the balances of the conditional financing agreements aggregated \$1,158,116.

The Nation has guaranteed a bank line of credit of \$200,000 and demand loans for Sugarcane Petroleum Products Corporation aggregating \$700,000. As at March 31, 2024, the balances outstanding were \$118,501. The Nation has also guaranteed a letter of credit in favour of a supplier in the amount of \$155,000.

The Band has guaranteed loans made in previous years by various financial institutions to Band members. The original balances on these loans were \$848,147. As at March 31, 2024, the balances outstanding were \$412,526.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

19. Segment Disclosures

The Nation is a diversified organization that provides a wide range of services to its members. Distinguishable function segments have been separately disclosed in segmented information. The nature of the segments and the activities they encompass are as follows:

ADMINISTRATION

This segment relates to the revenue and expenses that are related to the administrative operations of the Nation and those other functions cannot be directly attributed to another specific segment.

ECONOMIC DEVELOPMENT

This segment is related to the revenues and expenses of the economic activities of the Nation and further development efforts.

NATURAL RESOURCES

This segment is related to the revenue and expenses that are generated through the Nation's stewardship of the natural resources that are owned by the Nation.

PUBLIC WORKS AND HOUSING

This segment provides services relating to the development, maintenance and service of the Nation's assets, infrastructure and common property.

EDUCATION

This segment provides educational services through post-secondary education support and the operation of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Nation's members.

SOCIAL DEVELOPMENT

This segment provides services to assist Nation members by providing a variety of program, community services and social services.

RECREATION

This segment provides services to assist Nation members with obtaining recreation and fitness activities.

TREATY NEGOTIATION SUPPORT PROGRAM

This segment is working towards the finalization of treaty negotiations.

WILLIAMS LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

20. Expenses by object

	<u>2024</u>	<u>2023</u>
Wages and benefits	\$ 7,719,940	\$ 6,229,017
Materials and supplies	2,186,120	1,525,464
Contracted services	15,400,438	12,796,079
Rent, maintenance and utilities	1,351,872	1,570,574
Honoraria	300,676	227,546
Insurance	324,391	294,413
Education	1,637,759	1,410,306
Bank charges and interest	388,239	479,906
Travel	435,548	329,045
Social assistance	322,884	334,310
All other service delivery costs	1,448,388	1,028,049
Member distributions	<u>879,398</u>	<u>3,152,438</u>
	<u>\$ 32,395,653</u>	<u>\$ 29,377,147</u>

21. Budget

The budgeted figures presented throughout are unaudited and represent the amended 2023/2024 operating budget as approved by Chief and Council.

WILLIAMS LAKE FIRST NATION**Consolidated SCHEDULE OF REVENUES****March 31, 2024**

	2024 Budget (unaudited)	2024 Actual	2023 Actual
ISC Operating	\$ 7,302,401	\$ 9,082,041	\$ 9,754,130
Northern Shuswap Treaty Society	434,014	434,014	434,014
CCATEC	84,824	155,560	95,254
Northern Shuswap Tribal Council	-	79,241	11,366
CMHC	12,500	12,500	15,000
Three Corners Health Services Society	315,115	488,898	316,504
Government of Canada	468,550	1,031,275	6,040,007
Province of British Columbia	3,048,247	5,414,521	4,445,085
Tolko Industries Ltd.	200,000	1,766,374	2,282,015
Rentals	747,720	817,564	780,376
All other	1,548,936	5,296,211	2,366,235
Mount Polley Gold Mines	535,000	490,000	2,035,851
Royalties	237,500	307,500	225,000
Service contracts	460,000	517,830	346,883
Daycare fees	60,000	34,830	63,951
Enbridge	50,000	203,000	100,000
BC Hydro	6,158	6,158	6,158
Northern Development Initiatives Trust	-	49,800	90,167
FNESC	235,000	380,224	331,970
Knucwentwecw Society	280,000	31,389	317,500
Donations and fundraising	39,900	59,770	111,527
Borland Creek Logging	51,000	53,006	238,326
Property taxes	33,556	43,294	33,556
Gibraltar Mine	135,000	165,000	170,000
New Relationship Trust	-	260,000	20,000
First Nations Health Authority	101,430	231,353	314,260
Insurance proceeds	24,000	35,305	24,919
Southview Sorting Ltd.	-	10,000	-
Interest	75,000	659,231	323,394
Administration fees (recovery)	-	(17,009)	414
Lake Excavating	150,000	150,690	399,536
Sugar Cane Development Corporation	100,000	135,286	138,971
Price Waterhouse Coopers	1,500,000	1,198,268	353,919
West Fraser Mills	50,000	217,392	203,472
Change in deferred revenue	-	-	196,626
Deloitte LLP ITF Canada - Drinking Water Settlement	2,000,000	153,966	500,000
	<u>\$ 20,285,851</u>	<u>\$ 29,954,482</u>	<u>\$ 33,086,386</u>

WILLIAMS LAKE FIRST NATION
CONSOLIDATED SCHEDULE OF EXPENDITURES
March 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
Administration	\$ 11,130,268	\$ 10,019,608	\$ 11,446,884
Economic development	5,238,626	5,185,679	1,982,341
Education	3,372,726	3,233,991	2,848,411
Natural resources	5,005,998	6,126,791	4,834,907
Public works and housing	4,591,384	5,202,828	6,140,593
Recreation	343,068	305,799	281,755
Social development	3,015,689	1,871,251	1,455,642
Treaty	498,613	449,706	386,614
	\$ 33,196,372	\$ 32,395,653	\$ 29,377,147

Williams Lake First Nation
Statement of Operations by Reporting Segment
Year Ended March 31, 2024

Schedule 3

	Administration	Economic Development	Natural Resources	Public Works	Education	Social Development	Recreation	Treaty Negotiation	Capital Projects	Contributed Surplus	Ottawa Trust Funds	Band-Owned Enterprises	Totals
Revenue													
ISC	\$ 3,673,725	\$ 584,880	\$ -	\$ 1,209,283	\$ 1,948,414	\$ 1,665,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,082,041
Other	24,834,364	2,108,540	8,900,594	2,144,928	1,239,115	1,101,487	55,805	434,014	6,708,520	-	4,635	1,176,028	48,708,030
Total	28,508,089	2,693,420	8,900,594	3,354,211	3,187,529	2,767,226	55,805	434,014	6,708,520		4,635	1,176,028	57,790,071
Expenses	12,193,206	4,439,955	6,631,434	5,412,263	3,456,146	2,122,371	309,524	493,107	1,823,775	-	-	-	36,881,781
Net revenue for the year	16,314,883	(1,746,535)	2,269,160	(2,058,052)	(268,617)	644,855	(253,719)	(59,093)	4,884,745	-	4,635	1,176,028	20,908,290
Transfers	(1,478,218)	497,676	(2,393,329)	4,079,145	(30)	146,985	228,943	-	(1,074,357)	-	(6,815)	-	-
Surplus (deficit), Beginning	141,041,277	3,524,734	4,680,901	887,092	1,199,449	997,184	96,407	103,476	37,017,824	901,930	12,691	4,221,692	194,684,657
Surplus (Deficit), ending	\$ 155,877,942	\$ 2,275,875	\$ 4,556,732	\$ 2,908,185	\$ 930,802	\$ 1,789,024	\$ 71,631	\$ 44,383	\$ 40,828,212	\$ 901,930	\$ 10,511	\$ 5,397,720	\$ 215,592,947