

Consolidated Financial Statements of

YUULU?IL?ATH? GOVERNMENT

And Independent Auditor's Report thereon

Year ended March 31, 2024

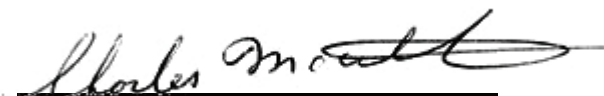
MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Yuulu?il?ath? Government (the "Government") are the responsibility of management, and have been prepared in compliance with legislation, and in accordance with the CPA Canada Public Sector Accounting Handbook. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.


The Government's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Executive meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Government. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Government's consolidated financial statements.



Charles M. Smith
President



Director of Operations



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INDEPENDENT AUDITOR'S REPORT

To the Council and Members of Yuulu?il?ath? Government

Opinion

We have audited the consolidated financial statements of the Yuulu?il?ath Government (the “Entity”), which comprise:

- the consolidated statement of financial position as at March 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of remeasurement gains and losses for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2024, and its consolidated results of operations, its consolidated changes in net financial assets 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 auditors’ report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity's internal control.



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- 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 Entity'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 Entity 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Chilliwack, Canada
September 17, 2024

YUULU?IL?ATH? GOVERNMENT

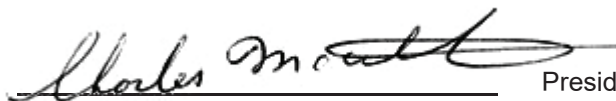
Consolidated Statement of Financial Position

March 31, 2024, with comparative information for 2023


	2024	2023
Financial assets:		
Cash	\$ 31,760,411	\$ 23,489,132
Accounts receivable (note 2)	2,904,994	4,119,133
Restricted cash (note 3)	23,497,530	4,271,933
Long-term investments (note 4)	58,776,111	53,394,947
Advances to related entity (note 4)	412,145	554,145
	<u>117,351,191</u>	<u>85,829,290</u>
Financial liabilities:		
Accounts payable and accrued liabilities	3,330,141	2,337,136
Asset retirement obligation	387,006	375,734
Deferred revenue	11,659,800	7,054,686
Long-term debt (note 5)	6,506,802	6,811,191
	<u>21,883,749</u>	<u>16,578,747</u>
Net financial assets	95,467,442	69,250,543
Non-financial assets:		
Tangible capital assets (note 6)	20,239,969	17,117,309
Prepaid expenses	157,317	113,516
	<u>20,397,286</u>	<u>17,230,825</u>
Contingent liabilities (note 12)		
Subsequent events (note 8)		
Accumulated surplus (note 7)	\$ 115,864,728	\$ 86,481,368

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

On behalf of Yuulu?il?ath? Government:



President



Director of Operations

YUULU?IL?ATH? GOVERNMENT

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2024, with comparative information for 2023

	Budget (note 9)	2024	2023
Federal Government - grants and transfers:			
Indigenous Services Canada	\$ 18,216,923	\$ 14,638,340	\$ 13,594,514
Other grants	1,643,512	264,364	584,270
Other Government Sources:			
Province of BC	942,820	1,005,717	690,816
FNHA Funding	813,317	364,169	547,788
Nuu-chah-nulth Tribal Council	1,054,809	414,357	554,722
CMHC and housing charges	660,000	1,843,190	119,644
First Nation Education Steering Committee	87,876	141,218	84,740
First Nation:			
Settlement Trust - Investment Income	-	1,753,906	1,143,618
Investment Income - Implementation fund	500,000	471,944	922,234
Rental	149,000	412,097	407,659
Interest and other	810,371	2,243,144	1,430,081
Other funding	-	28,048	21,283
Property taxation	59,000	46,790	51,965
Net (loss) income from YFN LP	-	(12,115)	485,470
Total revenue	24,937,628	23,615,169	20,638,804
Expenses:			
Administration	8,094,650	7,691,240	4,217,190
Community Services	5,935,130	5,770,270	5,019,517
Lands and Resources	2,605,450	1,807,519	1,372,321
Housing and Maintenance	266,300	1,566,478	1,281,024
Culture, Language and Heritage	941,061	660,280	535,504
Settlement Trust	-	827,225	496,808
Implementation Fund	-	90,429	87,567
Total expenses	17,842,591	18,413,441	13,009,931
Income before the undernoted	7,095,037	5,201,728	7,628,873
Other income:			
Settlement funds (note 14)	-	19,231,334	-
Forgiveness of Treaty Loan (note 5)	918,315	918,315	918,315
	918,315	20,149,649	918,315
Annual surplus	8,013,352	25,351,377	8,547,188
Accumulated surplus, beginning of year	86,481,368	86,481,368	79,397,386
Remeasurement gains (losses) on portfolio investments	-	4,031,983	(1,463,206)
Accumulated surplus, end of year	\$ 94,494,720	\$ 115,864,728	\$ 86,481,368

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

YUULU?IL?ATH? GOVERNMENT

Consolidated Statement of Change in Net Financial Assets

Year ended March 31, 2024, with comparative information for 2023

	Budget (note 9)	2024	2023
Annual surplus	\$ 8,013,352	\$ 25,351,377	\$ 8,547,188
Tangible capital assets:			
Acquisition of tangible capital assets	(4,783,355)	(4,666,887)	(1,342,265)
Amortization of tangible capital assets	-	1,544,227	1,581,114
	(4,783,355)	(3,122,660)	238,849
Change in prepaids	-	(43,801)	36,910
Change in net financial assets excluding remeasurement gains (losses)	3,229,997	22,184,916	8,822,947
Remeasurement gains (losses) from portfolio investments	-	4,031,983	(1,463,206)
Change in net financial assets	3,229,997	26,216,899	7,359,741
Net financial assets, beginning of year	69,250,543	69,250,543	61,890,802
Net financial assets, end of year	\$ 72,480,540	\$ 95,467,442	\$ 69,250,543

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

YUULU?IL?ATH? GOVERNMENT

Consolidated Statement of Remeasurement Gains and Losses

Year ended March 31, 2024 with comparative information for 2023

	2024	2023
Accumulated remeasurement gains and (losses) at beginning of year	\$ (1,463,206)	\$ -
Unrealized gains (losses) attributable to Portfolio investments:		
Implementation Fund	1,199,323	(9,882)
Settlement Trust	2,832,660	(1,453,324)
Net remeasurement gains (losses) for the year	4,031,983	(1,463,206)
Accumulated remeasurement gains and (losses) at end of year	\$ 2,568,777	\$ (1,463,206)

YUULU?IL?ATH? GOVERNMENT

Consolidated Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 25,351,377	\$ 8,547,188
Items not involving cash:		
Amortization of tangible capital assets	1,544,227	1,581,114
Equity loss (income) in subsidiary	12,115	(485,470)
Changes in non-cash working capital:		
Accounts receivable	1,214,139	(1,593,106)
Accounts payable and accrued liabilities	993,005	166,020
Asset retirement obligation	11,272	11,404
Deferred revenue	4,605,114	1,308,851
Prepaid expenses	(43,801)	36,910
	<u>33,687,448</u>	<u>9,572,911</u>
Capital activities:		
Acquisition of tangible capital assets	(4,666,887)	(1,342,265)
	<u>(4,666,887)</u>	<u>(1,342,265)</u>
Investing activities:		
Advances to (from) related entities	142,000	-
Increase in long term investments	(1,361,296)	(1,411,396)
Restricted cash	(19,225,597)	(423,638)
	<u>(20,444,893)</u>	<u>(1,835,034)</u>
Financing activities:		
Repayment of long-term debt (net of proceeds)	(304,389)	(102,854)
	<u>(304,389)</u>	<u>(102,854)</u>
Change in cash	8,271,279	6,292,758
Cash, beginning of year	23,489,132	17,196,374
Cash, end of year	<u>\$ 31,760,411</u>	<u>\$ 23,489,132</u>

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

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements

Year ended March 31, 2024

1. Significant accounting policies:

The consolidated financial statements of Yuulu?il?ath? Government (the "Government") are prepared by management in accordance with the CPA Canada Public Sector Accounting Handbook. Significant accounting policies adopted by the Government are as follows:

(a) Fund accounting:

The Government 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. The Government maintains the following funds:

- The Operating Fund which reports the general activities of the Government administration;
- The Enterprise Fund which reports the enterprise activities of the Government;
- The Social Housing Fund which reports the social housing assets of the Government, together with related activities; and
- The Trust Fund which reports the trust fund assets of the Government, together with related activities.

(b) Reporting entity and principles of financial reporting:

The Government reporting entity includes the Yuulu?il?ath? Government and all related entities which are accountable to the Government and are either owned or controlled by the Government.

Investments in incorporated business entities are included in the consolidated financial statements using the modified equity method. YFN Holdings Limited Partnership ("YFN HLP") is 99.99% owned by the Government and YFN HLP owns all of the other subsidiary entities.

All inter-entity balances have been eliminated on consolidation.

(c) Government transfers:

Transfers from other governments, including Federal, Provincial and other governments, relate to social development, child care, housing and health programs. Amounts transferred by the Government relate to social services programs. Transfers are recognized in the consolidated financial statements as revenues or expenses in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(d) Non-financial capital assets:

Non financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Buildings, except social housing	3-25
Water and waste water systems	20
Roads	10-20
Machinery and equipment	3-20

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(e) Contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The Government is directly responsible or accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(f) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

The Government's asset retirement obligation is primarily related to the removal of asbestos in buildings.

The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities and is recorded as a liability and increase to the related tangible capital assets. The amount capitalized in tangible capital assets is amortized using the amortization accounting policy outlined in note 1(d)(i).

The carrying value of the liability is reconsidered at each financial reporting date with changes to the timing or amount of the original estimate of cash flows recorded as an adjustment to the asset retirement obligation liability and tangible capital assets.

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of consolidated financial statements 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 revenues and expenses during the period. Significant estimates include assumptions used in estimating collectability of accounts receivable, the estimated useful lives of tangible capital assets and the estimated liability for contaminated sites. Actual results could differ from these estimates.

(h) Financial instruments are classified into two categories - fair value or cost:

(i) Fair value category: Includes portfolio investments that are quoted in an active market and derivative instruments reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments is recorded as an expense. Unrealized gains and losses on financial assets would be recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is de-recognized due to disposal or impairment. At the time of de-recognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus.

(ii) Cost category: Includes investments that are not quoted in an active market. Gains and losses are recognized in the Statement of Operations and Accumulated Surplus when the financial asset is derecognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments is included in the cost of the related investments.

Investments that are carried at cost or at cost less impairment losses to reflect any declines in value which are other-than-temporary. Dividends from these investments are included in revenue. Discounts/premiums arising on purchase of bonds are amortized over the period to maturity.

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

2. Accounts receivable:

Accounts receivable consists of the following:

	2024	2023
Due from members:		
Tenant rent receivable	\$ 317,930	\$ 552,375
Less allowance for doubtful accounts	(258,185)	(69,785)
	59,745	482,590
Due from others:		
GST receivable	442,293	209,042
PST receivable	293,158	243,066
Other amounts	2,326,609	3,381,504
	3,062,060	3,833,612
Less allowance for doubtful accounts	(216,811)	(197,089)
	2,845,249	3,636,523
	\$ 2,904,994	\$ 4,119,113

3. Restricted cash:

Restricted cash is comprised of:

	2022	
Restricted - external	\$ 2,855,447	\$ 2,715,766
Designated - internal	19,794,240	730,186
Social Housing Replacement & Operating Reserve	847,843	825,981
Total restricted and designated funds	\$ 23,497,530	\$ 4,271,933

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

4. Long-term investments:

	2024	2023
Implementation Fund - marketable securities, at market value	\$ 19,229,202	\$ 17,648,365
Settlement Trust - marketable securities, at market value	34,649,619	30,931,177
Investment in YFN Holdings Limited Partnership	4,897,290	4,815,405
	<u>\$ 58,776,111</u>	<u>\$ 53,394,947</u>

The book value of the marketable securities held is as follows:

	2024	2023
Implementation fund	\$ 17,997,767	\$ 17,658,247
Settlement Trust	33,277,039	32,384,501
	<u>\$ 51,274,806</u>	<u>\$ 50,042,748</u>

The Government owns 99.9% of the units of YFN HLP. The Government's Investment in all controlled limited partners was transferred to this limited partnership on January 1, 2012. The YFN HLP's year end is December 31, and it's net earnings (loss) are reported by the Yuulu?il?ath Government using the modified equity method.

The Government recorded their share of the equity loss in YFN HLP of \$12,115 (2023 - income of \$485,470) based on the December 31 year end.

The Government has also loaned to YFN HLP or its subsidiary entities \$412,145 (2023 - \$514,828). These loans are without interest or fixed terms of repayment.

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

4. Long-term investments (continued):

Condensed summary fiscal information for YFN Holdings Partnership at December 31, 2023 and 2022 is noted below.

	2023	2022
Current assets	\$ 2,595,571	\$ 2,648,830
Capital assets	3,273,227	3,569,329
Long term investments	2,281,994	2,037,533
Related party loans	38,485	38,485
Total assets	8,189,277	8,294,177
Current liabilities	2,544,795	2,621,421
Long term debt	13,359	25,245
Related party loans	423,496	521,753
Partner's capital	5,207,627	5,125,758
Total liabilities and capital	8,189,277	8,294,177
Revenues	1,026,738	1,738,659
Expenses	1,038,869	1,253,105
Net (loss) income from YFN LP	\$ (12,131)	\$ 485,554

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

5. Long-term debt:

	2024	2023
Bank of Montreal, term loan, repayable at \$28,489 per month including interest at 2.89% secured by a promissory note of the Government and a general security agreement, matures June 30, 2025	\$ 4,175,505	\$ 4,393,271
Mortgage payable - All Nations Trust Co., repayable at \$12,220 per month, including Interest at 3.74% per annum; secured by a guarantee of the Government and the Government of Canada; renews June 1, 2028	1,129,217	1,233,556
Construction loan - Bank of Montreal, repayable at \$3,633 per month, including interest at 2.8%; secured by a general security agreement, matures August 21, 2026	557,750	584,835
Government of Canada settlement loans, without interest, repayable on March 31, 2028	281,177	-
Government of Canada settlement loans, without interest, repayable on March 31, 2026	133,737	324,783
Bank of Montreal demand loan, repayable at \$2,733 per month, including interest at prime plus .75%; secured by a general security agreement	81,684	91,855
Government of Canada settlement loans, without interest, repayable on March 31, 2027	76,021	76,021
Mortgage payable - All Nations Trust Co repayable at \$3,028 per month including interest at 1.3% per annum; secured by the guarantee of the Government and the Government of Canada; renews March 1, 2026	71,711	106,870
	\$ 6,506,802	\$ 6,811,191

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

5. Long-term debt (continued):

Scheduled principal repayments for the next five years are as follows:

2025	\$ 475,825
2026	4,260,381
2027	692,008
2028	400,232
2029	678,356

In addition to the above long-term debt, the Government has a \$600,000 (2023 - \$600,000) overdraft loan facility which bears interest at prime plus .75%. This facility is not being utilized at March 31, 2024 (2023 - nil).

During the year ended March 31, 2020, the Government of Canada forgave the balance of the Treaty loan that was outstanding and committed to refunding Treaty loan payments previously paid, over the following five years. Refunds of prior loan payments will be treated as revenue when received. The amount included in income for the year ended March 31, 2024 is \$918,315 (2023 - \$918,315).

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

6. Tangible capital assets:

Cost	Balance March 31, 2023	Additions/ transfers	Disposals	Balance March 31, 2024
Land	\$ 1,125,006	\$ 280,930	\$ -	\$ 1,405,936
Buildings	17,713,953	1,281,880	-	18,995,833
Machinery and equipment	2,230,568	296,551	-	2,527,119
Roads	887,952	-	-	887,952
Water and waste water systems	7,826,968	-	-	7,826,968
Social housing	5,147,605	-	-	5,147,605
Assets under construction	1,252,157	2,807,526	-	4,059,683
Total	\$ 36,184,209	\$ 4,666,887	\$ -	\$ 40,851,096

Accumulated amortization	Balance March 31, 2023	Disposals	Amortization/ transfers	Balance March 31, 2024
Buildings	\$ 9,409,358	\$ -	\$ 733,625	\$ 10,142,983
Machinery and equipment	1,732,273	-	177,605	1,909,878
Roads	615,379	-	23,299	638,678
Water and waste water systems	4,531,037	-	348,455	4,879,492
Social housing	2,778,853	-	261,243	3,040,096
Total	\$ 19,066,900	\$ -	\$ 1,544,227	\$ 20,611,127

	Net book value March 31, 2023	Net book value March 31, 2024
Land	\$ 1,125,006	\$ 1,405,936
Buildings	8,304,594	8,852,850
Machinery and equipment	498,295	617,241
Roads	272,573	249,274
Water and waste water systems	3,295,931	2,947,476
Social housing	2,368,752	2,107,509
Assets under construction	1,252,158	4,059,683
Total	\$ 17,117,309	\$ 20,239,969

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

7. Accumulated surplus:

Accumulated surplus consists of individual fund surplus, invested in tangible capital assets and reserve funds as follows:

	2024	2023
Surplus:		
Unrestricted equity in funds	\$ 68,500,955	\$ 65,306,914
Internally restricted	30,795,601	11,731,850
Accumulated rereasurement gains (losses)	2,568,777	(1,463,206)
Surplus associated with tangible capital assets:		
Invested in tangible capital assets	13,428,770	10,306,110
Reserve funds set aside by statutory requirements:		
Replacement reserve fund (note 8)	570,625	599,700
	\$115,864,728	\$ 86,481,368

8. Replacement reserve fund:

In accordance with the terms and conditions of the Operating Agreement with Canada Mortgage and Housing Corporation, Yuulu?il?ath Government Non-Profit Housing must set aside funds annually for the non-annual expenditures of the Program for the repair, maintenance and replacement of worn out assets.

These funds are to be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Reserve Fund.

A continuity of the required funds is as follows:

	2024	2023
Replacement reserve fund:		
Opening balance	\$ 599,700	\$ 606,791
Contributions	38,450	38,450
Interest earned during the year	25,024	14,390
Replacement reserve expenditures	(92,549)	(59,931)
Closing balance	\$ 570,625	\$ 599,700

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

8. Replacement reserve fund (continued):

As at March 31, 2024, the Replacement Reserve Fund was under funded by \$46,612 (2023 - \$60,307).

Subsequent to March 31, 2024, the Government transferred \$46,612 (2023 - \$60,548) to the Replacement Reserve Fund.

9. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2024 operating and capital budgets. These budgets have been approved by the legislature.

Certain budget classifications have been reclassified to conform with the financial statement presentation. These reclassifications did not impact budgeted earnings.

10. Economic dependence:

The Government receives a major portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada (ISC).

11. Comparative information:

Certain 2023 comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

12. Contingent liabilities:

- (a) The Government is contingently liable to the Federal Government for guaranteed mortgages of certain Government's citizens. At March 31, 2024 the amount of this contingent liability was approximately \$20,000 (2023 - \$20,000) from estimates provided by ISC.
- (b) The Government has guaranteed the loans of certain Limited Partnerships and Corporations which it owns up to a maximum of \$3,065,000 (2023 - \$3,065,000). As at March 31, 2024 the total loans outstanding have a current balance totaling \$3,131,793 (2023 - \$3,645,361). The Government has also guaranteed \$645,000 (2023 - \$645,000) in overdraft and credit card facilities for these Limited Partnerships and Corporations.

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

12. Contingent liabilities (continued):

- (c) The Government has received funding from CMHC to provide major renovations to the homes of certain of its citizens. This funding of \$660,000 (2023 - \$660,000) becomes repayable in the event that the citizen does not remain in the house for a period of five years.
- (d) The Government has guaranteed the loans of individual members under the On-Reserve Housing Loan Program in the amount of \$189,840 as at March 31, 2024 (2023 - \$195,469).
- (e) The Government and its incorporated businesses are subject to legal proceedings and claims which arise in the ordinary course of business. While the outcome is not currently determinable, the Government's management does not expect that the results of these proceedings will have a material adverse effect on the Government's financial condition or results of operations.

13. Financial risks:

The financial instruments of the Government consist of cash, accounts receivable, restricted cash, investments, advances to related entities, accounts payable and accruals. Unless otherwise noted, it is managements opinion that the Government is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

The Government is exposed to financial risk that arises from the fluctuation in interest rates and in the credit quality of its customers and related-parties.

(a) Credit risk

The Governments credit risk consists principally of cash and cash equivalents, accounts receivable, and loans receivable. The Government maintained cash and cash equivalents with reputable and major financial institutions.

(b) Interest rate risk

The Government is exposed to interest rate risk with respect to cash and cash equivalents, and borrowings. There are no derivative financial instruments to mitigate these risks.

There has been no change to the risk exposure outlined above from 2023.

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

14. Settlement funds:

The Government received and accepted a settlement offer from the Government of Canada for unauthorized logging on Ucluelet Indian Band Former Reserves during 1968 to 1971 for \$19.2 million.

15. Segmented information:

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1. The following table presents the expenses incurred and the revenue generated by each main object of expense and by major revenue type. The segment results for the period are as follows:

YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements

Year ended March 31, 2024

15. Segmented information (continued):

	Administration	Community Services	Lands and Resources	Housing and Maintenance	Culture, Language and Heritage	Settlement Trust and Implementation Fund	2024	2023
Revenues:								
Federal government	\$ 9,203,993	\$ 2,745,274	\$ 1,295,699	\$ 1,473,045	\$ 184,693	\$ -	\$ 14,902,704	\$ 13,680,421
Other government sources	683,647	1,233,843	59,913	1,773,420	17,828	-	3,768,651	2,496,873
First Nation economic activities	2,243,144	-	28,048	458,887	-	-	2,730,079	1,910,188
Interest and other	-	-	-	-	-	2,225,850	2,225,850	2,065,852
Net Income (loss) from subsidiary	-	(12,115)	-	-	-	-	(12,115)	485,470
	12,130,784	3,967,002	1,383,660	3,705,352	202,521	2,225,850	23,615,169	20,638,804
Expenses:								
Operating expenses	4,493,880	3,643,831	1,149,664	1,076,948	270,388	-	10,634,711	6,432,263
Salaries, wages & benefits	1,914,376	2,126,439	657,855	228,287	389,892	-	5,316,849	4,361,654
Interest and investment fees	-	-	-	-	-	917,654	917,654	634,899
Amortization of tangible capital assets	1,282,984	-	-	261,243	-	-	1,544,227	1,581,115
	7,691,240	5,770,270	1,807,519	1,566,478	660,280	917,654	18,413,441	13,009,931
Forgiveness of Treaty Loan Settlement Funds	-	-	-	-	-	-	918,315	918,315
	19,231,334	-	-	-	-	-	19,231,334	-
Annual (surplus) deficit	\$ 23,670,878	\$ (1,803,268)	\$ (423,859)	\$ 2,138,874	\$ (457,759)	\$ 1,308,196	\$ 25,351,377	\$ 8,547,188



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INDEPENDENT REVIEW ENGAGEMENT REPORT

To Indigenous Services Canada and Members of the Yuułu?if?ath Government

We have reviewed the accompanying Schedule of Remuneration (Members of Legislature) for Yuułu?if?ath Government for the year ended March 31, 2024, (the "Schedule"). The Schedule has been prepared by management in accordance with the financial reporting provisions in Section 7.3 of the Indigenous and Northern Affairs Canada 2023-2024 Year End Reporting Guide.

Management's Responsibility for the Schedule

Management is responsible for the preparation of the schedule in accordance with the financial reporting provisions in Section 7.3 of the Indigenous and Northern Affairs Canada 2023-2024 Year End Reporting Guide; this includes determining that the applicable financial framework is acceptable for the preparation of the schedule in the circumstances, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying schedule based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of the schedule in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on this schedule.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Schedule of Remuneration (Members of Legislature) for the year ended March 31, 2024 is not prepared, in all material respects, in accordance with the financial reporting provisions in Section 7.3 of the Indigenous and Northern Affairs Canada 2023-2024 Year End Reporting Guide.

Restriction on Use

Our report is intended solely for Indigenous Services Canada and Members of the Yuulu?if?ath Government and should not be used by parties other than Indigenous Services Canada and Members of the Yuulu?if?ath Government.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Chilliwack, Canada
September 17, 2024

Yuutu?i?at? Government
Schedule of Remuneration of Members of the Legislature
As per section 2.25 of the Constitution
For the fiscal year 2023/2024

Name	Title	MONTHS	Remuneration			Expenses		Total
			Honoraria	CPP (employers)	PENSION DEDT	TRAVEL	CELL ALLOW	
Mastrangelo, Levana	Member of Legislature	12	36,000	1,958		3,541		41,499
McCarthy, Alan	Member of Legislature	2	1,522	59		-		1,580
McCarthy, Charles	President/Member of Legislature	12	101,393	3,817	5,040	6,805		117,054
McCarthy, Kirk	Member of Legislature	8	6,431	254		175		6,860
Millar, Jay	Member of Legislature	12	9,836	377		-		10,213
Mundy, Richard	Member of Legislature	2	5,607	302		-	200	6,109
Touchie, Asya	Member of Legislature	12	37,142	1,960		3,645		42,747
Touchie, Geraldine	Member of Legislature	8	6,431	-		-		6,431
Touchie, Gertrude	Member of Legislature	12	36,000	1,958		4,533		42,490
Touchie, Jenny	Member of Legislature	2	5,607	51		-	200	5,858
Touchie, Lorri	Member of Legislature	12	41,607	2,482		-	1,200	45,289
			\$ 287,576	\$ 13,217	\$ 5,040	\$ 18,698	\$ 1,600	\$ 326,131