

Consolidated Financial Statements of

**YUULU?IL?ATH? GOVERNMENT**

And Independent Auditor's Report thereon

Year ended March 31, 2025

## **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 Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Government's consolidated financial statements.

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*President*

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*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, 2025
- 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 financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2025, and its consolidated results of operations, its consolidated changes in net financial assets, its consolidated remeasurement gains and losses 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 auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 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 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 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 financial statements, including the disclosures, and whether the 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.

DRAFT

Chartered Professional Accountants

Chilliwack, Canada  
March 2, 2026

# YUULU?IL?ATH? GOVERNMENT

## Consolidated Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 41,420,249	\$ 31,760,411
Accounts receivable (note 2)	1,456,121	2,904,994
Restricted cash (note 3)	25,053,770	23,497,530
Portfolio investments (note 4)	58,455,551	53,878,821
Investment in subsidiary (note 5)	5,200,905	4,897,290
Advances to related entity (note 5)	454,145	412,145
	<u>132,040,741</u>	<u>117,351,191</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	3,753,307	3,330,141
Asset retirement obligation (note 6)	696,681	387,006
Deferred revenue	11,736,155	11,659,800
Short-term debt (note 7)	148,014	-
Long-term debt (note 8)	6,293,185	6,506,802
	<u>22,627,342</u>	<u>21,883,749</u>
Net financial assets	109,413,399	95,467,442
<b>Non-financial assets:</b>		
Tangible capital assets (note 9)	20,878,752	20,239,969
Prepaid expenses	138,087	157,317
	<u>21,016,839</u>	<u>20,397,286</u>
Contingent liabilities (note 15)		
Subsequent events (notes 8, 11, 16)		
<b>Accumulated surplus (note 10)</b>	<b>\$ 130,430,238</b>	<b>\$ 115,864,728</b>

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

On behalf of Yuulu?il?ath? Government:

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President

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Director of Operations

# YUULU?IL?ATH? GOVERNMENT

## Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2025, with comparative information for 2024

	Budget (note 12)	2025	2024
<b>Federal Government - grants and transfers:</b>			
Indigenous Services Canada	\$ 13,125,724	\$ 15,777,730	\$ 14,638,340
Other grants	2,568,767	1,122,356	264,364
<b>Other Government Sources:</b>			
Province of BC	712,708	1,850,297	1,005,717
FNHA Funding	1,121,857	1,015,961	364,169
Nuu-chah-nulth Tribal Council	697,600	320,468	414,357
CMHC and housing charges	2,249,850	308,354	1,843,190
First Nation Education Steering Committee	22,500	37,103	141,218
<b>First Nation:</b>			
Settlement Trust - Investment Income	-	717,670	1,684,559
Implementation fund-Investment Income	500,000	1,058,076	471,944
Gain on portfolio investments	-	225,055	69,347
Rental	103,700	415,705	412,097
Interest and other	1,126,300	4,922,378	2,243,144
Other funding	-	1,262,232	28,048
Property taxation	61,000	23,770	46,790
Net (loss) income from YFN LP (note 5)	-	303,616	(12,115)
<b>Total revenue</b>	<b>22,290,006</b>	<b>29,360,771</b>	<b>23,615,169</b>
<b>Expenses:</b>			
Administration	6,222,465	6,562,662	7,691,240
Community Services	6,558,943	7,143,799	5,770,270
Lands and Resources	4,178,385	2,402,448	1,807,519
Housing and Maintenance	266,300	1,501,325	1,566,478
Culture, Language and Heritage	847,926	715,670	660,280
Settlement Trust	-	251,529	827,225
Implementation Fund	-	98,299	90,429
<b>Total expenses</b>	<b>18,074,019</b>	<b>18,675,732</b>	<b>18,413,441</b>
Income before the undernoted	4,215,987	10,685,039	5,201,728
<b>Other income:</b>			
Settlement funds	-	-	19,231,334
Forgiveness of Treaty Loan (note 8)	918,315	918,315	918,315
	918,315	918,315	20,149,649
Annual surplus	5,134,302	11,603,354	25,351,377
Accumulated surplus, beginning of year	115,864,728	115,864,728	86,481,368
Remeasurement gains on portfolio investments	-	2,962,156	4,031,983
<b>Accumulated surplus, end of year</b>	<b>\$ 120,999,030</b>	<b>\$ 130,430,238</b>	<b>\$ 115,864,728</b>

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, 2025, with comparative information for 2024

	Budget (note 12)	2025	2024
Annual surplus	\$ 5,134,302	\$ 11,603,354	\$ 25,351,377
Tangible capital assets:			
Acquisition of tangible capital assets	(5,396,050)	(2,400,396)	(4,666,887)
Amortization of tangible capital assets	-	1,761,613	1,544,227
	(5,396,050)	(638,783)	(3,122,660)
Change in prepaids	-	19,230	(43,801)
Change in net financial assets excluding remeasurement gains	(261,748)	10,983,801	22,184,916
Remeasurement gains from portfolio investments	-	2,962,156	4,031,983
Change in net financial assets	(261,748)	13,945,957	26,216,899
Net financial assets, beginning of year	95,467,442	95,467,442	69,250,543
Net financial assets, end of year	\$ 95,205,694	\$ 109,413,399	\$ 95,467,442

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, 2025 with comparative information for 2024

	2025	2024
Accumulated remeasurement gains and (losses) at beginning of year	\$ 2,568,777	\$ (1,463,206)
Unrealized gains attributable to Portfolio investments:		
Implementation Fund	801,934	1,199,323
Settlement Trust	2,160,222	2,832,660
	<u>2,962,156</u>	<u>4,031,983</u>
Gains realized during the year transferred to income:		
Implementation Fund	(150,667)	-
Settlement Trust	(74,388)	(69,347)
	<u>(225,055)</u>	<u>(69,347)</u>
Net remeasurement gains for the year	2,737,101	3,962,636
Accumulated remeasurement gains at end of year	<u>\$ 5,305,878</u>	<u>\$ 2,499,430</u>

# YUULU?IL?ATH? GOVERNMENT

## Consolidated Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$ 11,603,354	\$ 25,351,377
Items not involving cash:		
Amortization of tangible capital assets	1,761,613	1,544,227
Equity loss (income) in subsidiary	(303,616)	12,115
Changes in non-cash working capital:		
Accounts receivable	1,448,873	1,214,139
Accounts payable and accrued liabilities	423,166	993,005
Asset retirement obligation	309,675	11,272
Deferred revenue	76,355	4,605,114
Prepaid expenses	19,230	(43,801)
	<u>15,338,650</u>	<u>33,687,448</u>
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(2,400,396)	(4,666,887)
	<u>(2,400,396)</u>	<u>(4,666,887)</u>
<b>Investing activities:</b>		
Advances to (from) related entities	(42,000)	142,000
Increase in long term investments	(1,614,573)	(1,361,296)
Restricted cash	(1,556,240)	(19,225,597)
	<u>(3,212,813)</u>	<u>(20,444,893)</u>
<b>Financing activities:</b>		
Repayment of long-term debt (net of proceeds)	(65,603)	(304,389)
	<u>(65,603)</u>	<u>(304,389)</u>
Change in cash	9,659,838	8,271,279
Cash, beginning of year	31,760,411	23,489,132
Cash, end of year	<u>\$ 41,420,249</u>	<u>\$ 31,760,411</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, 2025

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## 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) Cash and cash equivalents:

Cash and cash equivalents are defined as cash on hand, demand deposits, and short-term highly liquid investments with a maturity date of less than 3 months at acquisition that are readily converted to known amounts of cash and which are subject to an insignificant risk of change in value.

### (b) Reporting entity and principles of financial reporting:

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. 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.

### (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.

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

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## 1. Significant accounting policies (continued):

### (d) Non-financial capital assets (continued):

#### (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	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.

#### (iii) Impairment:

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Governments's ability to provide goods and services, or when the value of the future economic benefits associated with the asset are less than the book value of the asset.

### (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.

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

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## 1. Significant accounting policies (continued):

### (e) Contaminated sites (continued):

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.

### (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 and asset retirement obligations. Actual results could differ from these estimates.

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

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## 1. Significant accounting policies (continued):

(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 Consolidated 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 Consolidated 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 Consolidated 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.

(i) Restricted cash:

Restricted cash is held by the Government for specific purposes and may be spent only for their designated purpose.

(j) Revenue:

Revenues from transactions with performance obligations such as sales and services revenue, other revenues, water and sewer fees and charges, are recognized when the Government satisfies the performance obligations.

Revenues from transactions without performance obligations are recognized at realizable value when the Government has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

## 2. Accounts receivable:

Accounts receivable consists of the following:

	2025	2024
Due from members:		
Tenant rent receivable	\$ 320,182	\$ 317,930
Less allowance for doubtful accounts	(299,441)	(258,185)
	20,741	59,745
Due from others:		
GST receivable	313,348	442,293
PST receivable	118,424	293,158
Other amounts	1,316,388	2,326,609
	1,748,160	3,062,060
Less allowance for doubtful accounts	(312,780)	(216,811)
	1,435,380	2,845,249
	\$ 1,456,121	\$ 2,904,994

## 3. Restricted cash:

Restricted cash is comprised of:

	2025	2024
Restricted - external	\$ 2,987,163	\$ 2,855,447
Designated - internal	21,174,413	19,794,240
Social Housing Replacement & Operating Reserve	892,194	847,843
Total restricted and designated funds	\$ 25,053,770	\$ 23,497,530

The externally restricted funds are restricted under the Government's implementation agreement and gaming agreement.

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

## 4. Portfolio investments:

	2025	2024
Implementation Fund - marketable securities, at market value	\$ 21,141,581	\$ 19,229,202
Settlement Trust - marketable securities, at market value	37,313,970	34,649,619
	<u>\$ 58,455,551</u>	<u>\$ 53,878,821</u>

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

	2025	2024
Implementation fund	\$ 19,108,212	\$ 17,997,767
Settlement Trust	34,281,679	33,277,039
	<u>\$ 53,389,891</u>	<u>\$ 51,274,806</u>

## 5. Investment in subsidiary

The Government owns 99.9% of the units of YFN HLP. YFN Holdings Limited Partnership holds and manage equity interests, investments, and other business assets on behalf of the Government. The Partnership conducts its activities on a commercial basis and operates outside the core government operations, subject to governance and accountability arrangements established by the Government. 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 Government using the modified equity method.

The Government recorded their share of the equity gain in YFN HLP of \$303,616 (2024 - loss of \$12,115) based on the December 31 year end.

The Government has also loaned to YFN HLP or its subsidiary entities \$454,145 (2024 - \$412,145). These loans are without interest or fixed terms of repayment.

Condensed summary fiscal information for YFN Holdings Partnership at December 31, 2024 and 2023 is noted below.

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

## 5. Investment in subsidiary (continued):

	2024	2023
Current assets	\$ 2,836,592	\$ 2,722,148
Capital assets	3,858,814	3,273,227
Long term investments	2,565,752	2,281,996
Investment in YFN Holdings limited partnerships	5,200,905	4,897,290
Related party loans	38,486	38,485
<b>Total assets</b>	<b>9,299,644</b>	<b>8,315,856</b>
Current liabilities	2,357,135	2,549,281
Long term debt	7,365	8,875
Related party loans	454,996	454,996
Partner's capital	6,480,148	5,302,704
<b>Total liabilities and capital</b>	<b>9,299,644</b>	<b>8,315,856</b>
Revenues	1,545,059	1,058,238
Expenses	1,241,413	975,292
Net income from YFN LP	303,646	82,946
Elimination of related party transactions	-	(70,823)
<b>Net income from YFN LP</b>	<b>\$ 303,646</b>	<b>\$ 12,123</b>
Allocation of Comprehensive Income:		
Yuulu?il?ath? Government	\$ 303,616	\$ 12,115
YFN Holdings	30	8
<b>Net income from YFN LP</b>	<b>\$ 303,646</b>	<b>\$ 12,123</b>

## 6. Asset retirement obligation:

	2025	2024
Balance, beginning of year	\$ 387,006	\$ 375,734
Change in estimate	300,000	-
Accretion expense	9,675	11,272
	<b>\$ 696,681</b>	<b>\$ 387,006</b>

During the year, an asset retirement obligation of \$300,000 was recognized related to the dock/wharf system at 100 Hitacu. As the dock/wharf is controlled through a license of occupation, the change in estimate was expensed in the current period.

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

## 7. Short-term debt:

Short term debt consists of a \$148,014 loan from BC Housing, including interest at a BC Housing variable in-house rate, repayable on demand.

## 8. Long-term debt:

	2025	2024
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	\$ 3,951,139	\$ 4,175,505
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	1,022,688	1,129,217
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	529,903	557,750
Government of Canada settlement loans, without interest, repayable on March 31, 2028	281,177	281,177
Government of Canada settlement loans, without interest, repayable on March 31, 2029	192,586	-
Government of Canada settlement loans, without interest, repayable on March 31, 2026	133,737	133,737
Bank of Montreal demand loan, repayable at \$2,733 per month, including interest at prime plus .75%; secured by a general security agreement	69,841	81,684
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	36,093	71,711
	<b>\$ 6,293,185</b>	<b>\$ 6,506,802</b>

Subsequent to the year end, the Bank of Montreal term loan was renewed for \$3,895,977, repayable at \$31,159 per month, including interest at 4.29%; secured by a promissory note of the Government and a general security agreement, matures June 30, 2028.

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

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## 8. Long-term debt (continued):

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

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2026	\$ 4,330,000
2027	692,008
2028	400,232
2029	870,945

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In addition to the above long-term debt, the Government has a \$600,000 (2024 - \$600,000) overdraft loan facility which bears interest at prime plus .75%. This facility is not being utilized at March 31, 2025 (2024 - 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, 2025 is \$918,315 (2024 - \$918,315).

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

## 9. Tangible capital assets:

Cost	Balance March 31, 2024	Additions/ transfers	Disposals	Balance March 31, 2025
Land	\$ 1,405,936	\$ -	\$ -	\$ 1,405,936
Buildings	18,996,120	2,910,454	-	21,906,574
Machinery and equipment	2,526,941	969,175	-	3,496,116
Roads	887,952	9,600	-	897,552
Water and waste water systems	7,826,968	-	-	7,826,968
Social housing	5,147,605	-	-	5,147,605
Assets under construction	4,059,865	-	(1,488,833)	2,571,032
<b>Total</b>	<b>\$ 40,851,387</b>	<b>\$ 3,889,229</b>	<b>\$ (1,488,833)</b>	<b>\$ 43,251,783</b>

Accumulated amortization	Balance March 31, 2024	Disposals	Amortization/ transfers	Balance March 31, 2025
Buildings	\$ 10,143,058	\$ -	\$ 842,790	\$ 10,985,848
Machinery and equipment	1,909,879	-	282,652	2,192,531
Roads	638,678	-	23,899	662,577
Water and waste water systems	4,879,706	-	348,455	5,228,161
Social housing	3,040,097	-	263,817	3,303,914
<b>Total</b>	<b>\$ 20,611,418</b>	<b>\$ -</b>	<b>\$ 1,761,613</b>	<b>\$ 22,373,031</b>

	Net book value March 31, 2024	Net book value March 31, 2025
Land	\$ 1,405,936	\$ 1,405,936
Buildings	8,853,062	10,920,726
Machinery and equipment	617,062	1,303,585
Roads	249,274	234,975
Water and waste water systems	2,947,262	2,598,807
Social housing	2,107,508	1,843,691
Assets under construction	4,059,865	2,571,032
<b>Total</b>	<b>\$ 20,239,969</b>	<b>\$ 20,878,752</b>

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

## 10. Accumulated surplus:

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

	2025	2024
<b>Surplus:</b>		
Unrestricted equity in funds	\$ 72,821,681	\$ 68,570,302
Internally restricted	37,707,893	30,795,601
Accumulated remeasurement gains	5,305,878	2,499,430
<b>Surplus associated with tangible capital assets:</b>		
Invested in tangible capital assets	14,040,872	13,428,770
<b>Reserve funds set aside by statutory requirements:</b>		
Replacement reserve fund (note 11)	553,914	570,625
	<b>\$ 130,430,238</b>	<b>\$ 115,864,728</b>

## 11. 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:

	2025	2024
Replacement reserve fund:		
Opening balance	\$ 570,625	\$ 599,700
Contributions	38,450	38,450
Interest earned during the year	24,119	25,024
Replacement reserve expenditures	(79,280)	(92,549)
Closing balance	<b>\$ 553,914</b>	<b>\$ 570,625</b>

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

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## 11. Replacement reserve fund (continued):

As at March 31, 2025, the Replacement Reserve Fund was under funded by \$23,487 (2024 - \$46,612).

Subsequent to March 31, 2025, the Government transferred \$23,487 (2024 - \$46,612) to the Replacement Reserve Fund.

## 12. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2025 operating and capital budgets. These budgets have been approved by the legislature.

Certain budget classifications have been reclassified and/or excluded to conform with the financial statement presentation. The impact of the exclusion had the following impact on budgeted earnings:

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Total revenue per approved budget	\$ 30,708,321
BC Housing loan included in budgeted revenues	(7,500,000)
<b>Total revenue per above budget column (includes other income):</b>	<b>\$ 23,208,321</b>

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## 13. Economic dependence:

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

## 14. Comparative information:

Certain 2024 comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

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## 15. Contingent liabilities:

- (a) The Government is contingently liable to the Federal Government for guaranteed mortgages of certain Government's citizens. At March 31, 2025 the amount of this contingent liability was approximately \$20,000 (2024 - \$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 (2024 - \$3,065,000). As at March 31, 2025 the total loans outstanding have a current balance totaling \$2,112,873 (2024 - \$3,131,793). The Government has also guaranteed \$645,000 (2024 - \$645,000) in overdraft and credit card facilities for these Limited Partnerships and Corporations.
- (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 (2024 - \$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 \$184,017 as at March 31, 2025 (2024 - \$189,840).
- (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.

## 16. Subsequent events:

Subsequent to the financial statement date, on September 14, 2025, the Government completed the purchase of land for a total consideration of \$5.45 million.

This transaction occurred after the reporting date and did not provide evidence of conditions that existed at the reporting date. Accordingly, no adjustment has been made to the amounts recognized in these financial statements.

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

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## 17. Financial risks:

The financial instruments of the Government consist of cash and cash equivalents, accounts receivable, restricted cash, portfolio investments, advances to related entities, accounts payable, accrued liabilities and debt. 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 and accounts receivable. The Government maintains 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.

### (c) Liquidity risk

Liquidity risk is the risk that the Government will not be able to meet its financial obligations as they become due. The Government's objective is to have sufficient liquidity to meet these liabilities when due. The Government prepares financial plans, monitors its cash balance and cash flows to meet its liquidity requirements. Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

There has been no change to the risk exposure outlined above from 2024.

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

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## 18. Segmented information:

The Government is a diversified organization that provides a wide range of services to its citizens. For management reporting purposes, the Government's operations and activities are organized and reported by departments. Departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) Administration:

The Administration Department, provides overall policy management and strategic direction to departments and staff. Additionally, Administration provides a variety of services including: direct support to the Members of Legislature and Executive, Committees of the Legislature and the Executive. YG's administration has overall responsibility for the Nation's operations, responsible for sound implementation of Executive directions and overseeing departments and a staff of over 60.

(b) Community Services:

The Department of Health and Social Services is responsible for the provision of healthcare, community services, social services, and education.

(c) Lands and Resources:

The Lands and Resources Department is responsible for the management and administration of Yuu?u?i??at?s. lands and waters, including resource stewardship, forestry, Food, Social, and Ceremony fishery, marine stewardship, and training, working with other governments, land transfers, and land planning, development and zoning.

(d) Housing and Maintenance:

The Housing and Maintenance Department is responsible for the overall functioning, maintenance and acquisition/construction of housing.

(e) Culture, Language and Heritage:

The department supports the living culture by working with knowledge keepers and youth/culture learners through the Warriors (young men) and kakawin minh, Women's Warriors programs; marine mapping; working with other agencies such as Parks Canada, BC, and the District of Ucluelet.

# YUULU?IL?ATH? GOVERNMENT

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2025

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## 18. Segmented information (continued):

(f) Settlement Trust and Implementation Fund:

The Settlement Trust and Implementation Fund Department is responsible for overseeing funds held in an implementation fund and settlement trust, which are managed on behalf of the government by qualified investment firms.

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:

**Yuułu?iġaṭh Government**  
Notes to Consolidated Financial Statements

Year ended March 31, 2025

**Segmented Information (Continued):**

	Administration	Community Services	Lands and Resources	Housing and Maintenance	Culture, Language and Heritage	Settlement Trust and Implementation Fund	2025	2024
<b>Revenues:</b>								
Federal government	5,394,885	5,726,277	3,403,509	1,926,119	449,296	-	16,900,086	14,902,704
Other government sources	739,499	1,500,594	549,479	288,247	454,364	-	3,532,183	3,768,651
First Nation economic activities	23,770	-	-	415,705	-	-	439,475	458,887
Interest and other	4,871,614	121,257	1,077,799	98,272	15,667	2,000,802	8,185,411	4,497,042
Net Income (loss) from subsidiary	-	303,616	-	-	-	-	303,616	(12,115)
	11,029,768	7,651,744	5,030,787	2,728,343	919,327	2,000,802	29,360,771	23,615,169
<b>Expenses:</b>								
Operating expenses	3,172,164	4,506,349	1,486,359	978,743	335,053	-	10,478,668	10,634,711
Salaries, wages & benefits	1,892,702	2,637,450	916,089	258,765	380,617	-	6,085,623	5,316,849
Interest and investment fees	-	-	-	-	-	349,828	349,828	917,654
Amortization of tangible capital assets	1,497,796	-	-	263,817	-	-	1,761,613	1,544,227
	6,562,662	7,143,799	2,402,448	1,501,325	715,670	349,828	18,675,732	18,413,441
Forgiveness of Treaty Loan	-	-	-	-	-	-	918,315	918,315
Settlement Funds	-	-	-	-	-	-	-	19,231,334
<b>Annual surplus (deficit)</b>	<b>4,467,106</b>	<b>507,945</b>	<b>2,628,339</b>	<b>1,227,018</b>	<b>203,657</b>	<b>1,650,974</b>	<b>11,603,354</b>	<b>25,351,377</b>