	stqaʔtxʷɬn'iwt sqilxʷⁱ **WESTBANK FIRST NATION** 515 Highway 97 South Kelowna, B.C. V1Z 3J2 Phone: (250) 769-4999 Fax: (250) 769-4377 www.wfn.ca *Community. Leadership. Pride.*	**MINUTES** **ADVISORY COUNCIL** **sc̓ic̓kstasc̓ɫt,** **sk'əlwístən (Friday, September 11) 9am, 2026**

ADVISORY COUNCIL MEMBERS IN ATTENDANCE:

Rick Ould	Old Okanagan District
Steve Gilroy	Lakeridge District
Mike Wilding	Prairie District
Janice Beaton	East Boundary District
Allen Dion	Lakeshore District

WFN STAFF MEMBERS IN ATTENDANCE:

Jeniffer Bellingham	Director of Intergovernmental Affairs and Title & Rights
Alyssa Church	Recording Clerk I
Chloe Brogan	Intergovernmental Affairs Researcher
Robert Mashohn	Director of Finance
Val Dougans	Controller
Ashley Mazur	Manager of Law Enforcement
Wayne Murdock	LEO
Krista Derrickson	Manager of Utilities
Graeme Dimmick	Acting Director of Capital Projects, Assets, & Infrastructure, Director of Planning and Development

DELEGATION:

Evelyn Lube	
Mario Piroddi	BDO Auditor

CALL TO ORDER	**Agenda is attached to these minutes as EXHIBIT "A."**
R. Ould	Called the meeting to order at 9:11 am
	Motion to Adopt the Agenda
MOTION	**MOVED BY Mike Wilding** **Seconded by Janice Beaton** **THAT** the Advisory Council hereby approves the agenda. **CARRIED**
OLD BUSINESS	
	Motion to Adopt the Minutes of June 26, 2026 & July 29, 2026
MOTION	**MOVED BY Mike Wilding** **Seconded by Steve Gilroy** **THAT** the Advisory Council hereby approves the minutes of June 26, 2026 **CARRIED**

MOTION	**MOVED BY Janice Beaton** **Seconded by Allen Dion** **THAT** the Advisory Council hereby approves the minutes of July 29, 2026 **CARRIED**
NEW BUSINESS	
	Advisory Council Election
Chloe Brogan	Early voting will be as early as September 23rd, and the election will be on October 15th.
	RDCO Election
Chloe Brogan	Advanced voting is on October 7th and 14th, and general voting is on October 17th. From my understanding, communication will be adding something.
Steve Gilroy	The closest place to vote is Marriott behind Home Depot.
	West Kelowna Transmission Line Presentation – Evelyn Lube
	Evelyn Lube reviewed a PowerPoint with the advisory council on the update on the West Kelowna Transmission Line. This presentation is not public yet and will not be shared with these minutes.
Evelyn Lube	This is not a project Westbank will be rushing. We need to understand the impacts of the line. We need to make sure that our interests have been thoroughly investigated and that we've negotiated and mitigated for the best solution for Westbank First Nation. That's going to be our priority as we move forward on this. Westbank First Nation also uses Old Okanagan Highway for infrastructure and servicing. Once a transmission line is in place, it reduces Westbank First Nation's capacity to further develop its infrastructure. So it's not just about the two lines. We have to think about the future capacity of Westbank First Nation.
Jen Bellingham	What we've engaged with Gurleen and Graeme on is that we don't want to allow hydro to put in infrastructure for a redundancy line that would impact our local government's ability to do work on our lands. There are things that we won't be able to do if they take so much space.
Evelyn Lube	Our question was to BC Hydro on the duck bank and transmission line; this makes no sense. You're ripping up the road right now, and it's all torn up right now to put the duck bank in for efficiency; why wouldn't you build the capacity for an underground transmission line at the same time? The answer we received was that it was out of the scope of the distribution duck bank project and because the West Kelowna transmission isn't a funded project yet, which we'll get to at the end. BC Hydro won't invest money into it until it's a funded project. They have committed to doing additional open houses for the remainder of the segments; they have tentatively scheduled them for the end of October. I wanted to ask the advisory council whether it makes sense to push BC Hydro to hold the engagement sessions on Westbank lands and have more residents attend.
Rick Ould	Absolutely.

	Regarding the gap between the duck bank and the bridge, that's not a decided option?
Evelyn Lube	That's along the highway; that's the only option they have given us. But we have some influence over this; the recommendation that we are going forward with is that Westbank First Nation is open to other alternatives as well. Evelyn Lube continued to review the presentation. There is some public pressure, especially from the city of West Kelowna. Let's get this done. But that could mean that we're not looking at some very realistic options as well that they haven't considered. The recommendations will land in BC Hydro's lap within the next couple of weeks, not only from Westbank First Nation, but also from the Okanagan Nation Alliance, which has a big issue with the lake. They will have an interest in the lake being used as precedent for utilities. They will probably have something to say about potential impacts on salmon, which are being restored into the lake, and what those impacts could potentially be.
Mike Wilding	The Bell substation would take all of the road work out of Kelowna, and you're saying they are not in favour of this.
Evelyn lube	They are not in favour of this. They selected the Fortis substation at Recreation Avenue, which is at the base of Knox Mountain. They selected that over DG Bell and the substation based on the technical capacity and capability of the substations at the time. This was four years ago. Now, just a few weeks ago, we received a referral about upgrades to the substations in Kelowna, and our question was, would those upgrades accommodate the Westbank transmission line? Evelyn reviewed the BC Hydro timeline found on their website. Here we are in late 2026. We're supposed to be selecting Alternative 3E, which is a connection from the substation to Fortis's substation at Recreation Avenue. Select Alternative 3E as the preferred alternative by the end of this year. To do that, BC Hydro is requesting input from a number of stakeholders, including Westbank First Nation, the First Nation that's directly impacted, and the Okanagan Nation Alliance, which represents the area. We will also contribute to the BC Utilities Commission submission. We will be interveners in that as well, and we'll also be contributing to the details of BC Hydro's submission itself. BC Hydro and Fortis are making a combined submission. Fortis has responsibility for Section 4, which goes across the lake, but once it reaches the other side of the lake at the substation at Fortis, that's Fortis' responsibility. Fortis and BC Hydro are making a combined application to the Utilities Commission for this project. There are some questions we have, particularly around the lake impacts, that we'll want to see answered. They won't cause any delays. Those things can happen while BC Highway is doing their preliminary design. We'll want to make sure that the heat

	the transmission line produces is mitigated and understood. We'll want to better understand how it's going to be installed. We'll also want to better understand what BC Hydro's commitment will be to the ongoing monitoring of that cable, because there's only one other transmission line in a lake in British Columbia, and that's at Harrison Lake. We're looking at this project being completed; we're going to say, 2033. But I've seen this thing move so many times.
	Audit financial – BDO Auditor - Audited financial statement is attached to these minutes as "Exhibit "
	Mario Piroddi reviewed the presentation with the advisory council
Mario Piroddi	We completed our audit of the March 31st, 2026 financial statements and included a report stating that these financial statements present fairly, in our opinion, the results of the local government services for the year ended March 31st, 2026. When we look at the State of Financial Position on page 4 of the financial statements, this is a snapshot of your assets and liabilities, prepared at the end of the year. We can see that your financial assets, which include all the cash you have, investments, and cash coming in, are up slightly from 121.6 million to 123.2 million. But when you look at your liabilities, we saw that the liabilities and obligations you have dropped from $61 million to $54.7 million. The net financial asset position is where we see the increase in your financial position to $68.5 million, up from $60.5 million. When we get to the actual statement of operations and the revenues and expenses for the year, your total revenues came in at $33.5 million, up from a budget of $33.2 million and last year at $32.4 million. We can see that everything is fairly close to budget, but a couple of items I did want to highlight. Municipal revenues are down from budget. Primarily driven by development services. We know the housing market is soft right now; not a lot of development activity. We did see that some DCC were used on capital this year. Investment income was in line with budget, but it was down from last year, just the change in the market right now. As we can see, everything else is very tight. When you go into the expenses, expenses came in at $22.8 million for payroll, which was at $24 million. Property taxation, on the surface, you're looking at how we'd be over budget. That is just a factor of the homeowner grants that were forwarded to the province. I made this comment to Chief and Counsel when we presented these things earlier. I'm quite pleased with how the budget is here. As you know, you need to prepare a balanced budget to determine your taxation, and the financial statements don't align with how you're required to prepare your budget, so I've taken these numbers off the statement so you can create a reconciliation and

	see how we did. The operating surplus for accounting purposes came in at $10.7 million, up from $8.2 million in the budget. We then spent on capital assets, which is an expense in your budget, but is an asset on the financial statements. Add back your amortization, which is non-cash and not in your budget. And we get to a surplus before transfers of $9.9 million, up from $7.4 million. There's a contribution from reserves. The plan was to contribute $2.7 million to administration, but administration actually contributed $4.2 million to local government service. The variance between the two is the repayment of the grant from Regional District Central Okanagan, which was used for the youth centre and was part of the community works fund. That money was then pulled from administration, and the community works fund was topped up. We'll show you how that works when I go over the reserves, but that's why we have such a big variance there. And because we had a surplus, we ended up transferring $7.3 million into a restricted surplus. Our surplus after the transfer is $639,000. Last year was a deficit of $945,000. I would call that a pretty balanced budget on a $33 million revenue base.
Rick Ould	I don't understand the term transfers to restricted surplus. Where's that money actually going? What does restricted surplus mean?
Mario Piroddi	In your accumulated surplus, if we ignore equity and tangible capital assets, that is the money we've historically spent on infrastructure within the boundaries. Your restricted surplus is money that's been restricted and can only be released with a proper motion. And then we have our restricted equity, which, again, management must have specific purposes to use those funds. Above that, we have $3 million unrestricted. That's the money that management has to execute the approved budgets. They only have $3 million of that $68 million to execute the budget.
Rob Mashohn	The contingency versus stabilization; We were waiting for the audit to clean up all these numbers, so what we did was meet the statutory requirement to have the stabilization and contingency fund at a certain level. It was overfunded; we brought it to the correct amount. We actually collapsed that into one fund, because they basically had the same use. The remainder went to the capital projects fund.
Rick Ould	You raised something about a water amount of money for a water issue; that was grant funding, that is WFN money and not taxation money?
Rob Mashohn	It's money that is not restricted to local government services; that's probably the best way to describe it. It's under administrative review, but I think it just needs an asterisk in that it is not restricted to local government services.
Mike Wilding	Can we go back to the water settlement reserve? How do you do the accounting for that, because it's all rolled up into LGS?
Rob Mashohn	There is some questions whether that is an LGS reserve or a WFN reserve item. It's not flying around. The money has come in from the Government of Canada, and it is being held in a reserve. There are no restrictions on WFN for the use of that money. It's under internal review to determine whether it would be used for municipal-type operations or for some other purpose. But the government, the funder, has not put any restrictions on it.

Mario Piroddi	Just to be clear, WFN would have received this funding. It's not the only nation that received it, and it would have received it whether there were municipal services or not. The logic for why it ended up here is that it relates to drinking water, which is a municipal service. The accounting went, well, it's drinking water; we should put it in LGS for now while we determine how this is going to be used, because it makes more logical sense for it to be there. But to understand that if there is a project that is going to be used, it'll be utilized on the administration side, because Chief and Counsel have control of those funds, according to the Government of Canada, then LGS would make a contribution to administration, just like administration made that contribution this year for the repayment of that RDCO fund.
Rick Ould	Did you see anything that gave you pause? But your opening statement pretty much says you didn't see anything that gave you pause, that you're happy with it, and that we're in good shape.
Mario Piroddi	From my perspective, when I got to prepare these presentations and my notes, and I didn't have a lot to talk about, that was a good sign because it shows things are coming in aligned with expectations.
Mike wilding	Did you change materiality?
Mario Piroddi	No, materiality remained consistent.
Janice Beaton	In the notes to the financial statements, under revenue per property taxation, there's a miscellaneous amount of $208,000, and then other government grants of $41,000?
Val Dougans	Taxation miscellaneous revenues would be like the BC transit revenue sharing and a few other revenue fees. The other government grants, there is a small CIRNAC grant that we allocate to public works.
	Q1 Financial Statements – Presentation is attached to these minutes as "Exhibit "
	Val Dougans reviewed Q1 presentation
Val Dougans	As you know, with property taxes, we receive most of it up front; that's why it looks like we've collected most of our revenue for the year. We've collected 76% of our budgeted revenue in Q1, but our expenses are tracking.
Steve Gilroy	On the 98% of the property tax that's collected, is that pretty normal?
Val Dougans	Yes. We had some capital asset additions as well, just back on that first page. Again, not a lot in the first quarter; we're just kind of ramping up. We had some upgrades to the IR9 pump station; a leak detection system was purchased
Mike Wilding	We approved the leak detection system a while ago, but is this because you have received the bill now?
Val Dougans	Yes. Continued to review presentation
Steve Gilroy	Regarding the agreements, I'm understanding that it's a percentage of costs?
Val Dougans	It comes to us from the City of West Kelowna, so it's a flow-through. It's based on the assessed values, and then mostly on their actual costs. Right. And then our agreement is that we've agreed to pay based on the assessed values, so it's prorated.
Rick Ould	The repair and maintenance cost is just a general cost for repairs on vehicles and

	buildings.
Val Dougans	Yes.
	LEO Update
Wayne Murdock	Like every community, there are issues with the unhoused. They're coming from everywhere, and it's a challenge all the time, having them clean up what they leave behind, and I try to encourage them to do it rather than have us or WFN fund the cleanup.
Janice Beaton	Do you know the approximate number?
Wayne Murdock	It fluctuates. About a year ago, it was shocking; there were over 100, and the last count I believe they did was around 20. lot of WFN is private property, so it's easier to remove people from there.
Steve Gilroy	Since the fires, are you seeing more camps in the bush?
Wayne Murdock	I was involved in the Trepanier issue. I think there were 18 derelict trailers out there, with garbage everywhere. The province worked with the natural resource officers, the RCMP, us, and Peachland bylaw. It was on Crown land. They gave them eviction notices and a lot of time to make other arrangements. They even brought in social services to try to find alternative housing for them. When it got down to the last month, they actually gave him a final you're out this day. The province went up there and took possession of all their units.
Janice Beaton	You take all of their housing away; where do they go?
Wayne Murdock	I mean, they tried to find them housing and stuff, but I mean, sometimes they have to be a little bit accountable, too. A lot of them found alternative housing.
Rick Ould	Are you hiring a fourth officer?
Wayne Murdock	We have someone starting October 6th.
Steve Gilroy	What do you think of the approved guardianship program?
Wayne Murdock	I like it. Penticton has one. There are a lot of communities that have them, and they work closely with conservation. The nice thing is, they're basically the eyes and ears of everywhere. The more people see vehicles with markings on the side, the less bad stuff happens, because they know that those people are recording license numbers. It just prevents things, they give directions, and they're checking and monitoring things; there are so many things they can be doing. They will have iPads with mapping software on them, where it's tracking where they're driving, and then whenever they take pictures of a vehicle or something, it geo-references it, so it knows exactly where it is.
	Water Meter Update
Krista Derrickson	Our update is that the meters are officially going in. We've installed over 100 so far. We will be coming to the next advisory council, hopefully with our new approved rates. We've been holding monthly open houses that have not been very well attended, but we're still having them.
Janice Beaton	Are you open to attending other strata meetings?
Krista Derrickson	Yeah, we've said it from the very beginning: anybody who wants us to come and talk to them just has to invite us to come.
Steve Gilroy	I thought we weren't doing meters in Lake Ridge Park.
Krista	We're doing meters everywhere. on the notification, it will say if they have any

Derrickson	questions, to contact the Utilities Department.
Steve Girloy	How would they know if their meter's not reading?
Krista Derrickson	On every invoice there is a meter reading, and if that is saying zero consistently, that means their meter hasn't been reading properly. I would say we're averaging about 50 a month. But now that fall is coming, we're probably going to get 2 or 3 plumbers in a day, so hopefully we get some more installed.
Janice Beaton	Are you still looking for everything to be up and running, with the bills coming out in January?
Krista Derrickson	Yes.
Janice Beaton	Have you heard from Westview Village?
Krista Derrickson	I have heard from a few residents, but I think that there's a tenancy issue that's happening there that we're not involved beyond that.
	Capital Project – Graeme Dimmick
Chloe Brogan	Graeme is here covering Capital projects because Gurleen wasn't able to be here.
Graeme Dimick	I understood there were some questions about the Lindley Drive extension. Graeme Dimick reviewed the GIS Map of the Lindley Drive area.
MOTION	The Advisory Council Chair moves that the Advisory Council meeting move to in camera. CARRIED
DISTRICT REPORTS	
	Lakeridge
Steve Gilroy	Nothing at this time
	Prairie
Mike Wilding	Nothing at this time
	Lakeshore
Allen Dion	Nothing at this time.
	East Boundary
Janice Beaton	On August 6th, I was contacted by email by a daughter of a resident in Sage Creek. She and her husband had been living with them for 3 years as caretakers. Sage Creek Management told them that they had to vacate the premises and were trying to evict them; they have now gone to the Supreme Court, and Sage Creek was granted the court order to evict them.
Ashley Mazur	Sage Creek tenancies don't fall under the RPL because your interest exceeds 10 years, making it a contractual issue. That's why it likely went to the Supreme Court, as there is no recourse through WFN. The definition of residential premises in the law sets out what it covers and then says, but does not include, and that's where it excludes leasehold interests exceeding 10 years.
	Old Okanagan
Rick Ould	Nothing at this time

	The next meeting will take place on October 23rd
ADJOURNMENT MOTION	MOVED BY Allen Dion Seconded Mike Wilding THAT the Advisory Council meeting be adjourned. CARRIED The meeting adjourned at 12:20

[i] **stqaʔtxʷɬn'iwt sqilxʷ (Westbank First Nation)** The people (sqilxʷ) living where wind blows (niẇt) and forms swamps or puddles alongside a large lake (stqáʔtkʷɬ). Being a windy area, the winds would wash along the shore creating puddles which would either seep into the land, creating wet, marshy areas or wash back into the lake. This area has been identified as the portion of syilx territory from Hardy Falls to around the Gellatly/Green Bay area but in reality, it includes a few other areas, including xʷaɬ mnik, the area closer to IR#10 and many other areas that have specific place names.

Community. Leadership. Pride.

stqáʔtkʷɬniẇt sqilxʷ
WESTBANK FIRST NATION
ADVISORY COUNCIL AGENDA

sc̓ĺkstasq̓t, Month (Friday, September) 11, 2026
9:00 a.m.
IGA Boardroom & Zoom
515 Hwy 97 South, Kelowna BC

Pages

1. **CALL TO ORDER**
2. **RECOGNITION OF ANY ABSENCES**
3. **ADOPT THE AGENDA**
4. **OLD BUSINESS**
   - **4.1.** ADOPTION OF MINUTES
     - **4.1.1.** June 26th 2026 minutes
     - **4.1.2.** July 29th 2026 minutes
5. **NEW BUSINESS**
   - **5.1.** INITIAL ADMINISTRATIVE/GOVERNANCE ITEMS
     - **5.1.1.** Update Advisory Council Video
     - **5.1.2.** Advisory Council Election
     - **5.1.3.** RDCO Election
     - **5.1.4.** West Kelowna Transmission Line Presentation – Evelyn Lube @ 9:20 am
   - **5.2.** FINANCIAL SERVICES
     - **5.2.1.** Audit financial – BDO Auditor @ 9:45 am
     - **5.2.2.** Q1 Financial Statements – Robert Mashohn & Val Dougans
   - **5.3.** COUNCIL SECRETARIAT
     - **5.3.1.** LEO Update – Ashley Mazur & LEO on shift @ 10:30 am
   - **5.4.** CAPITAL PROJECTS, ASSETS, & INFRASTRUCTURE
     - **5.4.1.** Water meter update – Krista Derrickson @ 10:45 am
   - **5.4.2.** Capital Project – Graeme Dimmick @ 11:10 am
   - **5.5.** ADDITIONAL ADMINSTRATIVE/GOVERNANCE ITEMS
     - **5.5.1.** In-Camera Matter – Iain McCreath @ 11:30
6. **DISTRICT REPORTS**

6.1. LAKERIDGE

6.2. PRAIRIE

6.3. LAKESHORE

6.4. EAST BOUNDARY

6.5. OLD OKANAGAN

7. ADDITIONAL NEW BUSINESS ITEMS

7.1. Nil

8. CLOSE AGENDA

8.1. The Advisory Council moves to adjourn the meeting at 00:00 pm/am

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MEETING ATTENDEES:

ADVISORY COUNCIL MEMBERS:

Rick Ould	Old Okanagan District
Steve Gilroy	Lakeridge District
Mike Wilding	Prairie District
Janice Beaton	East Boundary District
Allen Dion	Lakeshore District

WFN STAFF MEMBERS:

Jeniffer Bellingham	Intergovernmental Affairs and Title & Rights
Chloe Brogan	Senior Intergovernmental Researcher
Alyssa Church	Acting Recording Clerk

Staff Report to Advisory Council

Date *
2026-09-01

Date of Meeting
2026-09-11

Prepared By: *
Valerie Dougans

Department
Financial Services

Position
Controller

Subject or Title *
Fiscal 2026 Audited Local Government Services Financial Statements

Issue *
Annual review of the Fiscal 2026 Audited Financial Statements by BDO.

Background *
Annual review of the Fiscal 2026 Audited Financial Statements by BDO.

File Upload (If Applicable)

2026 Signed Financial Statements- Westbank First Nation Local Government Services.pdf	380.8KB

Please Estimate how long your Presentation will take on the Agenda:
20 Minutes

IGA - Approval *
- (●) Approve - No Further Notes Required
- ( ) Approve - Further Notes from IGA Required
- ( ) Reject - Send back to Initiator

Reviewed by:
Robert Mashohn

Westbank First Nation Local Government Services Financial Statements

For the Year Ended March 31, 2026

Westbank First Nation Local Government Services Financial Statements
For the Year Ended March 31, 2026

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Management's Responsibility

To the Chief and Council of Westbank First Nation

The accompanying financial statements of Westbank First Nation Local Government Services are the responsibility of management and have been approved by the Chief and the Director of Operations.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Westbank First Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of Westbank First Nation's external auditors.

BDO Canada LLP is appointed by the Chief and Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

June 30, 2026

Signed by:
Robert Mashlolin
_____
Director of Finance 2AFCBD4D45FD406...

Tel: 250-372-9505
Fax: 250-374-6323
www.bdo.ca

BDO Canada LLP
300 – 275 Lansdowne Street
Kamloops, BC V2C 6J3 Canada

Independent Auditor's Report

To the Chief and Councilors of Westbank First Nation

Opinion

We have audited the financial statements of Westbank First Nation Local Government Services (LGS), which comprise the statement of financial position as at March 31, 2026, the statement of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of LGS as at March 31, 2026, and its results of operations, changes in net financial assets and 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 Financial Statements* section of our report. We are independent of LGS 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.

Emphasis of matter- Basis of accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared to meet the internal reporting requirements of LGS as a sole entity. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards; this includes determining that Canadian accounting standards for public sector are an acceptable basis for the preparation of the financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing LGS' 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 LGS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing LGS' financial reporting process.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Auditor's Responsibilities for the Audit of the 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 these 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 LGS' 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 LGS' 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 LGS 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.

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.

BDO Canada LLP

Chartered Professional Accountants

Kamloops, British Columbia
July 8, 2026

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Westbank First Nation Local Government Services
Statement of Financial Position

March 31	2026	2025
Financial Assets		
Cash	**$ 42,634,110**	$ 42,688,238
Restricted cash (Note 2)	**61,921,308**	48,096,134
Restricted marketable securities (Note 2)	**12,060,291**	23,727,470
Accounts receivable (Note 3)	**6,483,060**	6,989,860
Advances to related Nation entities and departments (Note 5)	**146,006**	134,996
	$ 123,244,775	$ 121,636,698
Financial Liabilities		
Accounts payable and accruals (Note 6)	**$ 3,104,090**	$ 3,329,526
Development bonds (Note 4)	**2,128,433**	2,562,988
Deferred Revenue (Note 9)	**834,157**	876,029
Advances from related Nation entities and departments (Note 5)	**15,576,460**	21,688,242
Deferred development cost charges (Note 7)	**32,988,922**	32,529,989
Asset retirement obligations (Note 8)	**100,618**	95,872
	54,732,680	61,082,646
Net Financial Assets	**68,512,095**	60,554,052
Non-Financial Assets		
Tangible capital assets (Note 16)	**50,132,709**	49,387,888
Prepaid expenses	**37,081**	37,293
	50,169,790	49,425,181
Accumulated surplus (Note 10)	**$ 118,681,885**	$ 109,979,233

Commitments (Note 14)

On behalf of the Council:

Signed by:
61281186BE8C4A4...
Chief

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

Westbank First Nation Local Government Services
Statement of Changes in Net Financial Assets

For the year ended March 31	2026 Budget	2026	2025
	(Note 18)		
Annual surplus	**$ 8,188,835**	**$ 8,702,652**	$ 6,632,274
Purchase of tangible capital assets	**-**	**(2,313,802)**	(842,313)
Amortization of tangible capital assets	**1,554,067**	**1,569,031**	1,595,307
Impact of PS 3280 Asset retirement obligation (Note 8)	**-**	**-**	(82,936)
Acquisition of prepaid expenses	**-**	**(2,164)**	(2,164)
Use of prepaid expenses	**-**	**2,326**	26,338
Increase in net financial assets	**9,742,902**	**7,958,043**	7,326,506
Net financial assets, beginning of the year	**60,554,052**	**60,554,052**	53,227,546
Net financial assets, end of the year	**$ 70,296,954**	**$68,512,095**	$ 60,554,052

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

Westbank First Nation Local Government Services
Statement of Operations and Accumulated Surplus

For the year ended March 31	2026 Budget	2026	2025
	(Note 18)		
Revenue (Note 20)			
Property taxes	$ 21,908,700	$ 22,165,555	20,214,382
Water and sewer	4,101,300	3,932,957	3,935,934
Crown-Indigenous Relations and Northern Affairs Canada	968,131	968,131	931,659
Indigenous Services Canada	56,044	252,245	62,021
Other government grants	-	58,927	83,737
Interest Income	3,890,835	3,633,081	4,648,462
Settlements	-	515,734	1,135,444
Building permits	600,000	536,349	201,912
Development processing fees	350,000	82,880	166,477
Miscellaneous	299,600	301,645	384,814
Licensing revenue	53,800	118,272	112,356
Deferred development cost charges recognized	-	973,201	538,493
	$ 32,228,410	$ 33,538,977	32,415,691
Expenses (Note 20)			
Capital Management	1,554,067	1,573,777	1,608,243
Development Services	3,356,127	2,335,997	2,121,132
Economic Development	59,200	33,702	33,399
Law Enforcement	802,242	908,125	1,000,421
Property Management	176,889	136,553	106,796
Property Taxation	10,229,657	10,783,110	9,925,993
Public Works	2,936,549	2,407,027	2,232,278
Utilities	4,142,161	3,963,909	3,324,557
Youth	782,683	666,259	570,409
	24,039,575	22,808,459	20,923,228
Operating surplus before other items	$ 8,188,835	$10,730,518	$11,492,463
Other items			
Contributions (to) from related Nation entities and departments (Note 5)	(5,726,094)	(6,257,138)	(5,256,066)
Contributions (to) from reserves (Note 5)	(2,765,894)	4,229,272	395,877
Annual surplus	(303,153)	$ 8,702,652	$ 6,632,274
Accumulated surplus, beginning of year	103,346,959	109,979,233	103,346,959
Accumulated surplus, end of year	$103,043,806	$118,681,885	$109,979,233

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

Westbank First Nation Local Government Services
Statement of Cash Flows

For the year ended March 31	2026	2025
Cash flows from operating activities		
Annual surplus	**$ 8,702,652**	$ 6,632,274
Items not affecting cash:		
Amortization of capital assets	**1,569,031**	1,595,307
Accretion expense	**4,746**	12,935
	10,276,429	8,240,516
Changes in non-cash working capital:		
Accounts receivable	**506,801**	307,100
Prepaid expenses	**212**	24,174
Accounts payable and accrued liabilities	**(225,436)**	225,270
Deferred revenue	**(41,872)**	439,375
Deferred development cost charges	**458,933**	2,718,220
Development bonds	**(434,556)**	(1,217,089)
	10,540,511	10,737,566
Cash flows from capital activities		
Purchase of tangible capital assets	**(2,313,852)**	(842,313)
Cash flows from investing activities		
Purchase of marketable securities	**(689,600)**	(27,740,242)
Proceeds on redemption of marketable securities	**12,356,779**	6,978,201
Repayment of advances to related Nation entities and departments	**(11,010)**	(14,038)
	11,656,169	(20,776,079)
Cash flows from financing activities		
Repayment of capital lease obligations	**-**	(19,207)
Advances from related Nation entities and departments	**(6,111,782)**	-
Repayment of advances from related Nation entities and departments	**-**	14,217,927
	(6,111,782)	14,198,720
Net increase in cash	**13,771,046**	3,317,894
Cash, beginning of the year	**90,784,372**	87,466,478
Cash, end of the year	**$104,555,418**	$ 90,784,372
Represented by:		
Cash	**$42,634,110**	$ 42,688,238
Restricted cash	**61,921,308**	48,096,134
	$104,555,418	$ 90,784,372

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

1. Significant accounting policies

Nature and Purpose of Organization

The Westbank First Nation Local Government Services ("LGS"), a component of Westbank First Nation ("WFN"), is located in the province of British Columbia, and provides local government services through collection of property taxes, bylaw enforcement, planning and development, parks and recreation, fees for utility services and operations and maintenance.

Basis of Accounting

These financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) developed by the Public Sector Accounting Board. These financial statements have been prepared to assist Chief and Council evaluate the performance of Westbank First Nation Local Government Services prior to the consolidation of the other related departments and entities at the WFN level.

Revenue Recognition

Revenue from transactions with performance obligations is recognized when (at a point in time) or as (over a period of time) LGS satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

LGS recognizes revenue from water and sewer fees and building permits on a straight-line basis over the period of time that the relevant performance obligations are satisfied by LGS.

LGS recognizes revenue from administrative services, sales of goods, and other licenses and permits at the point in time that the Entity has performed the related performance obligations and control of the related benefits has passed to the payors.

LGS recognizes revenue from transactions without associated performance obligations at the realizable value at the point in time when it is authorized to collect these revenues.

1. **Significant accounting policies - Continued**

Revenue Recognition (continued)

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.

LGS recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, LGS recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

All other revenues are recognized as they are earned and collectability becomes reasonably assured.

Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value. All other financial instruments are recorded at cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

1. **Significant accounting policies - Continued**

Financial Instruments (continued)

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

As there are no financial instruments carried at fair value, a statement of remeasurement gains and losses has not been prepared.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

1. Significant accounting policies - Continued

Tangible Capital Assets Tangible capital assets are initially recorded at cost. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible assets are recorded at their fair value at the date of contribution, with a corresponding amount recorded as revenue.

Amortization

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Buildings	2 - 40 years
Equipment, furniture and fixtures	3 - 35 years
Recreational infrastructure	20 years
Roads and sidewalks	6 - 113 years
Water systems	5 - 80 years
Automotive equipment	5 - 20 years
Sewer systems	30 - 80 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the LGS' ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

1. Significant accounting policies - Continued

Reserve Funds

Capital Projects Reserve Fund
Annual cash contributions of 10% of the budgeted annual gross taxation revenue are to be internally restricted and used only for capital projects as authorized by bylaws in accordance with Westbank First Nation Property Tax By-Law 23-TX-01, Section 9. (3) l). Interest earned from these contributions will remain in the reserve until expended.

Contingency Reserve Fund
Annual contributions between 1% to 10% of the budgeted annual gross taxation revenue are to be internally restricted and used only for contingencies as authorized by bylaws in accordance with Westbank First Nation Property Tax By-Law By-Law 23-TX-01, Section 9.(3) m). This contribution percentage can only be adjusted if the law is revised. Interest earned from these contributions will remain in the reserve until expended.

Stabilization Reserve Fund
A fund designed to hold any surplus monies remaining in Property Taxation at the end of the Fiscal year specified in the Expenditure Bylaw Annual Budget Schedule. Interest earned from these surpluses will remain in the reserve until expended. Drawdowns of the reserve can only be used for expenses as set out in the Expenditure Bylaw.

Local Government Services Reserve Fund
Any surplus from the operations of LGS may be set aside in a separate reserve for the purpose of funding operating or capital purchases in LGS, upon the approval of Chief and Council. Contributions can also be budgeted to set money aside for future projects or to carry forward funding for unfinished projects to future years. The funds can be used for equipment, software, public works, utilities, recreation, infrastructure, planning, feasibility studies, building permits, law enforcement, conservation, culture, economic development, Advisory Council, professional development and any other use approved by Chief and Council.

Leased tangible capital assets

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

1. **Significant accounting policies - Continued**

Measurement uncertainty

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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Deferred development cost charges

Deferred development cost charges received for specific developments occurring on Westbank First Nation land which are restricted by the Local Government Act and are not available for general local government purposes are accounted for as restricted revenue. The revenue is recognized in the statement of operations in the year that the related expenses of the development are incurred.

1. Significant accounting policies - Continued

Cash and Cash Equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Asset Retirement Obligation

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

2. Restricted cash and restricted marketable securities

	Restricted cash	Restricted marketable securities	Total
Restricted equity	$ 43,401,356	$ 5,481,951	$ 48,883,307
Development cost charges	18,519,952	6,578,340	25,098,292
	$ 61,921,308	$ 12,060,291	$ 73,981,599

Marketable securities are held in GIC's, bearing interest of 5.17% which will mature in June 2026.

LGS maintains internally restricted cash and marketable securities to ensure sufficient resources are available to fund anticipated future expenditures (Note 13).

3. Accounts receivable

	2026	2025
Utilities	**$ 570,669**	$ 800,577
Property taxes, interest and penalties	**6,138,792**	5,814,014
Other	**75,475**	841,730
	6,784,936	7,456,321
Less: Allowance for doubtful accounts	**301,876**	466,461
	$ 6,483,060	$ 6,989,860

4. Development bonds

LGS holds various security bond deposits in unrestricted cash for various development projects. As at March 31, 2026, LGS held bonds in the amount of $2,128,433 (2025 - $2,562,988). The bonds do not earn interest and are released to developers throughout the project as LGS signs off on completed phases.

5. Advances to (from) related Nation entities and departments

	2026	2025
Advances to related Nation entities and departments		
Westbank First Nation Trust	**$ 130,741**	$ 119,836
Due from Westbank First Nation Non-Profit Housing	**15,265**	15,160
	146,006	134,996
Advances from related Nation entities and departments		
Westbank First Nation Administration	**$ 13,836,243**	$ 20,378,249
Sncewips Heritage Society	**1,740,217**	1,309,993
	15,576,460	21,688,242
Net Advances from related Nation entities and departments	**$15,430,454**	$ 21,553,246

Advances to and from related Nation entities and departments are unsecured, without interest and have no specific terms of repayment.

Contributions (to) from reserves and contributions to/from related Nation entities and departments represent government transfers from unrestricted surplus to/from government components outside of LGS. LGS participates in these transfers to ensure there are sufficient resources available to meet the service delivery needs in the various departments of the other government component.

6. Accounts payable and accruals

	2026	2025
Trade payables and accruals	**$ 2,353,327**	$ 2,647,185
Latecomer fees	**663,683**	663,683
Holdbacks payable and security deposits	**87,080**	18,658
	$ 3,104,090	$ 3,329,526

7. Deferred development cost charges

During the year, LGS collected and distributed development cost charges as follows:

	2026	2025
Deferred development cost charges, opening balance	**$ 32,529,989**	$ 29,811,768
Deferred development cost charges received during the year/ interest earned	**1,701,634**	3,514,943
Contributions to projects	**(1,242,701)**	(796,722)
Balance, end of year	**$ 32,988,922**	$ 32,529,989

8. Asset retirement obligation

LGS asset retirement obligation consists of the following obligations:

a) Asbestos remediation

LGS owns and operates several buildings that are known to contain asbestos, which represents a health hazard, and which various regulations require specific considerations upon asset retirement. Following the adoption of PS 3280 – Asset Retirement Obligations, the LGS recognized an obligation relating to the removal and disposal of the asbestos in these buildings as estimated at March 31, 2026. The buildings all have an estimated useful life of 80 years from the date of completion of construction, of which various numbers of years remain. Estimated costs of $157,530 have been discounted to the present value using a discount rate of 4.95% per annum.

b) Water well decommissioning

LGS owns water wells which will require decommissioning at the end of their useful lives to comply with British Columbia Regulations. Following the adoption of PS 3280 – Asset Retirement Obligations, LGS recognized an obligation relating to the decommissioning of water wells. The wells have estimated useful lives of 80 years, of which various numbers of years remain. Estimated costs of $60,000 have been discounted to the present value using a discount rate of 4.95% per annum.

Asset retirement obligation is broken down as follows:

	Asbestos remediation	Well decommissioning	Total
Opening balance, 2024	$ -	$ -	$ -
Additions during the year	$ 57,133	$ 25,803	$ 82,936
Accretion expense	10,318	2,618	12,936
Ending balance, 2025	67,451	28,421	95,872
Accretion expense	3,339	1,407	4,746
Ending balance	**$ 70,790**	**$ 29,828**	**$ 100,618**

During the year, LGS has not identified asset retirement obligations which had not previously been recognized.

9. Deferred revenue

	2026	2025
Developer contributions	$ 436,653	$ 436,653
Prepaid licenses and permits	397,504	439,376
	$ 834,157	$ 876,029

10. Accumulated surplus

Accumulated surplus consists of the following:

	2026	2025
Equity in tangible capital assets (Note 11)	$ 50,032,044	$ 49,292,019
Operating surplus		
Unrestricted	3,157,581	2,513,547
Restricted (Note 12)	2,986,008	3,360,568
Restricted equity (Note 13)	62,506,252	54,813,099
	$ 118,681,885	$ 109,979,233

The equity in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Restricted equity represent equity set aside based on the Westbank First Nation Constitution and Laws for specific purposes.

11. Equity in tangible capital assets

	2026	2025
Equity in tangible capital assets, beginning of year	**$ 49,292,019**	$ 50,038,739
Tangible capital asset additions	**2,313,802**	842,313
Amortization	**(1,569,031)**	(1,595,307)
Accretion expense	**(4,746)**	(12,933)
Repayment of capital lease obligations	**-**	19,207
Equity in tangible capital assets, end of year	**$ 50,032,044**	$ 49,292,019

Equity in tangible capital assets is equal to tangible capital assets less any financing on the tangible capital assets.

12. Operating surplus restricted

	Other	Contractual	Legislation	2026	2025
Youth	$ -	$ 40,791	$ -	**$ 40,791**	$ 150,814
Utilities	528	946,056	1,119,360	**2,065,944**	2,189,950
Public Works	**-**	160,918	**-**	**160,918**	163,700
Development Services	81,000	551,566	42,139	**674,705**	812,454
Law Enforcement	**-**	43,650	**-**	**43,650**	43,650
	$ 81,528	**$ 1,742,981**	**$ 1,161,499**	**$ 2,986,008**	$ 3,360,568

13. Restricted equity

	Beginning balance	Contributions /transfers	Fixed funding contributions	Expenditures	Interest	Ending balance
Local Government Service Reserves Fund:						
Stormwater reserve	$ 89,420	$ -	$ -	$ -	$ -	$ 89,420
Snowplow reserve	32,520	-	-	-	-	32,520
Youth recreation reserve	263,439	-	-	-	-	263,439
Water and sewer utilities reserve	5,590,604	245,224	-	(465,048)	-	5,370,780
Water settlement reserve	3,382,656	553,611	-	-	-	3,936,267
IR12 development (Gallaghers) reserve	166,250	-	-	-	-	166,250
Roadway paving reserve	18,568	-	-	-	-	18,568
Planning and feasibility reserve	1,010,306	-	-	-	-	1,010,306
Law enforcement and conservation reserve	64,534	-	-	-	-	64,534
Museum and language reserve	2,543	-	-	-	-	2,543
Building permit reserve	3,124,761	594,698	-	(439,375)	-	3,280,084
Advisory council reserve	3,422	-	-	-	-	3,422
Training and development reserve	41,225	-	-	-	-	41,225
Total Local Government Services reserve fund	13,790,248	1,393,533	-	(904,423)	-	14,279,358
Contingency Reserve Fund	23,365,194	217,450	714,000	-	863,714	25,160,358
Capital Projects Reserve Fund	10,900,741	2,174,500	3,603,015	(350,408)	409,059	16,736,907
Stabilization Reserve Fund	6,756,916	-	-	(682,184)	254,897	6,329,629
	$41,022,851	$ 2,391,950	$ 4,317,015	$ (1,032,592)	$527,670	$48,226,894
Total restricted equity	$54,813,099	$ 3,785,483	$ 4,317,015	$ (1,937,015)	$527,670	$52,506,252

Fixed funding contributions

During the year, $4.3 million was reallocated from the First Nations Sales Tax Fund from Admin Pillar to the Capital Projects Reserve in LGS. The transfer relates to amounts previously withdrawn from the Community Works Funds to finance the initial construction of the Youth Centre. The reallocation reflects Chief and Council's decision to align funding sources with the underlying nature of the related capital project and to appropriately present the funding within the Capital Projects Reserve.

14. Commitments

a) WFN entered into an agreement in 2025 with the Regional District of the Central Okanagan and the City of West Kelowna whereby the Regional District of the Central Okanagan ("RDCO") and the City of West Kelowna (the "City") agreed to supply certain local services to LGS for an annual fee. The fee paid during the year was $2,354,798 (2025-$2,358,333). This fee is adjusted based on a pro-rata share of RDCO's annual budget for certain local services based on assessed value of lands and improvements of WFN in comparison to that of the total areas serviced and remains in effect until December 31, 2027. WFN has also entered into an agreement with RDCO for certain sewage services at rates equivalent to those that would be charged if the premises were located in RDCO.

b) WFN has entered into an agreement with the City for fire protection services at a pro-rata share of the area. The Fire Department's annual budget is based on assessed value of lands and improvements of WFN in comparison to that of the total area serviced. This agreement remains in effect until May 24, 2031. The fee paid during the year was $3,425,208 (2025 -$3,041,906).

15. Pension liability

LGS and its employees contribute to the Municipal Pension Plan (a jointly trusteed pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2025, the plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation as at December 31, 2024, indicated a $2,675 million funding surplus for basic pension benefits on a going concern basis.

LGS paid $331,231 (2025-$333,557) for employer contributions while employees contributed $306,327 (2025- $307,453) to the plan during the fiscal year.

The next valuation will be as at December 31, 2027.

Employers participating in the plan record their pension expense as the amount of the employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

16. Tangible capital assets

	Buildings	Equipment, furniture and fixtures	Recreational infrastructure	Roads and sidewalks	Water systems	Land	Automotive equipment	Sewer systems	Construction in progress	2026
Cost, beginning of year	$ 9,588,468	$ 1,554,296	$ 914,556	$12,862,898	$18,278,821	$ 2,321,993	$ 1,885,436	$14,632,407	$ 672,720	$ 72,711,595
Additions	-	-	-	-	397,136	-	404,122	-	1,512,594	2,313,852
Cost, end of 2026 year	9,588,468	1,554,296	914,556	12,862,898	18,675,957	2,321,993	2,289,558	14,632,407	2,185,314	75,025,447
Accumulated amortization, beginning of year	3,256,335	925,007	362,995	6,387,934	6,791,005	-	1,629,809	3,970,622	-	23,323,707
Amortization	311,127	63,727	44,078	503,249	309,436	-	123,389	214,025	-	1,569,031
Accumulated amortization, end of 2026 year	3,567,462	988,734	407,073	6,891,183	7,100,441	-	1,753,198	4,184,647	-	24,892,738
Net carrying amount, end of 2026 year	$ 6,021,006	$ 565,562	$ 507,483	15,971,715	$11,575,516	$ 2,321,993	$ 536,360	$10,447,760	$ 2,185,314	$ 50,132,709

16. Tangible capital assets (continued)

	Buildings	Equipment, furniture and fixtures	Recreational infrastructure	Roads and sidewalks	Water systems	Land	Automotive equipment	Sewer systems	Construction in progress	2025
Cost, beginning of year	$ 9,502,065	$ 1,472,373	$ 914,556	22,862,898	$18,238,393	$ 2,321,993	$ 1,757,712	$ 14,632,407	$ 83,949	$ 71,786,346
Additions	28,053	81,923	-	-	15,842	-	127,724	-	588,771	842,313
	58,350	-	-	-	24,586	-	-	-	-	82,936
Cost, end of 2025 year	9,588,468	1,554,296	914,556	22,862,898	18,278,821	2,321,993	1,885,436	14,632,407	672,720	72,711,595
Accumulated amortization, beginning of year	2,948,301	869,522	318,917	5,884,686	6,467,187	-	1,483,190	3,756,597	-	21,728,400
Amortization	308,034	55,485	44,078	503,248	323,818	-	146,619	214,025	-	1,595,307
Accumulated amortization, end of year	3,256,335	925,007	362,995	6,387,934	6,791,005	-	1,629,809	3,970,622	-	23,323,707
Net carrying amount, end of 2025 year	$ 6,332,133	$ 629,289	$ 551,561	$ 16,474,964	$11,487,816	$ 2,321,993	$ 255,627	$ 10,661,785	$ 672,720	$ 49,387,888

17. Consolidated expenses by object

	Budget (Note 18)	2026	2025
Accretion expense	$ -	**$ 4,746**	$ 12,936
Amortization	1,554,067	**1,569,031**	1,595,307
Bad debts	51,000	**1,990**	441
Bank charges and interest	154,000	**163,544**	142,553
BC Assessment Authority	165,000	**290,707**	154,020
Fire protection agreement	3,050,000	**3,425,208**	3,041,906
Grants to Members	61,000	**97,819**	97,241
Home owner grant	3,400,000	**3,436,771**	3,226,929
Honorariums	34,000	**31,518**	53,834
Insurance	112,357	**79,900**	68,943
Materials, supplies and resources	775,951	**536,558**	348,234
Office and administration	427,855	**277,910**	198,339
Office equipment lease	65,000	**25,675**	31,560
Contracting and other Professional fees	1,678,850	**977,051**	974,501
Repairs and maintenance	273,000	**173,905**	146,919
Salaries and benefits	6,625,202	**5,719,938**	5,429,044
Service agreements	2,860,000	**3,015,710**	2,909,695
Sewer user fees	1,649,700	**2,085,582**	1,720,434
Telephone and utilities	382,700	**385,155**	351,659
Training	227,000	**154,977**	105,487
Travel and promotion	492,893	**354,764**	313,246
	$ 24,039,575	**$ 22,808,459**	$ 20,923,228

18. Budget amounts

The budget data presented in these financial statements is based upon the 2026 operating and capital budgets adopted by Chief and Council on March 17, 2025. The following table reconciles the approved budget to the budget figures reported in these financial statements.

	2026
Budget annual surplus (deficit) on Statement of Operations and Accumulated Surplus	$ (303,153)
Adjust for budgeted items not included in the Statement of Operations and Accumulated Surplus	
Transfers (to) from reserve funds	1,062,888
Acquisition of tangible capital assets	(2,313,852)
Non cash items- Amortization	1,554,067
Financial plan (budget) bylaw surplus for the year	$ (50)

19. Financial instruments

LGS as part of its operations carries a number of financial instruments. It is management's opinion that LGS is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, LGS manages exposure through placing excess funds in guaranteed investments certificates.

LGS is not exposed to significant interest rate risk on its accounts receivable, advances to related Nation entities and departments and accounts payable and accruals.

Liquidity Risk

Liquidity risk is the risk LGS will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. LGS enters into transactions to borrow funds from financial institutions or other creditors, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing LGS's future net cash flows for the possibility of negative net cash flow.

LGS manages the liquidity risk resulting from its accounts payable and accruals by ensuring cash balances are available to meet short-term cash requirements.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The carrying amount of LGS's financial assets best represents the maximum exposure to credit risk.

LGS manages its credit risk by performing regular credit assessments of its customers and providing allowances for potentially uncollectible accounts receivable.

20. Segments

Capital Management:

Manages the implementation and construction of all capital projects including buildings, infrastructure, roads, equipment and vehicles.

Development Services:

The department plays a central role in reviewing the technical elements of conformance with WFN laws and policies, for any development on WFN lands, and obtaining the necessary approvals for proposed developments.

Economic Development:

The department acts as an ambassador and has supported over 400 on-reserve businesses through a variety of networking and facilitation events. WFN owned investments are also included in this segment.

Law Enforcement:

WFN Laws are enforced by WFN Law Enforcement Officers (LEO's), who work closely with the RCMP, Conservation Officers, Fire Services and other service providers to enhance and serve WFN residents.

Property Management:

Oversees the management of WFN's real estate assets and facilitates day-to-day tasks related to leasing, operations and management.

Property Taxation:

Ensures the collection of taxes on WFN lands. Services paid for by property taxes fall into one of five categories: Local Services, Park and Recreation, Community Development, Protective Services and Administrative Services.

Public Works:

Responsible for the improvement and maintenance of WFN roads, sidewalks, street lighting, potable water systems, sanitary sewer systems and bike paths.

Utilities:

The department is dedicated to providing exceptional water and sewer services to those residing on WFN lands.

Youth:

Delivers a variety of educational, cultural and recreational programs and services targeted towards youth that support the well-being of community Members.

March 31, 2026

20. Segmented information (continued) **2026**

	Capital Management	Development Services	Economic Development	Youth	Law Enforcement	Property Management	Property Taxation	Public Works	Utilities	Government Administration	Total
Revenue											
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,165,555	$ -	$ -	$ -	$ 22,165,555
CIRNAC	-	28,348	-	-	375,003	-	-	291,650	273,130	-	968,131
Indigenous Services Canada	-	195,080	-	37,220	-	-	-	-	19,945	-	252,245
Water and Sewer	-	-	-	-	-	-	-	250	3,932,707	-	3,932,957
Other government grants	-	34,212	-	1,000	-	-	23,715	-	-	-	58,927
Interest Income	-	-	-	-	-	-	3,306,418	-	326,663	-	3,633,081
Miscellaneous	-	4,332	-	89,532	6,460	-	184,795	16,526	-	-	301,645
License & Building Permits	-	641,678	-	-	12,943	-	-	-	-	-	654,621
Development Processing Fees	-	82,880	-	-	-	-	-	-	-	-	82,880
Settlements	-	-	-	-	-	-	-	-	515,734	-	515,734
Development Cost Charges	973,201	-	-	-	-	-	-	-	-	-	973,201
	973,201	986,530	-	127,752	394,406	-	25,680,483	308,426	5,068,179	-	33,538,977
Expenditures											
Amortization	1,569,031	-	-	-	-	-	-	-	-	-	1,569,031
BC Assessment Authority	-	-	-	-	-	-	290,707	-	-	-	290,707
Bad Debts	-	-	-	-	104	-	1,886	-	-	-	1,990
Bank Charges and Interest	-	5,396	-	-	-	-	119,026	-	39,122	-	163,544
Fire Protection Agreement	-	-	-	-	-	-	3,425,208	-	-	-	3,425,208
Grants to Members	-	15,285	-	-	-	-	-	-	82,534	-	97,819
Home Owner Grant	-	-	-	-	-	-	3,436,771	-	-	-	3,436,771
Honorariums	-	-	14,035	17,483	-	-	-	-	-	-	31,518
Insurance	-	-	-	-	-	-	-	4,886	75,014	-	79,900
Materials and Supplies	-	36,963	-	170,584	32,003	552	-	147,532	148,924	-	536,558
Office and Administration	-	131,433	18,674	10,300	850	3,535	50,570	14,060	48,488	-	277,910
Office Equipment Lease	-	-	-	-	-	-	-	25,675	-	-	25,675
Professional Fees	-	527,648	-	16,841	84,876	-	81,033	114,248	152,405	-	977,051
Repair and Maintenance	-	-	-	-	-	-	-	138,472	35,433	-	173,905
Salaries and Benefits	-	1,545,200	-	341,618	741,605	130,761	346,563	1,721,507	892,684	-	5,719,938
Service Agreements	-	-	-	-	-	-	3,015,710	-	-	-	3,015,710
Sewer User Fees	-	-	-	-	-	-	-	-	2,085,582	-	2,085,582
Telephone and Utilities	-	1,663	-	472	4,710	1,566	231	69,993	306,520	-	385,155
Training	-	54,302	-	13,227	3,830	-	5,145	50,308	28,165	-	154,977
Travel and Promotion	-	18,107	993	95,734	40,147	139	10,260	120,346	69,038	-	354,764
Accretion	4,746	-	-	-	-	-	-	-	-	-	4,746
	1,573,777	2,335,997	33,702	666,259	908,125	136,553	10,783,110	2,407,027	3,963,909	-	22,808,459
Transfers											
Transfer To/From	58,188	1,497,544	33,702	468,300	452,621	136,553	(10,975,467)	2,143,613	(72,192)	-	(6,257,138)
Contributions To/from	1,399,006	(385,313)	-	(426,297)	61,098	-	3,833,907	(47,795)	(205,334)	-	4,229,272
	1,457,194	(1,112,231)	33,702	42,003	513,719	136,553	(7,141,560)	2,095,818	(277,526)	-	(2,027,866)
Surplus (deficit)	$ 856,618	$ (2,461,698)	$ -	$ (496,504)	$ -	$ -	$ 7,755,813	$ (2,783)	$ 826,744	$ -	$ 8,702,652

20. Segmented information (continued)

	Capital Management	Development Services	Economic Development	Youth	Law Enforcement	Property Management	Property Taxation	Public Works	Utilities	Government Administration	2025 Total
Revenue											
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,214,382	$ -	$ -	$ -	$ 20,214,382
CIRNAC	-	28,348	-	-	361,264	-	-	271,913	270,134	-	931,659
Indigenous Services Canada	-	-	-	42,076	-	-	-	-	19,945	-	62,021
Water and Sewer	-	-	-	-	-	-	-	350	3,935,584	-	3,935,934
Other government grants	-	-	-	42,700	-	-	41,037	-	-	-	83,737
Interest Income	-	-	-	-	-	-	4,319,994	-	328,468	-	4,648,462
Miscellaneous	-	1,000	-	83,036	64,250	-	208,180	28,348	-	-	384,814
License & Building Permits	-	298,823	-	-	15,445	-	-	-	-	-	314,268
Development Processing Fees	-	166,477	-	-	-	-	-	-	-	-	166,477
Settlements	-	-	-	-	-	-	-	-	1,135,444	-	1,135,444
Development Cost Charges	538,493	-	-	-	-	-	-	-	-	-	538,493
	538,493	494,648	-	167,812	440,959	-	24,783,593	300,611	5,689,575	-	32,415,691
Expenditures											
Amortization	1,595,307	-	-	-	-	-	-	-	-	-	1,595,307
BC Assessment Authority	-	-	-	-	-	-	154,020	-	-	-	154,020
Bad Debts	-	-	-	-	-	-	441	-	-	-	441
Bank Charges and Interest	-	7,391	-	-	-	-	119,353	-	15,809	-	142,553
Fire Protection Agreement	-	-	-	-	-	-	3,041,906	-	-	-	3,041,906
Grants to Members	-	15,405	-	-	-	-	-	-	81,836	-	97,241
Home Owner Grant	-	-	-	-	-	-	3,226,929	-	-	-	3,226,929
Honorariums	-	25,986	18,391	9,457	-	-	-	-	-	-	53,834
Insurance	-	-	-	-	-	-	-	6,081	62,862	-	68,943
Materials and Supplies	-	15,418	-	122,151	41,698	-	-	78,620	90,347	-	348,234
Office and Administration	-	37,385	14,063	9,051	3,804	6,758	66,436	17,833	43,009	-	198,339
Office Equipment Lease	-	-	-	-	-	-	-	31,560	-	-	31,560
Professional Fees	-	276,926	-	10,530	132,265	-	79,621	409,553	65,606	-	974,501
Repair and Maintenance	-	-	-	-	-	-	-	98,332	48,587	-	146,919
Salaries and Benefits	-	1,673,334	-	336,520	786,000	98,217	312,525	1,374,854	847,594	-	5,429,044
Service Agreements	-	-	-	-	-	-	2,909,695	-	-	-	2,909,695
Sewer User Fees	-	-	-	-	-	-	-	-	1,720,434	-	1,720,434
Telephone and Utilities	-	5,278	-	603	2,722	1,821	538	74,625	266,072	-	351,659
Training	-	26,645	-	8,115	1,502	-	178	28,567	40,480	-	105,487
Travel and Promotion	-	37,364	945	73,982	32,430	-	14,351	112,253	41,921	-	313,246
Accretion	12,936	-	-	-	-	-	-	-	-	-	12,936
	1,608,243	2,121,132	33,399	570,409	1,000,421	106,796	9,925,993	2,232,278	3,324,557	-	20,923,228
Transfers											
Transfer To/From	8,729	1,480,633	33,399	324,528	404,598	106,796	(9,177,629)	1,615,001	(52,121)	-	(5,256,066)
Contributions To/from	181,751	885,109	-	144,467	198,514	-	(535,242)	333,113	(889,398)	77,563	395,877
	190,480	(2,365,742)	33,399	468,995	603,112	106,796	(9,712,871)	1,948,114	(941,519)	77,563	(4,860,189)
Surplus (deficit)	$ (879,270)	$ (3,992,226)	$ -	$ 66,398	$ 43,650	$ -	$ 5,144,729	$ 16,447	$ 1,423,499	$ 77,563	$ 6,632,274

Staff Report to Advisory Council

Date *
2026-09-02

Date of Meeting
2026-09-11

Prepared By: *
Valerie Dougans

Department
Financial Services

Position
Controller

Subject or Title *
Q1 LGS Financial Statements

Issue *
To present to Advisory Council the results of LGS operations for the three months ended June 30, 2026.

Background *
To present to Advisory Council the results of LGS operations for the three months ended June 30, 2026.

File Upload (If Applicable)
Advisory Council Presentation - FY2027 Q1 (Sept 11, 2026).pptx 2.76MB

Please Estimate how long your Presentation will take on the Agenda:
10 Minutes

IGA - Approval *
- (●) Approve - No Further Notes Required
- ( ) Approve - Further Notes from IGA Required
- ( ) Reject - Send back to Initiator

Reviewed by:
Robert Mashohn

Advisory Council Presentation

FY2027 Q1 LGS Update

September 11, 2026

Summary of FY2027 Q1

Local Government Services • For the 3 Months Ending June 30, 2026

DRAFT – UNAUDITED

LGS REVENUE

76%

of Budgeted Revenue Collected

- ~98% of Property Taxes Collected

LGS EXPENSES

33%

of Budgeted Expenses Incurred

- $16.95M remaining vs. annual budget – on pace for Q1
- 33% incurred vs. ~25% expected pace, due to the bank charges and home owner grants incurred during tax months (Apr-Jun)

MAIN LGS CAPITAL ASSET ADDITIONS TO DATE

$16K

IR9 Pump Station Upgrades

$57K

Utilities Leak Detection System

$14K

Lindley Drive Surveying

LGS Income Statement – Revenue

For the 3 Months Ending June 30, 2026

DRAFT – UNAUDITED

Line Item	Q1 FY2027 Actual ($)	FY2027 Budget ($)	% of Budget	Q1 FY2026 Actual ($)
Building permits	58,646	450,000	13%	40,578
Commercial rent	0	400	0%	0
Crown Indigenous Relations and Northern Affairs Canada	685,751	685,751	100%	0
Development processing fees	8,000	193,000	4%	71,030
Indigenous Services Canada	0	208,545	0%	50,000
Interest income – unrestricted	386,964	2,016,943	19%	488,386
Interest income – restricted	501,097	2,091,670	24%	523,283
Licensing revenue	589	195,000	0%	3,624
Miscellaneous	113,102	349,900	32%	229,639
Other government grants	50,085	–	–	0
Property tax	22,387,469	22,773,525	98%	21,872,615
Water and sewer	1,063,903	4,109,479	26%	963,281
Total Revenue	**25,255,606**	**33,074,213**	**76%**	**24,242,436**

LGS Income Statement – Expenses

For the 3 Months Ending June 30, 2026

DRAFT – UNAUDITED

Line Item	Q1 FY2027 Actual ($)	FY2027 Budget ($)	% of Budget	Q1 FY2026 Actual ($)
Amortization	395,218	1,504,533	26%	388,517
Bad debts (recovery)	0	50,900	0%	104
BC Assessment Authority	0	300,000	0%	27,587
Bank charges and interest	134,434	150,300	89%	126,731
Fire protection agreement	856,302	3,103,000	28%	760,477
Home owner grant	3,042,168	3,500,000	87%	2,942,892
Honorariums	8,331	45,950	18%	14,799
Insurance	6,913	88,600	8%	364
Materials, supplies and resources	168,253	487,398	35%	142,601
Grants to members	25,735	99,900	26%	20,859
Office and administration	100,638	318,050	32%	64,102
Professional fees	280,461	2,175,915	13%	249,068
Repairs and maintenance	98,086	234,800	42%	29,693
Rent – external	13,011	–	–	0
Service agreements	1,337,596	3,033,000	44%	728,046
Sewer user fees	250,676	2,100,000	12%	534,676
Travel and promotion	123,532	402,575	31%	114,205
Telephone and utilities	102,613	426,600	24%	90,286
Training	41,292	177,800	23%	31,722
Salaries and benefits	1,421,348	7,160,443	20%	1,244,376
Total Expenses	**8,406,605**	**25,359,764**	**33%**	**7,511,103**

Limłəmt

Thank You

Robert Mashohn, MBA, CPA

Director of Finance

Valerie Dougans, CPA

Controller