

Squiala First Nation
Financial Statements
March 31, 2024

Squiala First Nation Contents

For the year ended March 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Members of Squiala First Nation

Opinion

We have audited the financial statements of Squiala First Nation (the "First Nation"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and accumulated surplus, remeasurement gains and losses, 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 the First Nation as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the First Nation in accordance with 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT

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

Manning Elliott LLP

MANNING ELLIOTT LLP
Chartered Professional Accountants
Abbotsford, British Columbia
July 25, 2024

Squiala First Nation
Statement of Financial Position
As at March 31, 2024

	2024	2023
Financial assets		
Cash and cash equivalents	10,391,239	6,017,301
Accounts receivable	123,191	67,770
Restricted cash (Note 3)	2,265,071	1,033,513
Portfolio investments (Note 4)	128,390	3,126,802
Investments in First Nation partnerships and business entities (Note 5)	21,216,840	20,061,978
Funds held in trust	-	487
Total of assets	34,124,731	30,307,851
Liabilities		
Accounts payable and accruals	2,450,174	2,744,333
Deferred revenue (Note 6)	16,726,244	14,582,719
Total of financial liabilities	19,176,418	17,327,052
Net financial assets	14,948,313	12,980,799
Non-financial assets		
Tangible capital assets (Schedule 1)	10,641,906	10,824,869
Prepaid expenses	64,897	76,014
Total non-financial assets	10,706,803	10,900,883
Accumulated surplus (Note 7)	25,655,116	23,881,682
Accumulated surplus is comprised of:		
Accumulated surplus	24,502,864	24,289,580
Accumulated remeasurement gains (losses)	1,152,252	(407,898)
	25,655,116	23,881,682

Approved on behalf of the First Nation

Original Signed by David Jimmie

Chief

Original Signed by Shannon Williams

Councilor

Original Signed by Alvin Jimmie

Councilor

Squiala First Nation
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2024

	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
Revenue			
Indigenous Services Canada	1,340,464	2,942,638	3,323,073
Economic activity and other revenue	2,158,311	2,103,907	10,049,955
Earnings (loss) from investment in Nation partnerships and business entities	750,000	(673,014)	300,361
Rental and lease income	220,000	376,986	354,080
First Nation Education Steering Committee	265,000	279,837	303,576
Seabird Island Band	37,000	126,496	128,664
Canada Mortgage and Housing Corporation	2,059,230	5,538	-
Investment income	300,800	905,544	568,095
Ottawa Trust income	-	473	493
	7,130,805	6,068,405	15,028,297
Expenditures			
Band Government	1,062,063	633,257	3,292,643
Education & Training	1,415,349	2,022,193	1,622,865
Social Programs	1,084,921	440,419	566,124
Social Development	573,720	583,918	479,810
Community Infrastructure	479,000	667,815	1,035,545
Capital Projects	393,303	431,166	415,022
Economic Development	887,590	903,165	1,247,526
Investments	235,000	173,188	224,991
Total expenditures	6,130,946	5,855,121	8,884,526
Annual surplus	999,859	213,284	6,143,771
Accumulated surplus, beginning of year	24,289,580	24,289,580	18,145,809
Accumulated surplus, end of year	25,289,439	24,502,864	24,289,580

Squiala First Nation
Statement of Remeasurement Gains and Losses
For the year ended March 31, 2024

	2024	2023
Accumulated remeasurement losses, beginning of year	(407,898)	-
Unrealized gains (losses) attributable to:		
Foreign exchange	228,689	(54,970)
Portfolio investments	1,420,027	(696,794)
Amounts reclassified to the statement of operations:		
Foreign exchange	(11,618)	68,479
Portfolio investments	(76,948)	275,387
Accumulated remeasurement gains (losses), end of year	1,152,252	(407,898)

Squiala First Nation
Statement of Change in Net Financial Assets
For the year ended March 31, 2024

	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
Annual surplus	999,859	213,284	6,143,771
Purchases of tangible capital assets	(3,609,230)	(235,485)	(1,009,364)
Amortization of tangible capital assets	375,000	418,448	388,460
	(3,234,230)	182,963	(620,904)
Change in remeasurement losses for the year	-	1,560,150	(407,898)
Acquisition of prepaid expenses	-	(64,897)	(76,016)
Use of prepaid expenses	-	76,014	67,054
	-	1,571,267	(416,860)
Increase (decrease) in net financial assets	(2,234,371)	1,967,514	5,106,007
Net financial assets, beginning of year	12,980,799	12,980,799	7,874,792
Net financial assets, end of year	10,746,428	14,948,313	12,980,799

Squiala First Nation
Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from contributors	7,250,964	14,193,525
Cash paid to suppliers	(3,592,581)	(5,175,692)
Cash paid to employees for salaries, wages and benefits	(2,127,133)	(1,785,629)
Investment income	905,544	568,095
Change in remeasurement losses for the year	1,560,150	(407,898)
	3,996,944	7,392,401
Capital activities		
Purchases of tangible capital assets	(235,485)	(1,009,364)
Investing activities		
Purchase of portfolio investments	(1,588)	(3,126,692)
Proceeds on disposal of portfolio investments	3,000,000	-
Net change in investments in Nation partnerships and business entities	(1,154,862)	(281,081)
Net change in restricted cash	(1,231,558)	266,532
Net change in funds held in trust	487	79
	612,479	(3,141,162)
Increase in cash resources	4,373,938	3,241,875
Cash resources, beginning of year	6,017,301	2,775,426
Cash resources, end of year	10,391,239	6,017,301

1. Operations

Squiala First Nation (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Squiala First Nation includes the First Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities.

Squiala First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Squiala Holdings Limited Partnership
- Squiala Holdings GP Inc.
- Ch-ihl-kway-uhk Tribe Society
- Ts'elxweyeqw Tribe Limited Partnership

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Portfolio investments with prices quoted in an active market include bonds and equities. Changes in fair value are recorded in the statement of remeasurement gains (losses).

Net financial assets

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

2. Significant accounting policies *(Continued from previous page)*

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.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Office	straight-line	5 years
Computer Equipment	straight-line	5 years
Infrastructure Assets	straight-line	40 years
Automotive Equipment	straight-line	10 years
Buildings	straight-line	40 years

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenue recognition

Own Source Revenue

Own source revenue derived from such sources as resource based revenues, interest income and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government Transfers

The First Nation 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, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Investments in Nation partnerships and business entities

The First Nation uses the modified equity method to account for its investment listed under the reporting entity accounting policy, whereby the First Nation records its proportionate share of annual earnings or loss as revenue.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets and discontinued operations

Long-lived assets consist of tangible capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using discounted future cash flows. Any impairment is included in surplus for the year.

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.

Segments

The First Nation conducts its business through eight reportable segments: Band Government, Education & Training, Social Programs, Social Development, Community Infrastructure, Capital Projects, Economic Development, and Investments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), 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 best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. 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.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Management has determined that no liability exists as at March 31, 2024.

2. Significant accounting policies *(Continued from previous page)*

Statement of Remeasurement Gains and Losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the statement of operations. The statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the statement of remeasurement gains and losses. Taken together, the two statements account for changes in a First Nation's net assets (liabilities) in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to all financial instruments are reported in the statement of operations.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Squiala First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

3. Restricted cash

	2024	2023
Children's Trust Fund	2,265,071	1,033,513

Notes to restricted cash

Children's Trust Fund

The First Nation maintains an internally restricted trust fund for members of the First Nation who are entitled to a member distribution, but are not yet 18 years of age. These distributions are invested in short-term investments and can be withdrawn by the members when they reach the age of 18. All investment income earned is attributed to the members.

4. Portfolio investments

	2024	2023
Measured at cost:		
BC First Nations Gaming Revenue Sharing LP	100	100
BC First Nations Gaming Sharing General Partner Ltd.	10	10
	110	110
Measured at fair value:		
BMO term deposits	128,280	3,126,692
	128,390	3,126,802

Squiala First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

5. Investments in First Nation partnerships and business entities

The First Nation has investments in the following business entities:

				2024
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings</i>	<i>Total investment</i>
Nation Business Entities - Modified Equity				
Squiala Holdings Limited Partnership - 100%	100	8,571,954	8,684,282	17,256,336
Squiala Holdings GP Inc. - 100%	100	-	-	100
	200	8,571,954	8,684,282	17,256,436
Nation Business Partnerships - Modified Equity:				
Ts'elxweyeqw Tribe Limited Partnership - 14.3%	14	234,286	3,610,038	3,844,338
Chi-ihl-kway-uhk Tribe Society - 11.1%	11	-	116,055	116,066
	25	234,286	3,726,093	3,960,404
	225	8,806,240	12,410,375	21,216,840
				2023
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings</i>	<i>Total investment</i>
Nation Business Entities - Modified Equity				
Squiala Holdings Limited Partnership - 100%	100	8,123,816	8,435,658	16,559,574
Squiala Holdings GP Inc. - 100%	100	-	-	100
	200	8,123,816	8,435,658	16,559,674
Nation Business Partnerships - Modified Equity:				
Chi-ihl-kway-uhk Forestry Limited Partnership - 12.4%	12	-	240,726	240,738
Ts'elxweyeqw Tribe Limited Partnership - 14.3%	14	-	2,988,554	2,988,568
Centre Creek Limited Partnership - 11%	11	-	173,949	173,960
Chi-ihl-kway-uhk Tribe Society - 11.1%	11	-	99,027	99,038
	48	-	3,502,256	3,502,304
	248	8,123,816	11,937,914	20,061,978

Squiala First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

5. Investment in First Nation partnerships and business entities *(Continued from previous page)*

Financial information for the investments in First Nation partnerships and business entities is as follows:

	Chi-ihl-kway- uhk Tribe Society	Squiala Holdings GP Inc.	Squiala Holdings LP	Ts'elxweyeq w Tribe LP	2024	2023
Balance Sheet						
Assets	1,278,621	394	17,168,497	28,755,429	47,202,941	41,400,134
Liabilities	234,566	610	3,002	2,533,697	2,771,875	11,272,547
Equity	1,044,055	(216)	17,165,495	26,221,732	44,431,066	30,127,587
Total Liabilities and Equity	1,278,621	394	17,168,497	28,755,429	47,202,941	41,400,134
Income Statement						
Revenue	189,756	(25)	462,617	5,722,417	6,374,765	4,166,030
Expenses	37,042	-	213,968	1,367,671	1,618,681	2,477,630
Net Income	152,714	(25)	248,649	4,354,746	4,756,084	1,688,400

Squiala First Nation holds investments in Ts'elxweyeqw Tribe Management Ltd. which was established as the general partner corporations of Ts'elxweyeqw Tribe LP. The financial activity of these entities have been included in the consolidated financial information above.

6. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	Balance, beginning of year	Contributions received	Contributions recognized	Balance, end of year
Eagle Landing Development LP land lease	14,577,635	-	169,180	14,408,455
CMHC Rapid Housing Initiative Funding	-	2,059,230	-	2,059,230
ISC (QA1V-001) - FNCFS Housing Funding	-	127,805	-	127,805
CMHC Renovation Funding	-	127,462	-	127,462
Other deferred income	5,084	3,292	5,084	3,292
	14,582,719	2,317,789	174,264	16,726,244

7. Accumulated surplus

Accumulated surplus consists of the following:

	2024	2023
Operating surplus	1,450,358	1,526,062
Accumulated remeasurement losses	1,152,252	(407,898)
Equity in Tangible Capital Assets	10,641,906	10,824,869
Equity in First Nation partnerships and business entities	12,410,600	11,938,162
Equity in Ottawa Trust Fund	-	487
	25,655,116	23,881,682

8. Segments

The First Nation receives revenues and incurs expenses from many different projects and sources. For management and reporting purposes, the revenues, expenses and surpluses or deficits are organized by segments. Schedule 3 discloses the First Nation's revenues and expenses in the following segments.

Band Government

Includes general operations, governance and management support, and financial management of the First Nation.

Education & Training

Includes revenues and expenses related to various education, employment and training programs maintained by the First Nation.

Social Programs

Includes revenues and expenses for a variety of social programs provided to membership which are primarily funded by the First Nation's own sources revenue and centered around community needs.

Social Development

Includes services offered to community members in need of assistance for themselves and their dependents. Services include, but are not limited to, income assistance, child and family support, assisted living and early childhood development.

Community Infrastructure

Includes revenues and expenses for services related to general community infrastructure maintenance and public works.

Capital Projects

Includes large capital projects and contracts funded both internally and externally, and includes the First Nation's tangible capital assets.

Economic Development

Includes activities related to the growth of revenue producing projects within the First Nation.

Investments

Includes activities related to the growth of revenue producing projects of entities owned by the First Nation.

9. Financial Instruments Risks

The First Nation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the First Nation's risk exposure and concentration as of March 31, 2024. There has been no significant change to the First Nation's risk exposure from the prior year.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The First Nation is exposed to credit risk from its accounts receivable. The First Nation deals with creditworthy counterparties and government agencies to mitigate the risk of financial loss from defaults. Management has determined no allowance for doubtful accounts is necessary as at March 31, 2024 or March 31, 2023.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation is exposed to this risk mainly in respect to its accounts payable. The First Nation's ability to meet obligations is dependent on funding received and through managing its working capital and cash flows.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the First Nation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The First Nation is not exposed to currency risk as all operations are conducted in Canadian dollars.

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 rate 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. The First Nation is exposed to interest rate risk with respect to cash and cash equivalents, portfolio investments and restricted cash, all of which are expected to be realized within one year, and which are subject to fixed rates of interest. The First Nation has mitigated this risk by reviewing interest rates and engaging with reputable financial institutions and through its normal operating and financing activities.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The First Nation enters into transactions to purchase and sell portfolio investments for which market price fluctuates. The First Nation has mitigated this risk by engaging with reputable financial institutions.

10. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Squiala First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2024

	Office and Computer Equipment	Infrastructure Assets	Automotive Equipment	Buildings and Housing	2023	2024
Cost						
Balance, beginning of year	648,421	2,833,011	445,723	11,799,571	15,726,726	14,717,362
Acquisition of tangible capital assets	11,797	11,575	-	100,873	124,245	175,506
Assets under construction	-	-	-	111,240	111,240	833,858
Balance, end of year	660,218	2,844,586	445,723	12,011,684	15,962,211	15,726,726
Accumulated amortization						
Balance, beginning of year	550,441	1,383,443	219,074	2,748,899	4,901,857	4,513,397
Annual amortization	29,837	71,018	33,256	284,337	418,448	388,460
Balance, end of year	580,278	1,454,461	252,330	3,033,236	5,320,305	4,901,857
Net book value of tangible capital assets	79,940	1,390,125	193,393	8,978,448	10,641,906	10,824,869
Net book value of tangible capital assets 2023	97,980	1,449,568	226,649	9,050,672	10,824,869	

Squiala First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2024

	2024	2023
Consolidated expenses by object		
Administration	(2,437)	-
Amortization	418,448	388,460
Bank charges and interest	1,217	4,037
Basic needs, shelter and social assistance	365,090	345,488
Community events	6,662	6,999
Contracted services	299,632	797,467
Funeral	-	200
Honoraria	64,600	63,900
Insurance	166,379	98,969
Materials, supplies and equipment	434,496	329,749
Member support	488,346	3,267,016
Office expenses	50,009	25,920
Professional fees	484,127	663,611
Property tax	449,590	550,733
Repairs and maintenance	129,166	129,875
Salaries and benefits	2,127,133	1,785,629
Special needs	-	4,516
Student expenses	44,922	48,372
Telephone and internet	27,372	24,467
Training	2,293	1,925
Transportation	23,414	25,688
Travel	1,557	-
Tuition	135,149	179,457
Utilities	137,956	142,048
	5,855,121	8,884,526

Squiala First Nation
Schedule 3 - Segmented Information
For the year ended March 31, 2024

	Band Government	Economic Development	Education & Training	Social Programs	Social Development	Community Infrastructure	Capital Projects	Investments	2024
Revenue									
Indigenous Services Canada	\$ 307,121	\$ 356,905	\$ 1,236,835	\$ -	\$ 716,896	\$ 324,881	\$ -	\$ -	\$ 2,942,638
Other government	29,711	67,710	949,535	87,403	-	11,191	-	-	1,145,549
Economic activities and other	1,128,740	1,080,722	-	-	-	168,141	-	397,385	1,980,218
	1,465,572	1,505,337	2,186,370	87,403	716,896	504,212	-	(397,385)	6,068,405
Expenses									
Amortization	-	-	-	-	-	-	418,448	-	418,448
Operating expenses	406,802	817,962	351,357	33,126	154,457	453,501	12,718	66,254	2,296,179
Salaries, wages and benefits	215,980	84,903	1,466,332	-	42,868	210,117	-	106,934	2,127,133
Program and services delivery expenses	10,475	300	204,504	407,292	386,593	4,197	-	-	1,013,361
	633,257	903,165	2,022,193	440,419	583,918	667,815	431,166	173,188	5,855,121
Surplus (deficit) before transfers	832,315	602,172	164,176	(353,016)	132,978	(163,603)	(431,166)	(570,574)	213,284
Transfers between programs	161,782	(428,294)	(112,448)	(29,353)	-	160,110	248,203	-	-
Annual surplus (deficit)	\$ 994,098	\$ 173,878	\$ 51,728	\$ (382,370)	\$ 132,978	\$ (3,492)	\$ (182,963)	\$ (570,574)	\$ 213,284

	Band Government	Economic Development	Education & Training	Social Programs	Social Development	Community Infrastructure	Capital Projects	Investments	2023
Revenue									
Indigenous Services Canada	\$ 298,756	\$ 298,313	\$ 1,218,785	\$ 61,033	\$ 696,660	\$ 749,526	\$ -	\$ -	\$ 3,323,073
Other government	8,134,973	10,000	867,270	93,146	-	5,103	-	-	9,110,493
Economic activities and other	736,032	1,191,156	-	40,000	-	157,510	-	470,034	2,594,731
	9,169,761	1,499,469	2,086,055	194,179	696,660	912,139	-	470,034	15,028,297
Expenses									
Amortization	-	-	-	-	-	-	388,460	-	388,460
Operating expenses	365,616	1,097,349	290,006	101,400	56,683	833,406	26,562	118,460	2,889,483
Salaries, wages and benefits	136,684	149,862	1,072,767	-	121,728	198,057	-	106,531	1,785,629
Program and services delivery expenses	2,790,343	314	260,092	464,724	301,399	4,082	-	-	3,820,954
	3,292,643	1,247,526	1,622,865	566,124	479,810	1,035,545	415,022	224,991	8,884,526
Surplus (deficit) before transfers	5,877,118	251,943	463,190	(371,945)	216,850	(123,406)	(415,022)	245,043	6,143,771
Transfers between programs	(224,230)	(473,936)	(947,218)	446,308	-	181,397	1,017,679	-	-
Annual surplus (deficit)	\$ 5,652,888	\$ (221,993)	\$ (484,028)	\$ 74,363	\$ 216,850	\$ 57,991	\$ 602,657	\$ 245,043	\$ 6,143,771