

**Leq'á:mel First Nation
Consolidated Financial Statements
*March 31, 2022***

Leq'á:mel First Nation
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For the year ended March 31, 2022

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Management's Responsibility

To the Members of Leq'á:mel First Nation:

The accompanying consolidated financial statements of Leq'á:mel First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated 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 consolidated 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 consolidated financial statements.

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

MNP LLP is appointed by the Council to audit the consolidated 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 Council and management to discuss their audit findings.

July 25, 2022

Original signed by Peter Pynacker

Senior Finance /
Administrator

To the Members of Leq'á:mel First Nation:

Opinion

We have audited the consolidated financial statements of Leq'á:mel First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2022, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management and those charged with governance are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chilliwack, British Columbia

July 25, 2022

MNP LLP

Chartered Professional Accountants

Leq'á:mel First Nation
Consolidated Statement of Financial Position
As at March 31, 2022

	2022	2021
Financial assets		
Cash and cash equivalents <i>(Note 4)</i>	6,291,034	4,530,692
Accounts receivable <i>(Note 5)</i>	516,855	321,817
Portfolio investments <i>(Note 6)</i>	110	110
Investments in government business entities <i>(Note 7)</i>	3,454,771	4,763,775
Funds held in trust <i>(Note 8)</i>	126,812	534,081
Total of financial assets	10,389,582	10,150,475
Liabilities		
Accounts payable and accruals	786,738	424,788
Deferred revenue <i>(Note 9)</i>	834,757	2,615,126
Long-term debt <i>(Note 10)</i>	5,761,337	6,038,199
Capital lease obligations	41,915	58,601
Total of financial liabilities	7,424,747	9,136,714
Net financial assets	2,964,835	1,013,761
Contingencies <i>(Note 11)</i>		
Non-financial assets		
Tangible capital assets <i>(Schedule 1)</i>	16,645,591	14,224,220
Accumulated surplus <i>(Note 12)</i>	19,610,426	15,237,981

Approved on behalf of the Council

Original signed by Dawn Styran

Councillor

Original signed by Sandy McDonald

Councillor

Leq'á:mel First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

	2022 Budget	2022	2021
Revenue			
Indigenous Services Canada	3,888,207	3,065,446	3,683,549
Canada Mortgage and Housing Corporation	2,615,126	2,573,093	49,586
Province of British Columbia	322,238	1,358,470	453,315
Economic activity and other income	702,954	1,036,872	1,206,016
Earnings from investments in government business entities	(60,000)	639,919	580,041
First Nation Health Authority	519,816	581,131	528,001
Other federal funding	378,069	229,884	340,738
Investment income	15,000	244,426	391,727
Rental income	260,000	221,506	184,926
	8,641,410	9,950,747	7,417,899
Expenditures			
Administration	858,446	1,724,838	1,762,527
Education and Employment	277,255	241,073	201,920
Social Programs	738,013	588,933	549,140
Health	532,136	292,909	320,255
Lands and Maintenance	466,018	1,374,441	706,617
Business and Investments	1,179,222	557,723	576,256
Capital Assets	500,000	490,465	426,133
Housing	105,993	307,920	863,283
Total expenditures	4,657,083	5,578,302	5,406,131
Annual surplus	3,984,327	4,372,445	2,011,768
Accumulated surplus, beginning of year	15,237,981	15,237,981	13,226,213
Accumulated surplus, end of year (Note 12)	19,222,308	19,610,426	15,237,981

Leq'á:mel First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2022

	2022 Budget	2022	2021
Annual surplus	3,984,327	4,372,445	2,011,768
Purchases of tangible capital assets	(4,415,126)	(2,924,119)	(320,245)
Amortization of tangible capital assets	500,000	502,748	459,022
Proceeds of disposal of tangible capital assets	-	-	117,324
Use of prepaid expenses	-	-	40,614
Increase in net financial assets	69,201	1,951,074	2,308,483
Net financial assets (debt), beginning of year	1,013,761	1,013,761	(1,294,722)
Net financial assets end of year	1,082,962	2,964,835	1,013,761

Leq'á:mel First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from contributors	7,975,345	10,302,225
Cash paid to suppliers	(3,569,268)	(4,274,972)
Cash paid to employees for salaries, wages and benefits	(924,165)	(865,901)
Interest on long-term debt	(220,176)	(82,782)
	3,261,736	5,078,570
Financing activities		
Advances of long-term debt	-	14,470
Repayment of long-term debt	(276,862)	(272,612)
Repayment of capital lease obligations	(16,686)	(17,217)
	(293,548)	(275,359)
Capital activities		
Purchases of tangible capital assets	(2,924,119)	(320,245)
Proceeds of disposal of tangible capital assets	-	117,324
	(2,924,119)	(202,921)
Investing activities		
Net change in investments in government business entities	1,309,004	(1,977,828)
Net change in funds held in trust	407,269	167,729
	1,716,273	(1,810,099)
Increase in cash resources	1,760,342	2,790,191
Cash resources, beginning of year	4,530,692	1,740,501
Cash resources, end of year	6,291,034	4,530,692

Leq'á:mel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

1. Operations

Leq'á:mel First Nation (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Leq'á:mel 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.

Impact of COVID-19 on operations

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on communities through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The First Nation's operations were not materially impacted by COVID-19.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation's operations as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/ isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the First Nation's operations.

2. Significant accounting policies

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

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.

Reporting entity - consolidated

Leq'á:mel 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 consolidated 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:

- 0807656 B.C. Ltd.
- Leq'á:mel Development Corporation
- Seven Generations Environmental Services Ltd.
- Leq'á:mel Development Limited Partnership
- Leq'á:mel Forestry Limited Partnership

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.

Leq'á:mel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The 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 consolidated financial position, accumulated surplus.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less.

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 consolidated 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.

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

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Years
Automotive	straight-line	5 years
Buildings	straight-line	40 years
Equipment	straight-line	5-10 years
Infrastructure	straight-line	15-100 years
Housing	straight-line	40 years

Long-lived assets

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

When the First Nation determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Revenue recognition

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.

Own source revenue

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

Leq'á:mel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

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.

Rental revenue

Rental revenue is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Measurement uncertainty

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable, and amounts due from related First Nation entities and departments, are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2022.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. 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, 2022.

Segments

The First Nation conducts its business through eight reportable segments: Administration, Education and Employment, Social Programs, Health, Lands and Maintenance, Business and Investments, Capital Assets, and Housing. 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 consolidated financial statements.

Leq'á:mel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

3. Recent accounting pronouncement

PS 3280 Asset Retirement Obligations (New)

In August 2018, new PS 3280 Assets Retirement Obligations was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of new PS 3280, PS 3270 Solid Waste Landfill Closure and Post-Closure Liability will be withdrawn.

The main features of this standard are as follows:

- An ARO represents a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic matter.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- The best method to estimate the liability is often a present value technique.

This standard was to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

4. Cash and cash equivalents

	2022	2021
Externally restricted		
CMHC Replacement Reserve	131,487	103,258
Unrestricted		
Operating funds	6,159,547	4,427,434
	6,291,034	4,530,692

Replacement Reserve

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") the Nation maintains a replacement reserve, established by an annual allocation of \$9,176 (2021 - \$10,333), to ensure replacement of buildings financed by CMHC. At March 31, 2022, this reserve was fully funded (2021 - fully funded).

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

Leq'á:mel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

5. Accounts receivable

	2022	2021
Funding and trade receivables	258,839	31,007
Rent receivable	662,972	694,115
CMHC subsidy assistance receivable	795	38,795
	922,606	763,917
Less: Allowance for doubtful accounts	405,751	442,100
	516,855	321,817

6. Portfolio investments

	2022	2021
Measured at cost:		
BC First Nations Gaming Revenue Sharing LP	100	100
BC First Nations Gaming Revenue Sharing General Partner Ltd.	10	10
	110	110

7. Investments in government business entities

The First Nation has investments in the following government business entities:

	Investment cost	Loans (advances)	Cumulative share of earnings (loss)	Total investment
Business Entities – Modified Equity:				
0807656 B.C. Ltd. - 100%	1	(28,569)	(922)	(29,490)
Leq'á:mel Development Corporation - 100%	1	90,428	141	90,570
Seven Generations Environmental Services Ltd. - 17%	194,968	58,877	(182,347)	71,498
Leq'á:mel Development Limited Partnership - 99.99%	1	339,189	1,933,379	2,272,569
Leq'á:mel Forestry Limited Partnership - 99.00%	1	1,057,520	(7,897)	1,049,624
	194,972	1,517,445	1,742,354	3,454,771

	Investment cost	Loans (advances)	Cumulative share of earnings (loss)	Total investment
Business Entities – Modified Equity:				
0807656 B.C. Ltd. - 100%	1	(33,478)	4,908	(28,569)
Leq'á:mel Development Corporation - 100%	1	2,615,126	141	2,615,268
Seven Generations Environmental Services Ltd. - 17%	194,968	58,877	(178,741)	75,104
Leq'á:mel Development Limited Partnership - 99.99%	1	756,963	1,461,730	2,218,694
Leq'á:mel Forestry Limited Partnership - 99.00%	1	(77,164)	(39,559)	(116,722)
	194,972	3,320,324	1,248,479	4,763,775

Leq'á:mel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

7. Investments in government business entities *(Continued from previous page)*

Summary financial information for Leq'á:mel First Nation business enterprises, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Leq'á:mel Development Limited Partnership</i> As at March 31, 2022	<i>Leq'á:mel Forestry Limited Partnership</i> As at March 31, 2022	<i>Seven Generations Environmental Services Ltd.</i> As at March 31, 2022
Assets			
Cash	583,453	8,272	282,637
Accounts receivable	55,726	-	156,996
Prepaid expenses	5,315	1,367	6,157
Investments	-	21,070	-
Advances to related parties	390,139	1,176,239	-
Property, plant and equipment	3,989,191	-	11,217
Total assets	5,023,824	1,206,948	457,007
Liabilities			
Accounts payable and accruals	159,153	3,000	17,646
Deferred revenue	1,052,603	-	10,376
Advances from related parties	1,803,944	1,129,534	353,258
Other liabilities	-	62,162	-
Total liabilities	3,015,700	1,194,696	381,280
Equity (deficiency)	2,008,124	12,252	75,727
Total revenue	1,447,658	24,478	315,314
Total expenses	733,628	8,362	336,952
Net income (loss)	714,030	16,116	(21,638)

The summary financial information for Leq'á:mel Development Limited Partnership and Leq'á:mel Development Corporation and the summary financial information for Leq'á:mel Forestry Limited Partnership and 0807656 B.C. Ltd. are combined in the summary financial information above.

Leq'á:mel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

8. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

The secured revenues trust account arises from a financing agreement with the First Nations Finance Authority ("FNFA"). Certain revenue streams of Leq'á:mel First Nation are deposited into this account to secure funds FNFA has lent to the First Nation. The account is managed by a third party which is required to pay amounts to FNFA under the terms of the borrowing agreement before paying any remaining amount from the account to Leq'á:mel First Nation.

	2022	2021
Capital Trust		
Balance, beginning and end of year	195	195
Revenue Trust		
Balance, beginning of year	970	962
Interest and distributions	976	970
	1,946	1,932
Less: Transfers to Nation	970	962
Balance, end of year	976	970
FNFA Secured Revenues Trust		
Balance, beginning of year	532,916	700,644
Net changes	(407,275)	(167,728)
Balance, end of year	125,641	532,916
	126,812	534,081

9. Deferred revenue

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

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Contributions recognized</i>	<i>Balance, end of year</i>
CMHC - Rapid Housing Initiative Funding	2,615,126	-	2,563,558	51,568
DFO - Aquatic Habitat Restoration Funding	-	90,000	-	90,000
Government of Canada - Community Garden	-	225,000	-	225,000
Government of Canada - Terrestrial Cumulative Effects Initiative Funding	-	125,000	-	125,000
ISC - Skweahm Water Systems Improvements	-	17,218	-	17,218
ISC - Skweahm Water Systems Improvements	-	276,713	-	276,713
ISC - COVID 19 Safe Restart Funding	-	61,230	11,972	49,258
	2,615,126	795,161	2,575,530	834,757

Leq'á:mel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

10. Long-term debt

	2022	2021
First Nations Finance Authority promissory note, with blended monthly payments of \$11,756 at 2.90% per annum, due June 26, 2024.	2,076,336	2,155,248
First Nations Finance Authority Debt Reserve Fund, the Authority holds a deposit of 5% of the loans advanced in the Debt Reserve Fund. Interest is paid annually at rate of 0.975%.	(143,339)	(141,172)
First Nations Finance Authority promissory note, with blended monthly payments of \$10,354 at 2.72% per annum, due June 1, 2028.	2,041,266	2,107,974
First Nations Finance Authority Debt Reserve Fund, the Authority holds a deposit of 5% of the loans advanced in the Debt Reserve Fund. Interest is paid annually at rate of 0.975%.	(114,076)	(112,351)
First Nations Finance Authority promissory note, with blended monthly payments of \$11,933 at 2.985% per annum, due June 26, 2024.	1,995,056	2,076,336
First Nations Finance Authority Debt Reserve Fund, the Authority holds a deposit of 5% of the loans advanced in the Debt Reserve Fund. Interest is paid annually at rate of 0.975%.	(144,659)	(142,471)
All Nations' Trust Company mortgage, with blended monthly payments of \$1,947 at 1.86% per annum, maturing January 1, 2024.	42,086	64,446
All Nations' Trust Company mortgage, with blended monthly payments of \$1,408 at 1.30% per annum, maturing May 1, 2022.	2,812	19,549
John Deere Financial equipment loan, with blended monthly payments of \$430 at 4.40% per annum, maturing May 15, 2023, secured by specific equipment with a net book value of \$7,761.	5,855	10,640
	5,761,337	6,038,199

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2023	266,916
2024	263,383
2025	250,310
2026	257,612
2027	265,121

Leq'á:mel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

11. Contingencies

As at March 31, 2022, the First Nation is contingently liable in respect of guaranteed individual Band member mortgages with various financial institutions totalling \$1,106,883 (2021 - \$1,115,316).

Bank of Montreal (BMO) has authorized up to \$1,000,000 of residential mortgage loans to members of Leq'á:mel First Nation. Under this agreement, the First Nation is to provide guarantees on all Band member mortgages. The total amounts guaranteed under this agreement are included above.

Royal Bank of Canada (RBC) has authorized up to \$1,500,000 of residential mortgage loans to members of Leq'á:mel First Nation. Under this agreement, the First Nation is to provide guarantees on all Band member mortgages. The total amounts guaranteed under this agreement are included above.

12. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
Equity in Tangible Capital Assets	10,842,339	8,127,420
Operating Surplus	8,509,984	6,473,417
Equity in Ottawa Trust Funds	976	970
Equity in Secured Revenues Trust Account	125,640	532,916
Equity in CMHC Replacement Reserve	131,487	103,258
	19,610,426	15,237,981

13. Economic dependence

Leq'á:mel First Nation receives a significant portion of its revenue from various government agreements. The ability of the Nation to continue operations is dependent upon the continued financial commitments as guaranteed by these agreements.

14. Financial Instruments

Leq'á:mel First Nation's financial instruments consist of cash, accounts receivable, accounts payable and accruals, and long-term debt. It is management's opinion that the First Nation is not exposed to significant currency or credit risk arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure through its normal operating and financing activities. The First Nation is exposed to interest rate price risk on its mortgages with fixed interest rates, and market risk on demand loans with variable rates.

Leq'á:mel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

15. Segments

The First Nation conducts its business through eight reportable segments, which are differentiated by major activities, accountability and control relationships. The reportable segments and their activities are as follows:

Administration

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

Education and Employment

Includes revenue and expenses related to primary, secondary and post secondary education and employment training of the members of the First Nation.

Social Programs

Includes revenue and expenses related to a wide range of social development services including family and children services and social assistance programs.

Health

Includes revenue and expenses related to internal and external health services, programs and activities.

Lands and Maintenance

Includes revenue and expenses related to ongoing lands and community maintenance.

Business and Investments

Includes activities related to the growth of revenue producing projects within the First Nation, including economic development, forestry, fisheries and resource management.

Capital Assets

Includes revenue and expenses related to tangible capital assets.

Housing

Includes property management related to the mortgaged homes owned by the First Nation and the administration of social housing programs.

16. Comparative figures

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

Leq'á:mel First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Automotive</i>	<i>Buildings</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Housing</i>	2022	2021
Cost							
Balance, beginning of year	308,486	10,266,187	499,683	8,240,557	1,626,138	20,941,051	20,738,130
Acquisition of tangible capital assets	-	-	88,278	-	2,547,779	2,636,057	95,504
Construction-in-progress	-	288,062	-	-	-	288,062	224,741
Disposal of tangible capital assets	-	-	-	-	-	-	(117,324)
Balance, end of year	308,486	10,554,249	587,961	8,240,557	4,173,917	23,865,170	20,941,051
Accumulated amortization							
Balance, beginning of year	191,530	1,190,466	211,935	4,088,288	1,034,612	6,716,831	6,257,809
Annual amortization	35,449	251,036	46,366	88,092	81,805	502,748	459,022
Balance, end of year	226,979	1,441,502	258,301	4,176,380	1,116,417	7,219,579	6,716,831
Net book value of tangible capital assets	81,507	9,112,747	329,660	4,064,177	3,057,500	16,645,591	14,224,220
2021 Net book value of tangible capital assets	116,956	9,075,721	287,748	4,152,269	591,526	14,224,220	

Leq'á:mel First Nation
Schedule 2 - Segmented Information
For the year ended March 31, 2022

	Administration	Education and Employment	Social Programs	Health	Lands and Maintenance	Business and Investments	Capital Assets	Housing	2022
Revenue									
ISC	\$ 789,961	\$ 287,596	\$ 858,769	\$ -	\$ 1,003,614	\$ 46,485	\$ -	\$ 79,021	\$ 3,065,446
Other government	312,496	111,786	17,816	581,131	114,172	1,453,938	2,563,558	9,535	5,164,432
Economic activities and other	789,036	63,660	77,727	5,800	524,965	189,273	-	70,407	1,720,869
	1,891,493	463,042	954,313	586,931	1,642,751	1,689,696	2,563,558	158,963	9,950,747
Expenses									
Amortization	-	-	-	-	-	-	464,273	38,475	502,748
Operating expenses	1,385,969	48,487	94,430	70,951	847,584	302,261	25,522	177,041	2,952,245
Salaries, wages and benefits	219,899	-	93,126	175,629	301,403	105,686	-	28,418	924,163
Program and services delivery expenses	118,969	192,586	401,377	46,328	225,453	149,776	670	63,985	1,199,146
	1,724,838	241,073	588,933	292,909	1,374,441	557,723	490,465	307,920	5,578,302
Surplus (deficit) before transfers	166,656	221,969	365,379	294,022	268,310	1,131,974	2,073,093	(148,956)	4,372,446
Transfers between programs	1,218,510	-	-	(151,353)	(306,492)	(1,148,878)	260,313	127,900	-
Annual surplus (deficit)	\$ 1,385,166	\$ 221,969	\$ 365,380	\$ 142,669	\$ (38,182)	\$ (16,905)	\$ 2,333,408	\$ (21,056)	\$ 4,372,445

	Administration	Education	Social Programs	Health	Lands and Maintenance	Business and Investments	Capital Assets	Housing	2021
Revenue									
ISC	\$ 888,499	\$ 244,365	\$ 891,970	\$ -	\$ 686,185	\$ 45,967	\$ 113,677	\$ 812,886	\$ 3,683,549
Other government	704,688	87,949	97,495	528,001	-	661,205	-	49,586	2,128,924
Economic activities and other	612,266	-	52,984	11,820	515,022	336,492	4,000	72,842	1,605,426
	2,205,453	332,314	1,042,449	539,821	1,201,207	1,043,664	117,677	935,314	7,417,899
Expenses									
Amortization	-	-	-	-	-	-	414,373	44,649	459,022
Operating expenses	1,377,257	39,486	24,567	99,167	332,676	327,806	6,089	733,767	2,940,815
Salaries, wages and benefits	206,185	2,182	64,388	185,371	206,081	201,693	-	-	865,901
Program and services delivery expenses	179,085	160,252	460,185	35,717	167,860	46,757	5,671	84,866	1,140,392
	1,762,527	201,920	549,140	320,255	706,617	576,256	426,133	863,283	5,406,131
Surplus (deficit) before transfers	442,926	130,394	493,309	219,566	494,590	467,408	(308,456)	72,031	2,011,768
Transfers between programs	77,794	-	-	-	(30,157)	-	156,943	(204,579)	-
Annual surplus (deficit)	\$ 520,720	\$ 130,394	\$ 493,309	\$ 219,566	\$ 464,433	\$ 467,408	\$ (151,513)	\$ (132,548)	\$ 2,011,768