

Léq'á:mel First Nation
Financial Statements

March 31, 2024

Leq'á:mel First Nation
Contents
For the year ended March 31, 2024

	Page
Independent Auditor's Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations and Accumulated Surplus.....	2
Statement of Change in Net Financial Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements.....	5
Schedule 1 - Schedule of Tangible Capital Assets.....	17
Schedule 2 - Segmented Information.....	18

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

Opinion

We have audited the financial statements of Leq'á:mel 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, 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, changes in its net financial assets and its 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 the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the 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 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 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 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 financial statements, including the disclosures, and whether the 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 24, 2024

MNP LLP

Chartered Professional Accountants

Leq'á:mel First Nation
Statement of Financial Position
As at March 31, 2024

	2024	2023
Financial assets		
Cash and cash equivalents	57,438,008	6,631,453
Accounts receivable (Note 4)	1,460,249	1,219,610
Portfolio investments (Note 5)	4,427	4,427
Investments in government business entities (Note 6)	4,006,634	3,856,734
Funds held in trust (Note 7)	39,984	71,998
Total of financial assets	62,949,302	11,784,222
Liabilities		
Accounts payable and accruals (Note 8)	11,945,083	475,564
Deferred revenue (Note 9)	6,284,582	697,238
Long-term debt (Note 10)	5,200,003	5,475,180
Capital lease obligations	7,391	24,848
Total of financial liabilities	23,437,059	6,672,830
Net financial assets	39,512,243	5,111,392
Contingencies (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	19,180,442	17,039,493
Prepaid expenses	-	5,420
Accumulated surplus (Note 12)	58,692,685	22,156,305

Approved on behalf of the Council

Original Signed by Chief Alice Thompson	Chief	Original Signed by Darryl McKamey	Councillor
Original Signed by Barb Leggat	Councillor	Original Signed by Sandra McDonald	Councillor

Leq'á:mel First Nation
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2024

	2024 Budget	2024	2023
Revenue			
Other federal funding	1,686,169	75,481,533	1,380,882
Indigenous Services Canada	2,353,674	3,223,591	3,332,456
Province of British Columbia	3,143,949	3,178,549	737,199
Economic activity and other income	1,537,307	2,632,713	2,115,157
First Nation Health Authority	568,803	864,994	637,243
Canada Mortgage and Housing Corporation	3,407	2,555	55,485
Earnings from investments in government business entities	-	675,477	949,458
Investment income	401,968	1,593,716	603,311
Rental income	89,720	225,235	226,785
	9,784,997	87,878,363	10,037,976
Expenditures			
Administration	1,639,795	42,818,008	1,104,349
Education and Employment	317,607	437,538	368,166
Social Programs	596,016	567,163	563,202
Health	1,247,111	941,671	688,020
Lands and Resources	3,795,683	4,115,581	2,639,021
Operations and Maintenance	729,253	1,523,328	1,255,004
Capital Assets	2,426,330	728,859	697,550
Housing	150,670	209,835	176,785
	10,902,465	51,341,983	7,492,097
Annual surplus (deficit)	(1,117,468)	36,536,380	2,545,879
Accumulated surplus, beginning of year	22,156,305	22,156,305	19,610,426
Accumulated surplus, end of year (Note 12)	21,038,837	58,692,685	22,156,305

Leq'á:mel First Nation
Statement of Change in Net Financial Assets
For the year ended March 31, 2024

	2024 Budget	2024	2023
Annual surplus (deficit)	(1,117,468)	36,536,380	2,545,879
Purchases of tangible capital assets	-	(2,728,656)	(927,724)
Amortization of tangible capital assets	-	587,702	533,822
Acquisition of prepaid expenses	-	-	(5,420)
Use of prepaid expenses	-	5,425	-
Increase (decrease) in net financial assets	(1,117,468)	34,400,851	2,146,557
Net financial assets, beginning of year	5,111,392	5,111,392	2,964,835
Net financial assets end of year	3,993,924	39,512,243	5,111,392

Leq'á:mel 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	92,286,491	9,080,835
Cash paid to suppliers	(36,720,798)	(5,439,424)
Cash paid to employees for salaries, wages and benefits	(2,524,828)	(1,660,360)
Interest income	1,133,585	116,869
Interest on long-term debt	(228,719)	(179,404)
	53,945,731	1,918,516
Financing activities		
Repayment of long-term debt	(275,177)	(286,157)
Repayment of capital lease obligations	(17,457)	(17,067)
	(292,634)	(303,224)
Capital activities		
Purchases of tangible capital assets	(2,728,656)	(927,724)
Investing activities		
Net change in funds held in trust	32,014	54,814
Net change in investments in government business entities	(149,900)	(401,963)
	(117,886)	(347,149)
Increase in cash resources	50,806,555	340,419
Cash resources, beginning of year	6,631,453	6,291,034
Cash resources, end of year	57,438,008	6,631,453

Leq'á:mel First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

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 First 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 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

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. Non-financial assets include tangible capital assets.

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.

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

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 operating 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.

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.

Léq'á:mel First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

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

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.

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.

A liability for asset retirement obligations reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

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, 2024.

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, 2024.

Segments

The First Nation conducts its business through eight reportable segments: Administration, Education and Employment, Social Programs, Health, Lands and Resources, Operations and Maintenance, 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 financial statements.

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. As the First Nation has no measurement gains or losses, there is no statement of remeasurement gains or losses to present in the current year.

Leq'á:mel First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

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

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.

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 not 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. The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (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 annual surplus. 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.

Leq'á:mel First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

3. Change in accounting policy

Effective April 1, 2023, the First Nation adopted the recommendations relating to the following accounting policies, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 3400 Revenue

Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated. The adoption of PS 3400 did not have a material impact on the financial statements.

4. Accounts receivable

	2024	2023
Funding and trade receivables	1,445,742	1,074,209
Other receivables	174,645	471,726
CMHC subsidy assistance receivable	-	284
	<hr/>	<hr/>
Less: Allowance for doubtful accounts	1,620,387	1,546,219
	160,138	326,609
	<hr/>	<hr/>
	1,460,249	1,219,610

5. Portfolio investments

	2024	2023
Measured at cost:		
BC First Nations Gaming Revenue Sharing LP	100	100
BC First Nations Gaming Revenue Sharing General Partner Ltd.	10	10
LMS Society Shares	4,317	4,317
	<hr/>	<hr/>
	4,427	4,427

Leq'á:mel First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

6. Investments in government business entities

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

	<i>Investment cost</i>	<i>Loans (advances)</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>	2024
Business Entities – Modified Equity:					
0807656 B.C. Ltd. - 100%	1	(28,569)	(4,867)	(33,435)	
Leq'á:mel Development Corporation - 100%	1	30,259	(35,959)	(5,699)	
Seven Generations Environmental Services Ltd. - 17%	194,968	58,877	(160,988)	92,857	
Leq'á:mel Development Limited Partnership - 99.99%	1	(673,715)	3,592,724	2,919,010	
Leq'á:mel Forestry Limited Partnership - 99.00%	1	1,057,520	(23,620)	1,033,901	
	194,972	444,372	3,367,290	4,006,634	
	<i>Investment cost</i>	<i>Loans (advances)</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>	2023
Business Entities – Modified Equity:					
0807656 B.C. Ltd. - 100%	1	(28,569)	(2,155)	(30,723)	
Leq'á:mel Development Corporation - 100%	1	30,259	7,639	37,899	
Seven Generations Environmental Services Ltd. - 17%	194,968	58,877	(182,060)	71,785	
Leq'á:mel Development Limited Partnership - 99.99%	1	(148,137)	2,837,898	2,689,762	
Leq'á:mel Forestry Limited Partnership - 99.00%	1	1,057,520	30,490	1,088,011	
	194,972	969,950	2,691,812	3,856,734	

Leq'á:mel First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

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

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

	<i>Leq'a:mel Development Limited Partnership As at March 31, 2024</i>	<i>Leq'a:mel Forestry Limited Partnership As at March 31, 2024</i>	<i>Seven Generations Environmental Services Ltd. As at March 31, 2024</i>
Assets			
Cash	910,433	8,619	390,168
Accounts receivable	133,157	-	215,649
Prepaid expenses	4,538	-	4,483
Government remittances receivable	-	-	8,199
Advances to related parties	2,440,032	314,310	-
Property, plant and equipment	3,307,030	800,638	4,686
Total assets	6,795,190	1,123,567	623,185
Liabilities			
Accounts payable and accruals	71,910	6,593	63,010
Deferred revenue	3,088,760	-	-
Advances from related parties	10,324	-	353,258
Other liabilities	31,100	62,162	3,032
Total liabilities	3,202,094	68,755	419,300
Equity	3,593,096	1,054,812	203,885
Total revenue	1,581,228	93,855	793,776
Total expenses	826,327	148,512	667,344
Net income (loss)	754,901	(54,657)	126,432

The summary financial information for Leq'a:mel Development Limited Partnership and Leq'a:mel Development Corporation and the summary financial information for Leq'a: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 Financial Statements
For the year ended March 31, 2024

7. 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.

	2024	2023
Capital Trust		
Balance, beginning and end of year	195	195
Revenue Trust		
Balance, beginning of year	999	976
Interest and distributions	1,070	999
Less: Transfers to Nation	2,069	1,975
	2,066	976
Balance, end of year	3	999
FNFA Secured Revenues Trust		
Balance, beginning of year	70,804	125,641
Net changes	(31,018)	(54,837)
Balance, end of year	39,786	70,804
	39,984	71,998

8. Accounts payable and accruals

Included in accounts payable and accruals are \$11,146,134 of outstanding membership distribution payments. These amounts are related to the Klatwaas Colonial Reserve Reduction Specific Claim Settlement.

Leq'á:mel First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

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>
Government of Canada - TCEI	163,850	212,715	35,717	340,848
ISC - Skweahm Water Systems Improvements (Q3TE)	104,615	-	104,615	-
ISC - New Housing Construction (Q3XJ)	80,000	-	-	80,000
ISC - Skweahm Water Systems Improvements (Q3X7)	85,575	271,079	53,730	302,924
ISC - Project Deroche Creek Recovery (Q3AV)	-	2,361,763	157,512	2,204,251
ISC - Estates Capacity Project (Q075)	-	80,000	-	80,000
Province of BC - Daycare Operations	99,765	-	99,765	-
FNHA - Papal visit grant	19,000	-	19,000	-
FPCC - Cemetery Project	126,289	-	35,059	91,230
Province of BC - Cemetery Project	18,144	-	18,144	-
Province of BC - Watershed Recovery	-	1,200,000	129,745	1,070,255
Province of BC - FV Flood Mitigation	-	1,250,000	875	1,249,125
CMHC - Housing Maintenance	-	165,000	-	165,000
DFO - AHRF Project	-	515,451	12,820	502,631
DFO - Project Fisheries Terminal	-	60,000	-	60,000
FNLMRC - Lands Legacy Project	-	78,625	3,957	74,668
Government of Canada - Project Cumulative Effects	-	63,650	-	63,650
	697,238	6,258,283	670,939	6,284,582

Leq'á:mel First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

10. Long-term debt

	2024	2023
First Nations Finance Authority promissory note, with blended monthly payments of \$11,756 at 2.90% per annum, due June 26, 2024.	1,911,338	1,995,056
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 5.48%.	(156,593)	(151,252)
First Nations Finance Authority promissory note, with blended monthly payments of \$10,354 at 2.72% per annum, due June 1, 2028.	1,902,806	1,972,891
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 5.48%.	(124,624)	(120,374)
First Nations Finance Authority promissory note, with blended monthly payments of \$11,933 at 2.985% per annum, due June 26, 2024.	1,825,109	1,911,339
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 5.48%.	(158,033)	(152,644)
All Nations' Trust Company mortgage, extinguished during the year	-	19,309
John Deere Financial equipment loan, extinguished during the year	-	855
	5,200,003	5,475,180

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:

2025	250,133
2026	257,427
2027	264,935
2028	272,661
2029	280,613

Leq'á:mel First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

11. Contingencies

As at March 31, 2024, the First Nation is contingently liable in respect of guaranteed individual Band member mortgages with various financial institutions totalling \$735,392 (2023 - \$768,421).

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:

	2024	2023
Equity in Tangible Capital Assets	13,973,048	11,539,465
Equity in Government Business Entities	4,006,634	3,856,734
Operating Surplus	40,136,894	6,553,845
Equity in Funds Held in Trust	39,984	71,998
Equity in CMHC Replacement Reserve	-	134,263
Equity in Internally Restricted Housing Reserve	134,263	-
Equity in 2024 Housing Arrears Recovery	401,862	-
	58,692,685	22,156,305

13. Financial Instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation 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.

The First Nation is exposed to interest rate price risk with respect to mortgages included in long-term debt which have fixed rates of interest. The First Nation is also exposed to interest rate risk with respect to the cash balance which bears interest based on the bank prime rate. The First Nations exposure to interest rate risk is deemed low as a decrease in the bank prime rate, and subsequently, a drop in cash flow, would not have a material impact on the First Nation's operations.

Leq'á:mel First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

14. 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 the provision of internal and external health services, programs and activities delivered to membership.

Lands & Resources

Includes revenue and expenses related to ongoing lands and resource activities including rights and title, natural resources and various land-based community projects and initiatives..

Operations & Maintenance

Includes revenue and expenses related to ongoing community maintenance requirements and activities.

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.

Leq'á:mel First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2024

	<i>Automotive</i>	<i>Buildings</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Housing</i>	2024	2023
Cost							
Balance, beginning of year	384,363	11,173,505	660,229	8,240,557	4,334,240	24,792,894	23,865,170
Acquisition of tangible capital assets	338,830	-	166,772	26,125	920,922	1,452,649	308,468
Construction-in-progress	-	1,276,007	-	-	-	1,276,007	619,256
Balance, end of year	723,193	12,449,512	827,001	8,266,682	5,255,162	27,521,550	24,792,894
Accumulated amortization							
Balance, beginning of year	276,264	1,692,538	311,900	4,264,828	1,207,876	7,753,406	7,219,579
Annual amortization	84,382	251,036	70,757	81,052	100,475	587,702	533,822
Balance, end of year	360,646	1,943,574	382,657	4,345,880	1,308,351	8,341,108	7,753,401
Net book value of tangible capital assets	362,547	10,505,938	444,344	3,920,802	3,946,811	19,180,442	17,039,493
2023 Net book value of tangible capital assets	108,099	9,480,967	348,329	3,975,729	3,126,369	17,039,493	

Leq'á:mel First Nation
Schedule 2 - Segmented Information
For the year ended March 31, 2024

	Administration	Education and Employment	Social Programs	Health	Lands and Resources	Operations and Maintenance	Capital Assets	Housing	2024
Revenue									
Indigenous Services Canada	\$ 319,925	\$ 270,251	\$ 1,152,859	\$ -	\$ 589,032	\$ 473,646	\$ 158,345	\$ 259,533	\$ 3,223,591
Other government	75,565,176	137,714	239,092	1,055,923	3,907,513	-	-	2,555	80,907,973
Economic activities and other	1,895,048	4,328	(3,720)	90,946	1,085,856	602,286	-	72,054	3,746,798
	77,780,149	412,293	1,388,231	1,146,869	5,582,401	1,075,932	158,345	334,143	87,878,363
Expenses									
Amortization	-	-	-	-	-	-	568,393	19,309	587,702
Operating expenses	41,929,054	46,344	46,853	249,820	1,819,363	791,370	159,909	91,271	45,133,984
Salaries, wages and benefits	598,860	50,952	72,924	498,889	1,037,266	182,858	-	83,080	2,524,828
Program and services delivery expenses	290,094	340,243	447,386	192,962	1,258,952	549,100	557	16,176	3,095,469
	42,818,008	437,538	567,163	941,671	4,115,581	1,523,328	728,859	209,835	51,341,983
Surplus (deficit) before transfers	34,962,141	(25,245)	821,068	205,198	1,466,820	(447,396)	(570,514)	124,307	36,536,380
Transfers between programs	500,000	-	-	(21,727)	(500,000)	-	21,727	-	-
Annual surplus (deficit)	\$ 35,462,141	\$ (25,245)	\$ 821,068	\$ 205,198	\$ 1,445,093	\$ (947,396)	\$ (548,787)	\$ 124,307	\$ 36,536,380

	Administration	Education and Employment	Social Programs	Health	Lands and Resources	Operations and Maintenance	Capital Assets	Housing	2023
Revenue									
Indigenous Services Canada	\$ 558,775	\$ 307,300	\$ 1,060,316	\$ 22,268	\$ 537,142	\$ 493,578	\$ 189,316	\$ 163,761	\$ 3,332,456
Other government	709,790	101,816	30,000	637,243	1,631,799	-	51,568	3,918	3,166,134
Economic activities and other	1,064,349	4,732	45,382	266,124	1,029,902	1,043,274	-	85,623	3,539,386
	2,332,914	413,848	1,135,698	925,635	3,198,843	1,536,852	240,884	253,302	10,037,976
Expenses									
Amortization	-	-	-	-	-	-	508,234	25,589	533,822
Operating expenses	503,058	42,355	79,917	267,175	1,437,773	590,341	189,316	79,988	3,189,924
Salaries, wages and benefits	439,795	42,488	50,487	350,244	531,952	201,966	-	43,428	1,660,360
Program and services delivery expenses	161,496	283,323	432,797	70,601	669,296	462,697	-	27,780	2,107,990
	1,104,349	368,166	563,202	688,020	2,639,021	1,255,004	697,550	176,785	7,492,097
Surplus (deficit) before transfers	1,228,565	45,682	572,497	237,615	559,822	281,848	(456,666)	76,517	2,545,879
Transfers between programs	(32,978)	-	41,164	(26,741)	-	(41,164)	31,768	27,950	-
Annual surplus (deficit)	\$ 1,195,587	\$ 45,682	\$ 613,661	\$ 210,874	\$ 559,822	\$ 240,684	\$ (424,898)	\$ 104,467	\$ 2,545,879