

**LYACKSON FIRST NATION**  
**Financial Statements**  
**Year Ended March 31, 2024**

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**LYACKSON FIRST NATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2024**  
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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


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The financial statements of Lyackson First Nation have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Lyackson First Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Chief and Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Chief and Council carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Chief and Council and meets periodically with management and the auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Chief and Council prior to its approval of the financial statements. The Committee also considers, for review by the Chief and Council and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by PALMER LESLIE, Chartered Professional Accountants, in accordance with Canadian public sector accounting standards (PSAS).

  
\_\_\_\_\_  
Chief  
\_\_\_\_\_  
Councilor  
\_\_\_\_\_  
Councilor  
\_\_\_\_\_  
Councilor

Chemainus, BC  
November 15, 2024



Tammy Leslie, C.P.A., C.G.A., C.A.\*  
Lori John, C.P.A., C.G.A.\*  
Jaime Court, C.P.A.\*  
Sarah Brimacombe, C.P.A.\*  
\*A professional corporation.

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Lyackson First Nation

*Report on the Financial Statements*

*Opinion*

We have audited the financial statements of Lyackson First Nation (the organization), which comprise the consolidated 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 organization 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

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Independent Auditor's Report to the Members of Lyackson First Nation (continued)

*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 organization'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 organization'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 organization 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.



Duncan, British Columbia  
November 15, 2024

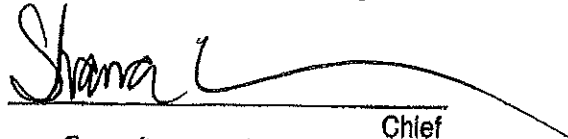
CHARTERED PROFESSIONAL ACCOUNTANTS

**LYACKSON FIRST NATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2024**

Exhibit "A"

	2024	2023
<b>Financial Assets</b>		
Cash	\$ 4,463,641	\$ 2,331,314
Restricted cash (Note 3)	4,107,641	1,568,641
Term deposits (Note 4)	3,600,000	1,600,000
Accounts and accrued interest receivable (Note 5)	768,703	1,222,776
Investment (Note 6)	284,865	281,683
GST recoverable	10,414	4,030
	<u>13,235,264</u>	<u>7,008,444</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	407,273	257,190
Wages & benefits payable	108,011	95,460
Deferred revenue (Note 8)	6,395,343	1,891,450
	<u>6,910,627</u>	<u>2,244,100</u>
<b>Net financial assets - Exhibit "B"</b>	<u>6,324,637</u>	<u>4,764,344</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 9)	1,045,059	692,031
Share capital (Note 10)	110	110
Prepaid expenses (Note 11)	47,528	237,310
	<u>1,092,697</u>	<u>929,451</u>
<b>Accumulated Surplus - Exhibit "C"</b>	<u>\$ 7,417,334</u>	<u>\$ 5,693,795</u>

Approved on behalf of the Lyackson First Nation



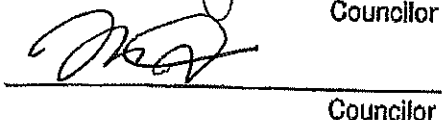
Chief



Councillor



Councillor



Councillor

Exhibit "B"

**LYACKSON FIRST NATION  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED MARCH 31, 2024**

	Budget (unaudited)	2024	2023
<b>Excess of revenue over expenditures - Exhibit "C"</b>	\$ (653,426)	\$ 1,723,539	\$ 918,720
Acquisition of assets	(844,284)	(505,823)	(187,975)
Loss on disposal of assets	-	4,201	3,886
Amortization of assets	110,000	148,594	121,681
Use of prepaid asset	<u>-</u>	<u>189,783</u>	<u>(215,995)</u>
(Increase)/Decrease in net financial assets	(1,387,710)	1,560,293	640,316
Net financial assets at beginning of year	<u>4,764,344</u>	<u>4,764,344</u>	<u>4,124,028</u>
<b>Net financial assets, end of year - Exhibit "A"</b>	<u>\$ 3,376,634</u>	<u>\$ 6,324,637</u>	<u>\$ 4,764,344</u>

**LYACKSON FIRST NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2024**

	Budget (unaudited)	2024	2023
<b>Revenue</b>			
BC Special	\$ -	\$ 482	\$ 487
BC First Nation Gaming Revenue Sharing	133,679	128,714	78,951
Children and Family Development	115,800	115,800	30,000
Coast Salish Employment & Training Society	82,111	82,111	98,274
Cultural Records	23,856	23,856	-
Declaration Act	-	260,000	-
Delta Port 4	-	-	217,140
Department of Fisheries and Oceans	117,926	117,926	102,524
First Nation Education Steering Committee	5,000	-	7,286
First Nations Health Authority	10,000	10,000	17,000
Fortis BC Tilbury LNG	20,700	20,700	56,100
General Referrals	16,556	83,233	43,182
George Massey Crossing	-	-	10,000
Guardian Program General Funds	2,000	2,000	-
H'ulh'etun Health Society	1,250	1,175	1,000
Hul'qumi'num Treaty Group	244,950	244,950	239,950
Indigenous Services Canada	428,807	427,761	385,177
Kw'umut Lelum Child & Family Service	75,000	72,783	-
Other Revenues and Interest	297,700	322,917	91,192
Ottawa Trust Fund Interest Income	-	43,456	38,042
Parks Canada	119,660	109,660	133,523
Pattullo Bridge Replacement	20,000	32,500	-
Port of Vancouver	-	-	19,000
Port Metro Vancouver	18,750	118,750	-
Province of B.C.	180,987	180,987	204,487
Quw'utsun Nation ILA - Fortis BC Tilbury Seed Funding	-	-	76,851
Quw'utsun Nation ILA - Fortis BC Tilbury Joint Funding	110,400	117,100	150,000
Roberts Bank Terminal 2	6,250	6,250	1,841
Sandstone Quarry	25,000	24,096	21,544
Specific Claims	-	429,118	163,026
Traditional Foods	-	11,170	-
Transmountain Accomodation	1,444,769	1,360,879	874,780
Transmountain Consultations	15,000	-	10,000
Gain (loss) on disposal of assets	-	(4,201)	(3,886)
	<u>3,516,151</u>	<u>4,344,173</u>	<u>3,067,471</u>
<b>Expenditures</b>			
Operating Fund (Schedule 1)	4,169,577	2,587,434	2,148,751
Trust Fund member distributions	-	33,200	-
	<u>4,169,577</u>	<u>2,620,634</u>	<u>2,148,751</u>
<b>Excess of revenue over expenditures - Exhibits "B" &amp; "D"</b>	(653,426)	1,723,539	918,720
Surplus at beginning of year	<u>5,693,795</u>	<u>5,693,795</u>	<u>4,775,075</u>
<b>Surplus at end of year - Exhibit "A" (Note 12)</b>	<u>\$ 5,040,369</u>	<u>\$ 7,417,334</u>	<u>\$ 5,693,795</u>



## Exhibit "D"

**LYACKSON FIRST NATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2024**

	2024	2023
<b>Operating transactions</b>		
Excess of revenue over expenditures - Exhibit "B"	\$ 1,723,539	\$ 918,720
Non-cash items included in annual surplus/(deficit)		
Amortization of tangible capital assets	148,594	121,681
Loss on sale of assets	<u>4,201</u>	<u>3,886</u>
	1,876,334	1,044,287
Change in non-cash working capital balances		
Accounts receivable	454,073	(564,048)
GST recoverable	(6,384)	(1,146)
Prepaid expenses	189,784	(215,995)
Accounts payable	150,082	50,517
Wages & benefits payable	12,551	4,479
Deferred revenue	<u>4,503,893</u>	<u>667,677</u>
Cash provided by operating transactions	7,180,333	985,771
<b>Capital transactions</b>		
Investment (Note 6)	(3,182)	(826)
Acquisition of tangible capital assets	<u>(505,823)</u>	<u>(187,975)</u>
	<u>(509,005)</u>	<u>(188,801)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	6,671,327	796,970
<b>Cash and cash equivalents, beginning of year</b>	<u>5,499,955</u>	<u>4,702,985</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$12,171,282</u>	<u>\$ 5,499,955</u>
<b>Represented by:</b>		
Cash	\$ 4,463,641	\$ 2,331,314
Restricted cash	4,107,641	1,568,641
Term Deposits	<u>3,600,000</u>	<u>1,600,000</u>
	<u>\$12,171,282</u>	<u>\$ 5,499,955</u>

**LYACKSON FIRST NATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Framework

These summarized financial statements are prepared in accordance with Canadian Public Sector Accounting Standards for Governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants, which encompasses the following principles:

Budget Information

The budget figures were not audited nor reviewed, but compiled from information provided by First Nation Management.

Tangible capital assets

The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are funded by the applicable revenue source in the year of acquisition. These expenditures are also recorded as an addition to the assets of the Capital Fund with a corresponding increase in Equity in Capital Assets.

Tangible Capital Assets are amortized annually with a corresponding reduction in Equity in Capital Assets. Assets are amortized over their expected useful life using the declining balance method at the following rates:

Computer equipment	55%	declining balance method
Computer software	50%	declining balance method
Mobile application	10 years	straight-line method
Furniture and fixtures	20%	declining balance method
Housing, Trailers and other	10%	declining balance method
Office Equipment	20%	declining balance method
Roads	30 years	straight-line method
Vehicles	30%	declining balance method
Boats	15%	declining balance method
Yurts	4%	declining balance method
Water/Sewer System	4%	declining balance method

Fund accounting

The Lyackson First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual, or voluntary actions. The various funds have been amalgamated for the purposes of presentation in the summary financial statements

These financial statements report on the assets, liabilities and results of operations for the following entities which use accounting principles that lend themselves to consolidation:

The Operating Fund reports the general and local Government activities of the First Nation Administration.

The Trust Fund reports on trust funds owned by the First Nation and held by third parties.

Reporting Entity Principles of Financial Reporting

These summary financial statements report only on the activities of the Lyackson First Nation.

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**LYACKSON FIRST NATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Lyackson First Nation follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Estimates

The preparation of these financial statements in conformity with Canadian Accounting Standards for Public Sector Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

Net Assets

The First Nation's financial statements are presented so as to highlight net assets as the measurement of financial position. The net assets of the First Nation are determined by its liabilities less its financial assets. Net assets are comprised of two components, non-financial assets and accumulated surplus.

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2. TRANSFERS

All transfers between funds have been approved by the Council with an appropriate Band Council Resolution having been affected where required.

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**LYACKSON FIRST NATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2024**

**3. RESTRICTED CASH**

**Ottawa Trust Funds:**

The Ottawa Trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. They are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

**BC First Nations Gaming Revenue Sharing:**

The BC First Nations Gaming Revenue Sharing restricted cash balance arise from funds to be used for approved purposes from the BC First Nations Gaming Revenue Sharing Limited Partnership Agreements.

**Other Contributions:**

The Other Contributions restricted cash balance arise from other funding included in the Deferred Revenue balance.

	2024	2023
Ottawa Trust Fund – revenue account	\$ 314,098	\$ 303,360
Ottawa Trust Fund – capital account	998,200	973,831
Subtotal	1,312,298	1,277,191
BC First Nations Gaming Revenue Sharing	395,343	261,450
Province of British Columbia Grant	2,400,000	-
Other Contributions	-	30,000
	<u>\$ 4,107,641</u>	<u>\$ 1,568,641</u>

**4. TERM DEPOSITS**

Term deposits include restricted funds for the BC First Nations Gaming Revenue Sharing funding of \$2,000,000 (2023 - \$1,600,000) and for the Province of British Columbia Grant funding of \$1,600,000 (2023 - nil).

	2024	2023
Restricted Term deposit @ 5.20% to mature August 9, 2024	\$ 1,000,000	\$ -
Restricted Term deposit @ 5.20% to mature August 9, 2024	1,000,000	-
Restricted Term deposit @ 5.20% to mature August 9, 2024	1,000,000	-
Restricted Term deposit @ 2.25% to mature January 6, 2025	600,000	-
Restricted Term deposit @ 3.45% to mature September 14, 2023	-	500,000
Restricted Term deposit @ 3.45% to mature September 14, 2023	-	500,000
Restricted Term deposit @ 1.75% to mature January 6, 2024	-	600,000
	<u>\$ 3,600,000</u>	<u>\$ 1,600,000</u>

**LYACKSON FIRST NATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2024**

**5. ACCOUNTS AND ACCRUED INTEREST RECEIVABLE**

	2024	2023
<b>Operating Fund</b>		
Accrued Interest on Term Deposits, Unrestricted	\$ 123,333	\$ 21,132
BC Hydro	-	2,500
Cando	5,209	1,509
Coast Salish Employment & Training	8,184	9,773
Cowichan Tribes	7,072	-
First Nations Education Steering	-	3,678
First Nations Fisheries Council	-	2,260
First Nations Fisheries Society	-	1,200
First Nations Health Authority	-	2,063
Fortis BC	87,517	212,100
Government of Canada	172,140	197,229
Government of Canada - NRCAN	-	12,100
Government of Canada - DFO	36,386	485,639
Halalt First Nation	7,073	-
Hardy Island Granite	1,181	1,454
Hul'qumi'num Fisheries Limited Partnership	10,460	300
Hul'qumi'num Treaty Group	59,988	59,988
H'ulth-etun Health Society	-	1,000
Indigenous Services Canada	60,000	5,230
Kw'umut Lelum Child & Family Service	-	10,217
New Relationship Trust	-	5,000
Parks Canada	104,660	135,279
Penelakut Tribes	7,072	-
Port of Vancouver	-	16,841
Province of BC	77,744	25,127
Trans Link	-	2,500
Vancouver Fraser Port Authority	-	7,000
Other accruals	684	1,657
	<b>\$ 768,703</b>	<b>\$ 1,222,776</b>

The First Nation recorded Allowance for Doubtful Accounts of nil in the current year (2023 - nil).

**6. INVESTMENT**

1252729 B.C. Ltd. (the company) was incorporated on June 3, 2020 under the Business Corporations Act of B.C. The company was set up to hold acquired land on behalf of the First Nation.

**Financial Position**

	2024	2023
Total Assets (a)	\$ 280,920	\$ 280,920
Total Liabilities (b)	\$ 284,865	\$ 281,683
Shareholders' Equity	(3,945)	(763)
	<b>\$ 280,920</b>	<b>\$ 280,920</b>

(continues)

**LYACKSON FIRST NATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2024**

6. INVESTMENT *(continued)*

(a) 1252729 B.C. Ltd. has purchased a fee simple property in British Columbia.

(b) Amount invested by the Lyackson First Nation.

**Results of Operations**

	2024	2023
Expenses	\$ (3,182)	\$ (826)

**Cash Flows**

	2024	2023
Cash from operations	\$ (3,182)	\$ (826)
Advances from Lyackson First Nation	3,182	826
	\$ -	\$ -

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trades Payable	\$ 100,333	\$ 231,477
Education and Per Capita Distributions Payable	30,154	25,713
Accrued Liabilities: QN Indigenous Lead Assessment Joint Project	276,786	-
	\$ 407,273	\$ 257,190

8. DEFERRED REVENUE

	2024	2023
BC First Nations Gaming Revenue Sharing Limited Partnership		
Balance, beginning of year	\$ 1,861,450	\$ 1,223,773
Revenue received	662,607	716,628
Revenue recognized	(128,714)	(78,951)
	2,395,343	1,861,450
Children and Family Development		
Balance, beginning of year	30,000	-
Revenue received	-	60,000
Revenue recognized	(30,000)	(30,000)
	-	30,000
Province of BC, Peerless Road Development Grant		
Revenue received	4,000,000	-
Closing balance	\$ 6,395,343	\$ 1,891,450

**LYACKSON FIRST NATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2024**

**9. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2024 Net book value
Housing, Trailers and other	\$ 320,135	\$ 130,750	\$ 189,385
Office Equipment	163,775	96,959	66,816
Vehicles	174,204	123,583	50,621
Computer equipment	164,586	137,139	27,447
Computer software	51,056	47,950	3,106
Mobile application	8,811	441	8,370
Furniture and fixtures	75,819	44,249	31,570
Boats	718,662	200,351	518,311
Yurts	182,688	76,828	105,860
Roads	32,655	9,253	23,402
Water/Sewer System	26,121	5,952	20,171
	<u>\$ 1,918,512</u>	<u>\$ 873,455</u>	<u>\$ 1,045,059</u>

	Cost	Accumulated amortization	2023 Net book value
Housing, Trailers and other	\$ 236,817	\$ 116,437	\$ 120,380
Office Equipment	142,423	85,591	56,832
Vehicles	174,204	139,514	34,690
Computer equipment	150,345	120,549	29,796
Computer software	49,250	45,746	3,504
Furniture and fixtures	60,032	38,614	21,418
Boats	371,526	101,888	269,638
Yurts	182,687	72,414	110,273
Roads	32,655	8,164	24,491
Water/Sewer System	26,121	5,111	21,010
	<u>\$ 1,426,060</u>	<u>\$ 734,028</u>	<u>\$ 692,031</u>

The First Nation recorded Amortization of \$148,594 in the current year (2023 - \$121,681). Capital asset purchases totalled \$505,823 (2023 - \$187,975). Capital asset disposals totalled \$4,201 (2023 - \$3,886).

**10. SHARE CAPITAL**

BC First Nations Gaming Revenue Sharing Limited Partnership - Price/Partnership Interest \$100  
BC First Nations Gaming Revenue Sharing General Partner - Price/Share \$10

**LYACKSON FIRST NATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2024**

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11. PREPAID EXPENSES

	2024	2023
Prepaid, Insurance	\$ 24,356	\$ 10,374
Prepaid, Other	23,172	26,936
Landing Craft Boat Deposit	-	200,000
	<u>\$ 47,528</u>	<u>\$ 237,310</u>

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12. ACCUMULATED SURPLUS

	2024	2023
Restricted Trust Fund	\$ 1,312,298	\$ 1,277,191
Unrestricted Operating Fund	6,105,036	4,416,604
	<u>\$ 7,417,334</u>	<u>\$ 5,693,795</u>

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13. OPERATING LEASE

The First Nation entered into a office rental lease of \$2,800 per month on October 1, 2021, on a month to month basis. In 2023, rental lease payments were reduced to \$1,244 for the months of May 2022 through March 2023, due to the basement flooding in 2022.

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14. RESTRICTED EQUITY IN FINANCIAL ASSETS

Certain program surpluses are restricted as to their use. They may be committed to the continuation of the particular program, subject to recovery by the applicable funding agency, or generally accessible for limited purposes only and not available for use in general operations.

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15. GOING CONCERN CONSIDERATIONS

The First Nation is economically dependent on the Indigenous Services Canada (ISC, formerly INAC) and other government agencies. The funding to the First Nation is expected to last in the foreseeable future, however, if funding is lost, the First Nation could not continue its full operations.

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16. COMPARATIVE FIGURES

Certain prior year balances have been reclassified to conform to the current presentation's format.

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17. FINANCIAL INSTRUMENTS

The First Nation's financial instruments consist of cash, accounts receivable, term deposits, accounts payable and accrued, and security deposits. It is the council's opinion that the First Nations is not exposed to significant credit risk, market risk or currency risk arising from these financial instruments as of March 31, 2024.

*(continues)*

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**LYACKSON FIRST NATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2024**

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**17. FINANCIAL INSTRUMENTS** *(continued)*

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. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities.

The exposure of the First Nations to interest rate risk arises from its interest bearing term deposit. The First Nations manages its exposure to interest rate risk through contracts stating the guaranteed rate. Fluctuations in market rates of interest on the term deposits do not have a significant impact on the First Nations's results of operations.

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**18. CONTINGENT ASSETS**

We have noted that in the upcoming years, the following projects will have payment contingencies to be paid to the First Nation, so long as the Project Developers and First Nation meet Agreement terms.

	<u>2024</u>	<u>2023</u>
<u>Project</u>		
Trans Mountain Pipeline LP	\$ 900,000	\$ 900,000
Vancouver Fraser Port Authority	800,000	900,000
	<u>\$ 1,700,000</u>	<u>\$ 1,800,000</u>

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**19. RELATED PARTY TRANSACTIONS**

On October 20, 2022, Quw'utsun Nation (comprised of Cowichan Tribes, Halalt First Nation, Penelakut Tribe, Lyackson First Nation, and Stz'uminus First Nation) entered into a joint capacity funding agreement with Fortis BC, for the purpose of conducting an Indigenous Lead Assessment on the impacts of the proposed Tilbury Phase 2 LFN Expansion Project, to Quw'utsun Nation's rights, title and interests. As per Article 5 of the agreement, Quw'utsun Nation members authorize Lyackson First Nation to receive all funding and manage distribution of all payments related to the project.

The funding agreement is for a total \$910,000, of which \$345,982 was received for Joint Funding and \$193,187 was received for Management (2023 - nil). In the current year, the First Nation accrued expenditures related to the project of \$43,412 (2023 - \$154,492). \$4,717 (2023 - \$150,000) is included in accounts receivable.

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LYACKSON FIRST NATION

Expenses

(Schedule 1)

Year Ended March 31, 2024

	Budget	2024	2023
<b>Expenses</b>			
Amortization	\$ 110,000	\$ 148,594	\$ 121,681
Bank charges and interest	3,500	3,579	3,370
Boat expense	36,032	26,206	12,542
Consulting fees	1,329,632	576,505	487,110
Donations	1,400	1,094	81
Education recognition	13,300	13,750	12,445
Elections	3,000	22,456	9,129
Equipment - Lease and Repairs	40,106	3,465	2,392
Events	115,782	10,269	10,522
Honoraria	142,000	142,435	95,416
Insurance	38,950	40,642	38,744
Licenses, dues and fees	2,529	3,494	2,570
Materials and supplies	207,991	59,807	66,434
Meeting costs	48,312	22,996	11,900
Membership - Emergency Relief	42,000	6,800	48,564
Office	76,358	50,873	38,453
Professional fees	100,750	119,912	94,758
Rent (Note 13)	49,984	35,338	17,883
Traditional food expense	29,500	7,916	39,864
Training	147,830	77,251	40,902
Travel - Cultural Programs	10,000	53,000	-
Travel - Operations	176,416	106,487	93,111
Tuition and books	228,737	189,424	164,246
Utilities and telephone	27,500	12,534	9,686
Vehicle	20,067	11,481	9,725
Wages and benefits	1,167,901	841,126	717,223
	<u>\$ 4,169,577</u>	<u>\$ 2,587,434</u>	<u>\$ 2,148,751</u>

The accompanying notes form an integral part of these financial statements



Tammy Leslie, C.P.A., C.G.A., C.A.\*  
Lori John, C.P.A., C.G.A.\*  
Jaime Court, C.P.A.\*  
Sarah Brimacombe, C.P.A.\*  
\*A professional corporation.

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

**To the Members of  
Lyackson First Nation  
Chemainus, BC**

We have reviewed Schedule 2, the Schedule of Contingent Assets of Lyackson First Nation for the year ended March 31, 2024.

### ***Management's Responsibility for the Schedules***

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

### ***Practitioner's Responsibility***

Our responsibility is to express a conclusion on the accompanying Schedules based on our review. We conducted our review in accordance with Canadian accounting standards for public sector organizations for review engagements, which require us to comply with relevant ethical requirements.

A review of Schedules in accordance with Canadian accounting standards for public sector organizations for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian accounting standards for public sector organizations. Accordingly, we do not express an audit opinion on these Schedules.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the Schedules do not present fairly, in all material respects, Contingent Assets of Lyackson First Nation for the year ended March 31, 2024 in accordance with Canadian accounting standards for public sector organizations.

November 15, 2024  
Duncan, BC

*Palmer Leslie*  
Chartered Professional Accountants

301-394 Duncan Street  
Duncan, BC V9L 3W4  
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Toll Free | 1 800 818 5703  
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**SCHEDULE 2**  
**LYACKSON FIRST NATION**  
**SCHEDULE OF CONTINGENT ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2024**  
**(Unaudited)**

Developer (Project)	Agreement Type	Date Signed	Outstanding Portion of Agreement with Payment Contingencies	Total Agreement Amount	Payment Contingencies
Government of Canada (Trans Mountain Pipeline Expansion)	Relationship Agreement	March 18, 2020	\$ 900,000	\$ 1,000,000	- \$100,000 payable within 30 days of Trans Mountain Expansion "In Service Date" \$100,000 payable each of 8 years following the 1st anniversary of the "In Service Date"
Vancouver Fraser Port Authority (Roberts Bank Terminal #2)	Mutual Benefit Agreement	June 28, 2019	800,000	1,125,000	- \$100,000 payable within 30 days of a positive environmental assessment decision - \$700,000 payable within 30 days after Vancouver Fraser Port Authority Board of Directors makes a final investment decision (funding to be used by LFN for the sole purpose of contributing to the Lyackson Community Initiatives Fund - \$100,000 payable within 30 days after Vancouver Fraser Port Authority Board of Directors makes a final investment decision (funding to be used by LFN solely for other initiatives to benefit the LFN and its members in general - \$125,000 for the sole purpose of Lyackson's participation in the Indigenous Monitors program (\$25,000 within 30 days of the Start of Construction Date, \$25,000 payable each of 4 years following the anniversary of the Start of Construction Date. If LFN is unable to provide an candidate for part or all of the 5 year monitoring program, VFPA will pay LFN any remaining amount of the Indigenous Monitoring Fund, up to a maximum of \$125,000)
<b>Grand Total</b>			<b>\$ 1,700,000</b>	<b>\$ 2,125,000</b>	

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# LYACKSON FIRST NATION

8017 Chemainus Road  
Chemainus, BC  
V0R 1K5

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November 15, 2024

PALMER LESLIE, Chartered Professional Accountants  
301-394 Duncan Street  
Duncan British Columbia V9L 3W4

Dear Sir / Madam:

This representation letter is provided in connection with your audit of the financial statements of Lyackson First Nation for the year ended March 31, 2024, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

We confirm that (to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves):

## Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated July 4, 2024, for the preparation of the financial statements in accordance with Canadian public sector accounting standards; in particular, the financial statements are fairly presented in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.
- All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.

## Information Provided

- We have provided you with:
  - access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.

- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.

## General

1. The financial statements referred to above present fairly, in all material respects, the financial position of the organization as at March 31, 2024, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards.
  2. We have made available to you all financial records and related data and all minutes of the meetings of members, directors and committees of directors.
  3. We have responded fully to all inquiries made to us and have made available to you all accounting and financial records and related data of the organization during your audit.
  4. We believe the effects of the uncorrected financial statement misstatements summarized in the accompanying schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
  5. We believe that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.
  6. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- 
7. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
  8. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
  9. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
  10. The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.  
  
Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements. This includes:
    - a) Appropriate provisions for idle, abandoned, destroyed or obsolete assets or where site restoration costs will be necessary; and
    - b) Impairments in the value of goodwill or intangible assets.
  11. We have disclosed to you, and the organization has complied with, all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
  12. There have been no events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and the related notes.
  13. We have disclosed to you all significant customers and/or suppliers of the organization who individually represent a significant volume of transactions with our organization. We are of the opinion that the volume of transactions (e.g., sales, services, purchases, borrowing and lending) done by the organization with any one party is not of sufficient magnitude that discontinuance would have a material negative effect on the ongoing operations of the organization.

14. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value.

15. There are no material unrecorded assets or contingent assets (such as claims relating to patent infringements or unfulfilled contracts whose value depends on satisfying conditions regarded as uncertain), that have not been disclosed to you.

16. We have disclosed to you all significant estimates and fair value measurements. We are of the opinion that:


- a) The measurement methods used are permitted under Canadian public sector accounting standards and appropriate in the circumstances;
- b) The underlying assumptions are reasonable and reflect management's best estimates considering existing market information;
- c) The method of valuation has been applied consistently;
- d) The assumptions are consistent with management's intended courses of action; and
- e) Financial statement disclosures are in accordance with Canadian public sector accounting standards.

#### Other

1. We hereby acknowledge that PALMER LESLIE, Chartered Professional Accountants have made us aware of your legal obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act and authorize PALMER LESLIE, Chartered Professional Accountants to release and disclose information about Lyackson First Nation as required by statute.

Yours truly,

#### LYACKSON FIRST NATION

  
Chief

November 15, 2024

Date signed

  
Councilor

November 15, 2024

Date signed

  
Councilor

November 15, 2024

Date signed

  
Councilor

November 15, 2024

Date signed

