



Pauquachin First Nation
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

Pauquachin First Nation CONSOLIDATED FINANCIAL STATEMENTS INDEX TO STATEMENTS

For the year ended March 31, 2024

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CONSOLIDATED FINANCIAL STATEMENTS

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**Pauquachin First Nation
MARCH 31, 2024**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Pauquachin First Nation are the responsibility of Chief and Council and have been approved by Chief and Council.

The consolidated financial statements have been prepared in conformity with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants and, where appropriate, include certain amounts based on management's best estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

Pauquachin First Nation's Chief and Council maintain systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and Pauquachin First Nation's assets are appropriately accounted for and adequately safeguarded.

Pauquachin First Nation's Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the financial statements.

Chief and Council reviewed Pauquachin First Nation's financial statements and recommends their approval. The management meets periodically with the external auditors, to discuss internal controls over the financial reporting process, auditing matters, and financial reporting issued, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. Chief and Council also consider the engagement of the external auditors.

The financial information has been audited by Ribeyre CPA, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the members. Ribeyre Chang Haylock has full and free access to management.


Chief


Councilor



INDEPENDENT AUDITOR'S REPORT

To the Members of Pauquachin First Nation:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Pauquachin First Nation, which comprise the consolidated statement of financial position as at March 31, 2024 and March 31, 2023, and the consolidated statement of operations, net financial assets and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Pauquachin First Nation as at March 31, 2024 and March 31, 2023, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

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 Entity 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 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 Entity'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 Entity'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 Entity 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.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Katrina Russell, CPA.

Port Coquitlam, B.C.
April 17, 2025

Katrina Russell CPA
Chartered Professional Accountants

Pauquachin First Nation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION


As at March 31, 2024

Statement 1

	Note	2024	2023 <i>Restated</i>
Financial assets			
Cash	3	\$ 3,568,344	\$ 36,951,254
Accounts receivable	4	3,537,240	410,472
Temporary investments	5	36,850,800	2,060,389
Due from Pauquachin Legacy Trust	6	347,833	335,595
Inventory		-	35,018
Investment in Government Business Enterprises	7	1,016,221	788,572
Trust moneys	8	107,370	102,951
		45,427,808	40,684,251
Financial liabilities			
Accounts payable and accrued liabilities		836,573	867,827
Deferred revenue	9	3,221,035	813,402
Long-term debt	10	1,267,851	1,338,134
Capital lease	11	59,409	72,123
Specific land claims loans	12	195,606	112,342
		5,580,474	3,203,828
Net financial assets		39,847,334	37,480,423
Non-financial assets			
Tangible capital assets	13	25,245,937	21,589,198
Prepaid expenses and deposits		129,766	164,417
Total non-financial assets		25,375,703	21,753,615
Accumulated surplus	14	\$ 65,223,037	\$ 59,234,038
Contingent liabilities	15		

See accompanying notes


Chief Councilor


Councilor

Pauquachin First Nation

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended March 31, 2024

Statement 2

	2024 Budget	2024	2023 <i>Restated</i>
Revenue			
Indigenous Services Canada	\$ 2,410,603	\$ 3,332,852	\$ 3,643,364
Canada Mortgage and Housing Corporation	58,151	69,630	60,225
First Nations Health Authority	975,358	983,703	886,388
BC First Nations Gaming Revenue Sharing	434,243	434,243	474,079
Coast Salish Employment & Training Society	103,358	129,186	100,370
Deferred revenue	(71,742)	(2,399,989)	(802,532)
First Nations Education Steering Committee	188,775	190,871	177,036
Fisheries and Oceans Canada	1,305,016	1,471,834	1,258,914
Interest	1,464,266	2,223,984	935,747
Earnings from First Nation business entities	-	223,360	108,057
Other revenue	1,559,349	2,821,313	334,012
Ottawa Trust Fund	-	4,419	3,969
Province of BC	6,544,403	3,517,596	562,718
Rental	237,418	223,652	225,178
Pauquachin Legacy Trust	-	347,833	335,595
	15,209,198	13,574,487	8,303,120
Expenses - Note 20			
Administration	1,222,632	1,311,592	748,161
Operatings and maintenance	1,276,743	956,115	620,377
Education and training	650,146	542,421	337,030
Health	953,563	760,167	531,228
Social development	1,891,843	1,269,079	1,255,831
Economic development	259,591	98,344	435,717
Housing	545,496	245,985	332,704
Lands and resources	1,220,134	1,141,812	1,091,699
Treaty and negotiations	150,000	243,668	295,828
Capital projects	245,610	58,793	36,881
Legacy trust	174,801	152,305	145,394
Tangible capital asset depreciation	-	685,539	672,096
Social housing	-	119,668	66,156
	8,590,559	7,585,488	6,569,102
Annual surplus	6,618,639	5,988,999	1,734,018
Accumulated surplus, beginning of year as previously stated		59,234,038	57,599,020
Prior period adjustment - Note 21		-	(99,000)
Accumulated surplus, beginning of year as restated		59,234,038	57,500,020
Accumulated surplus, end of year		\$ 65,223,037	\$ 59,234,038

See accompanying notes

Pauquachin First Nation

CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS

For the year ended March 31, 2024

Statement 3

	2024 Budget	2024	2023 <i>Restated</i>
Annual surplus	\$ 6,618,639	\$ 5,988,999	\$ 1,734,018
Changes in tangible capital assets			
Net acquisition of tangible capital assets	-	(4,342,278)	(1,661,695)
Amortization of tangible capital assets	-	685,539	672,096
	-	(3,656,739)	(989,599)
Changes in other non-financial assets			
Prepaid expenses and deposits	-	34,651	(58,471)
Increase in net financial assets	6,618,639	2,366,911	685,948
Net financial assets at beginning of year as previously stated		37,480,423	36,893,475
Prior period adjustment - Note 21		-	(99,000)
Net financial assets at beginning of year as restated		37,480,423	36,794,475
Net financial assets at end of year		\$ 39,847,334	\$ 37,480,423

See accompanying notes

Pauquachin First Nation

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

Statement 4

	2024	2023 <i>Restated</i>
OPERATING ACTIVITIES		
Revenue received	\$ 12,615,335	\$ 10,226,096
Expenses paid	(6,847,233)	(5,750,775)
Interest paid on long-term debt	(12,317)	(12,058)
Interest paid on capital lease	(1,984)	(2,353)
Cash provided by operating activities	5,753,801	4,460,910
INVESTING ACTIVITIES		
Investments in Government Business Enterprises	(4,289)	855
Advances to investments	(34,790,411)	(3,182)
Purchase and construction of capital assets	(4,342,278)	(1,577,227)
Cash used in investing activities	(39,136,978)	(1,579,554)
FINANCING ACTIVITIES		
Advances from specific land claims loans	83,264	265,927
Repayment of long-term debt	(70,283)	(71,396)
Repayment of capital lease	(12,714)	(12,345)
Cash provided by financing activities	267	182,186
(Decrease) increase in cash during the year	(33,382,910)	3,063,542
Cash, beginning of year	36,951,254	33,887,712
Cash, end of year	\$ 3,568,344	\$ 36,951,254

See accompanying notes

Pauquachin First Nation

CONSOLIDATED FINANCIAL STATEMENTS

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Pauquachin First Nation (the "First Nation") is an Indian Band as defined by the Indian Act located in the province of British Columbia. The First Nation provides various services to its members and manages various programs offered by Indigenous Services Canada (ISC) and other funding agents to benefit its members.

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as established by the Public Sector Accounting Board ("PSAB"), which encompasses the following principles:

a) Reporting entity

The Pauquachin First Nation reporting entity includes Pauquachin First Nation and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. Trusts administered by third parties on behalf of the First Nation are excluded from the reporting entity.

b) Use of estimates

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 revenues and expenditures during the reported period. Actual results could differ from the estimates.

c) Principles of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of entities which are controlled by the First Nation. Controlled entities are consolidated, except for government business enterprises which are accounted for via the modified equity method. All inter-fund and inter-organization transactions and balances have been eliminated on consolidation. Consolidated entities include Bokecen Xaxe (Sacred) Society and 1228435 B.C. Ltd.

The First Nation records its investments in government business enterprises (GBEs) on a modified equity basis. Under the modified equity basis, the GBEs accounting policies are not adjusted to conform with those of the First Nation and inter-entity transactions and balances are not eliminated. The First Nation recognizes its equity interest in the annual earnings or loss of the GBEs in its Consolidated Statement of Operations with a corresponding increase or decrease in its investment asset account. Any dividends or other cash distributions that the First Nation may receive from the GBEs are reflected as reductions in the investment asset account.

Organizations accounted for on a modified equity basis include:

1. 1239774 B.C. Ltd. - 100%

Pauquachin First Nation

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1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Asset classification

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

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

f) Revenue recognition

Government Funding

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria 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.

First Nation Capital and Revenue Trust Funds

The First Nation recognizes revenues of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

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.

Own Source Revenue

Revenues are recognized in the period in which the transaction or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Investment Income

Investment income is recognized by the First Nation when the investment income is earned.

Other

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service being performed are deferred and recognized when the fee is earned or service is performed.

Pauquachin First Nation

CONSOLIDATED FINANCIAL STATEMENTS

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1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the assets.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital assets and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and the First Nation's incremental cost of borrowing.

The First Nation's capitalization policy consists of a \$1,000 threshold. This threshold can be raised or lowered by management if they determine the item's purpose is of a nature that it shouldn't be capitalized despite costing more or should be capitalized despite costing less if it significantly improves the value of a larger asset.

Tangible capital assets are depreciated over their expected useful lives as follows:

Buildings	10-60 years
Social housing	50 years
Band housing	10-44 years
Infrastructure	10-50 years
Equipment	2-30 years
Vehicles	5 years
Boats	5 years
Mobile homes	7-13 years

Depreciation is pro-rated in the year of acquisition. Assets under construction are not depreciated until the asset is available to be put into service. Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

Pauquachin First Nation

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1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Items inherited by the right of the First Nation, such as reserved land, forests, water and mineral resources are not recognized in the consolidated financial statements. Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts are not recognized as tangible capital assets.

Capital assets acquired as part of the Housing Reserves are recorded as assets of those funds.

h) Financial instruments

Financial instruments are initially classified upon initial recognition at fair value or as an amortized cost instrument. The fair value category includes investments in equity instruments that are quoted in an active market, and any other items elected by the First Nation to be recorded at fair value. All other financial instruments, including financial instruments with related parties for which fair value cannot be estimated, are recorded at amortized cost. Transaction costs directly attributable to the acquisition or issue of a financial instrument are added to the amortized cost or expensed if related to instruments recorded on a fair value basis. The effective interest rate method is used to measure interest for financial instruments recorded at amortized cost.

All financial assets are assessed for impairment on an annual basis.

The First Nation's financial instruments consist of cash and cash equivalents, accounts receivable, temporary investments, due from and to related entities, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, credit or currency risks arising from these financial instruments and the fair value of these financial instruments approximates their carrying values.

i) Inventory

Inventories are measured at the lower of cost and net realizable value. The cost is determined using the first-in, first-out method for finished goods and work in progress. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and costs necessary to make the sale. When the reversal of previously written down inventories is recognized, this reversal is recognized in the annual surplus in the statement of operations.

2. ECONOMIC DEPENDENCE

Pauquachin First Nation receives major portions of its revenue pursuant to funding arrangements with Indigenous Services Canada and First Nations Health Authority.

Pauquachin First Nation

CONSOLIDATED FINANCIAL STATEMENTS

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3. CASH AND CASH EQUIVALENTS

	2024	2023
Externally restricted		
CMHC Replacement Reserve - bank account	\$ 110,094	\$ 987
Unrestricted		
Cash and banks net of outstanding cheques	3,458,250	36,950,267
Total cash and cash equivalents	\$ 3,568,344	\$ 36,951,254

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as otherwise approved by the Canada Mortgage and Housing Corporation, with any interest earned to be credited as revenue to the Operating and Replacement Reserve.

Externally restricted - Operating Reserve:

At the year end, the reserve was under funded by \$181,393 (2023 - under funded by \$188,871).

Externally restricted - Replacement Reserve:

At the year end, the reserve was over funded by \$46,209 (2023 - under funded by \$87,999).

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4. ACCOUNTS RECEIVABLE

	2024	2023
Due from members:		
Rent receivable	156,387	149,718
Due from Government and other Government Organizations:		
Indigenous Services Canada	79,572	8,631
Canada Mortgage and Housing Corporation	5,261	5,261
First Nations Health Authority	2,025	2,025
Parks Canada	55,545	-
Province of BC	1,341,186	301,133
	1,483,589	317,050
Due from others:		
Accrued interest on GICs	749,847	12,624
Union of BC Municipalities	1,168,660	50,000
Other	116,773	13,609
	2,035,280	76,233
	3,675,256	543,001
Allowance for doubtful accounts	(138,016)	(132,529)
	\$ 3,537,240	\$ 410,472

5. TEMPORARY INVESTMENTS

	2024	2023
RBC investment savings account	\$ 246,335	\$ 238,389
Term deposit maturing April 8, 2024 @ 5.86%	10,263,835	-
Term deposit maturing April 8, 2024 @ 5.81%	1,000,000	-
Term deposits maturing April 12, 2024 @ 5.65%	6,200,000	-
Term deposit maturing July 8, 2024 @ 5.52%	5,194,918	-
Term deposit maturing July 22, 2024 @ 5.47%	1,562,452	-
Term deposit maturing August 7, 2024 @ 5.57%	739,016	-
Term deposit maturing August 12, 2024 @ 5.56%	11,501,205	-
Term deposits maturing April 20, 2023 @ 0.75%	-	1,380,000
Term deposits maturing July 16, 2023 @ 0.75%	-	300,000
CMHC Replacement Reserve - externally restricted term deposit maturing April 8, 2024 @ 5.86%	143,039	142,000
	\$ 36,850,800	\$ 2,060,389

Pauquachin First Nation

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6. DUE FROM PAUQUACHIN LEGACY TRUST

The First Nation is the sole beneficiary of the Pauquachin Legacy Trust, an independently administered trust established by the First Nation pursuant to the settlement of a specific claim.

Advances due from the Pauquachin Legacy Trust are unsecured and without interest or any fixed terms of repayment.

7. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

The First Nation's investment in government business enterprises consist of the following:

	2024	2023
1239774 B.C. Ltd. - 100%		
Shares	\$ 1	\$ 1
Accumulated equity	148,157	277,797
Advances	868,063	510,774
	\$ 1,016,221	\$ 788,572

Advances to Government Business Enterprises are unsecured and without interest or any fixed terms of repayment.

The financial information for 1239774 B.C. Ltd. is not audited. The financial results of the entity have been recorded in the consolidated financial statements using the modified equity method in accordance with Canadian public sector accounting standards.

Financial information for the Government Business Enterprise for its year end is as follows:

	Assets	Liabilities	Revenue	Loss
1239774 B.C. Ltd. - Dec 31, 2023	\$ 4,292,028	\$ 4,143,872	\$ 1,324,605	\$ (136,971)

8. TRUST MONEYS

The Ottawa Trust accounts arise from moneys 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 and 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.

Pauquachin First Nation

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9. DEFERRED REVENUE

	2024	2023
Indigenous Services Canada		
Asset Management Plan	\$ -	\$ 80,000
CFS Prevention	1,174,748	516,536
FN Representative Service	155,052	74,712
Prevention Projects	7,661	6,985
First Nation Education Steering Committee	81,431	124,299
First Nations Health Authority	71,741	-
Province of BC	174,164	-
Rent	18,515	10,870
Union of BC Municipalities	1,464,865	-
Victoria Foundation	72,858	-
	\$ 3,221,035	\$ 813,402

10. LONG-TERM DEBT

	2024	2023
CMHC Direct Lending Program - All Nations Trust Company - Mortgage payable with payments of \$3,354 per month including interest at 3.98% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on November 1, 2037 and renews on November 1, 2027.	\$ 424,532	\$ 447,484
CMHC Direct Lending Program - All Nations Trust Company - Mortgage payable with payments of \$3,498 per month including interest at 1.01% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on August 1, 2041 and renews on August 1, 2026.	670,284	705,298
Royal Bank of Canada - Demand loan payable with payments of \$1,358 per month including interest at 2.21% per annum, secured by a general security agreement. Matures on April 1, 2036 and renews on April 1, 2026.	173,035	185,352
	\$ 1,267,851	\$ 1,338,134

Pauquachin First Nation

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10. LONG-TERM DEBT (CONTINUED)

Future principal payments for subsequent years are as follows:

2025	\$ 71,924
2026	73,525
2027	772,545
2028	349,857
2029	-
	\$ 1,267,851

11. CAPITAL LEASE

	2024	2023
		<i>Restated</i>
Equipment lease, bearing interest at 2.98% per annum, repayable in monthly payments of \$1,225 ending March 23, 2026 with a buyout option for \$32,796, secured by the equipment.	\$ 59,409	\$ 72,123

Future minimum lease payments for the next five years are as follows:

2025	\$ 13,103
2026	46,306
2027	-
2028	-
2029	-
	\$ 59,409

12. SPECIFIC LAND CLAIMS LOANS

The amounts below consist of various promissory notes signed on different dates. The promissory notes are due the earlier of five years from signing date or the date on which the claim is settled. If the loan becomes due and payable under the terms of the promissory notes while the claim is still in negotiation, the loan repayment dates will be extended by the earlier of five years or a period deemed appropriate to coincide with the anticipated claim settlement date.

	2024	2023
North Saanich Potato Field	\$ 195,606	\$ 112,342

Pauquachin First Nation
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13. TANGIBLE CAPITAL ASSETS

	2024								
	Beginning Cost	Additions	Disposal/ Transfer	Ending Cost	Beginning Accumulated Depreciation	Depreciation	Disposal/ Transfer	Ending Accumulated Depreciation	Net Book Value
Buildings	\$ 5,330,258	\$ 4,175,743	\$ (46,560)	\$ 9,459,441	\$ 1,033,953	\$ 55,263	\$ -	\$ 1,089,216	\$ 8,370,225
Social housing	1,717,869	-	-	1,717,869	271,022	34,358	-	305,380	1,412,489
Band housing	9,048,635	-	-	9,048,635	1,435,703	361,830	-	1,797,533	7,251,102
Infrastructure	2,628,131	-	-	2,628,131	747,213	58,706	-	805,919	1,822,212
Equipment	614,564	92,804	-	707,368	239,498	91,263	-	330,761	376,607
Vehicles	137,004	-	-	137,004	80,456	21,702	-	102,158	34,846
Boats	383,750	4,676	-	388,426	217,430	62,417	-	279,847	108,579
Mobile homes	450,000	-	-	450,000	450,000	-	-	450,000	-
Sacred land	1,222,000	-	-	1,222,000	-	-	-	-	1,222,000
Land	4,532,262	69,055	46,560	4,647,877	-	-	-	-	4,647,877
	\$ 26,064,473	\$ 4,342,278	\$ -	\$ 30,406,751	\$ 4,475,275	\$ 685,539	\$ -	\$ 5,160,814	\$ 25,245,937

Included in buildings is \$7,051,233 (2023 - \$2,975,389) of capital assets that are under construction. No depreciation is recorded until assets are put into use.

Included in equipment is \$84,468 (2023 - \$84,468) capitalized under leases. Related accumulated amortization is \$16,894 (2023 - \$8,447 - restated).

Included in equipment is \$44,012 (2023 - nil) of capital assets yet not available for use. No depreciation has been recorded.

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13. TANGIBLE CAPITAL ASSETS (CONTINUED)

	2023								
	Beginning Cost	Additions	Disposal/ Transfer	Ending Cost	Beginning Accumulated Depreciation	Depreciation	Disposal/ Transfer	Ending Accumulated Depreciation	Net Book Value
Buildings	3,962,371	\$ 1,367,887	\$ -	5,330,258	\$ 981,821	\$ 52,132	\$ -	\$ 1,033,953	\$ 4,296,305
Social housing	1,717,869	-	-	1,717,869	236,664	34,358	-	271,022	1,446,847
Band housing	9,039,420	9,215	-	9,048,635	1,073,798	361,905	-	1,435,703	7,612,932
Infrastructure	2,553,872	74,259	-	2,628,131	693,635	53,578	-	747,213	1,880,918
Equipment	434,548	180,016	-	614,564	161,853	77,645	-	239,498	375,066
Vehicles	137,004	-	-	137,004	58,754	21,702	-	80,456	56,548
Boats	353,432	30,318	-	383,750	146,654	70,776	-	217,430	166,320
Mobile homes	450,000	-	-	450,000	450,000	-	-	450,000	-
Sacred land	1,222,000	-	-	1,222,000	-	-	-	-	1,222,000
Land	4,532,262	-	-	4,532,262	-	-	-	-	4,532,262
	\$ 24,402,778	\$ 1,661,695	\$ -	\$ 26,064,473	\$ 3,803,179	\$ 672,096	\$ -	\$ 4,475,275	\$ 21,589,198

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14. ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following:

	2024	2023
Restricted		
Ottawa Trust Fund	\$ 107,370	\$ 102,951
Housing Reserves	475,147	506,687
Unrestricted		
Operations	40,637,374	38,360,990
Invested in tangible capital assets	24,003,146	20,263,410
	\$ 65,223,037	\$ 59,234,038

15. CONTINGENT LIABILITIES

Pauquachin First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements are subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's financial statements.

16. BUDGET INFORMATION

Budgeted figures are unaudited and have been derived from the estimates approved by the Chief and Council for comparison purposes. Individual program operations not showing budget information does not mean budgets were not prepared but rather that their amounts were not readily determinable.

17. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2024, the First Nation entered into transactions with related parties as follows:

- The First Nation charged \$353,000 (2023 - \$211,000) for management fees to Ardmore Golf Course Ltd., a subsidiary of 1239774 B.C. Ltd.

These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related parties.

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18. COMPARATIVE AMOUNTS

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

19. FINANCIAL INSTRUMENTS

Risk management policy

The First Nation is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2024.

Credit risk

The carrying value of the First Nation's main financial assets represents the maximum credit risk to which the band is exposed.

Liquidity risk

Pauquachin First Nation considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long-term financial needs, at a reasonable cost.

Market risk

The First Nation is exposed to interest rate risk on its fixed-interest and variable-interest financial instruments. Fixed-interest instruments subject the band to fair value risk while the variable-interest instruments subject it to cash flow risk.

The following table summarizes the contractual maturities of the financial liabilities:

		March 31, 2024		
	Carrying amount	Within 1 year	2 to 5 years	Subsequent
Accounts payable and accrued expenses	\$ 836,573	\$ 836,573	\$ -	\$ -
Capital lease	59,409	13,103	46,306	-
Long-term debt	1,267,851	71,924	1,195,927	-
	<u>\$ 2,163,833</u>	<u>\$ 921,600</u>	<u>\$ 1,242,233</u>	<u>\$ -</u>

		March 31, 2023		
	Carrying amount	Within 1 year	2 to 5 years	Subsequent
Accounts payable and accrued expenses	\$ 867,827	\$ 867,827	\$ -	\$ -
Capital lease	72,123	12,714	59,409	-
Long-term debt	1,338,134	65,304	1,272,830	-
	<u>\$ 2,278,084</u>	<u>\$ 945,845</u>	<u>\$ 1,332,239</u>	<u>\$ -</u>

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20. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	Budget	2024	2023
Bad debts (recovery)	\$ -	\$ 5,487	\$ (5,979)
Bank charges and interest	103,046	8,990	7,958
Community support and cultural awareness	153,513	179,121	73,941
Contract and consulting services	1,727,920	1,025,001	646,097
Contract and consulting - homemakers	40,410	33,060	28,747
Cost of goods sold	-	35,018	-
Depreciation expense	-	685,539	672,096
Distributions to members	350,000	314,532	372,044
Elections	-	-	9,233
Equipment lease	14,020	4,685	7,874
First Nations Educational Foundation	-	100,000	-
Health services to members	107,960	54,240	68,563
Honoraria	283,250	293,330	267,098
Insurance	239,366	246,865	213,342
Interest on capital lease	-	1,984	2,353
Interest on long-term debt	-	28,129	24,458
Licenses, fees, and dues	24,000	30,027	17,563
Meetings	24,500	7,026	20,136
Office and other	103,666	24,349	67,280
Professional fees	139,117	217,039	196,107
Repairs and maintenance	538,064	367,980	324,635
Replacement reserve expenses	51,554	40,829	28,763
Restoration costs	-	-	80,000
Social assistance to members	1,130,000	1,128,175	1,151,691
Supplies	347,773	321,826	225,020
Transportation and travel	137,813	150,539	93,106
Tuition and training	240,730	146,563	318,501
Utilities	169,030	241,574	217,259
Wages and benefits	2,500,735	1,893,580	1,441,216
	\$ 8,426,467	\$ 7,585,488	\$ 6,569,102

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21. PRIOR PERIOD ADJUSTMENT

Subsequent to the release of the March 31, 2023 Pauquachin First Nation Consolidated Financial Statements, information became available that required adjustments to the fiscal 2023 figures presented.

- 1) Record capital lease obligation of \$72,123.
- 2) Record revenue receivable of \$301,133 from the Province of BC.
- 3) Record accounts payable of \$110,000. \$99,000 is related to 2022.
- 4) Reverse government balances payable of \$17,362.

A summary of the changes are as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2023 <i>As previously stated</i>	<i>Changes</i>	2023 <i>Restated</i>
Financial assets			
Accounts receivable	109,339	301,133	410,472
Financial liabilities			
Accounts payable and accrued liabilities	874,189	(6,362)	867,827
Capital lease	-	72,123	72,123
Net financial assets	37,245,051	235,372	37,480,423
Non-financial assets			
Tangible capital assets	21,513,177	76,021	21,589,198
Total non-financial assets	21,677,594	76,021	21,753,615
Accumulated surplus	\$ 58,922,645	\$ 311,393	\$ 59,234,038

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21. PRIOR PERIOD ADJUSTMENT (CONTINUED)

CONSOLIDATED STATEMENT OF OPERATIONS

	2023		2023
	<i>As previously stated</i>	<i>Changes</i>	<i>Restated</i>
Revenue			
Province of BC	261,585	301,133	562,718
Expenses			
Administration	1,506,343	(117,707)	1,388,636
Tangible capital asset depreciation	663,649	8,447	672,096
Annual surplus	1,323,625	410,393	1,734,018
Accumulated surplus, beginning of year	\$ 57,599,020	\$ (99,000)	\$ 57,500,020

CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS

	2023		2023
	<i>As previously stated</i>	<i>Changes</i>	<i>Restated</i>
Annual surplus	\$ 1,323,625	\$ 410,393	\$ 1,734,018
Changes in tangible capital assets			
Acquisition of tangible capital assets	(1,577,227)	(84,468)	(1,661,695)
Amortization of tangible capital assets	663,649	8,447	672,096
Increase in net financial assets	351,576	334,372	685,948
Net financial assets at end of year	\$ 37,245,051	\$ 235,372	\$ 37,480,423