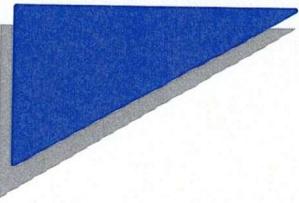


Vohora LLP
CPAs & Business Advisors

METLAKATLA FIRST NATION

FINANCIAL STATEMENTS

MARCH 31, 2024



Vohora LLP
CPAs & Business Advisors

**METLAKATLA FIRST NATION
INDEX TO FINANCIAL STATEMENTS**

MARCH 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
INDEPENDENT AUDITOR'S REPORT
STATEMENT OF FINANCIAL POSITION
STATEMENT OF FINANCIAL ACTIVITIES
STATEMENT OF CASH FLOWS
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
NOTES

METLAKATLA FIRST NATION

MARCH 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Metlakatla First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

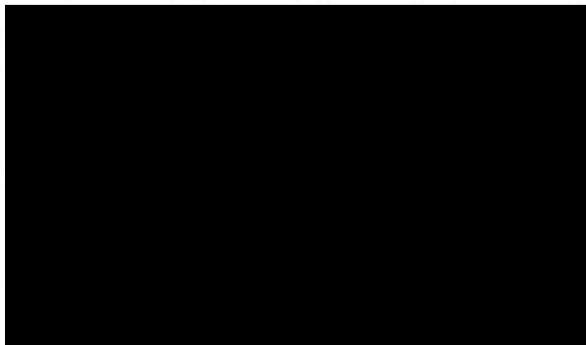
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include some amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, to ensure that the financial statements are presented fairly, in all material respects.

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

The Nation is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Chief and Council meet regularly with management and is available to meet with the external auditor to satisfy themselves that each party is properly discharging their responsibilities. The Nation also considers the engagement of the external auditor.

The financial statements have been audited by Vohora LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. Vohora LLP has full access to Chief and Council.



INDEPENDENT AUDITOR'S REPORT

To the Chief and Council of Metlakatla First Nation

Opinion

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

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the 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 Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

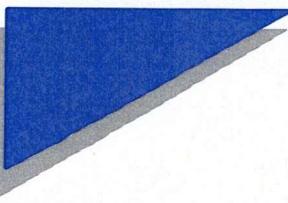
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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:

(continues)

PASSION INTEGRITY EXCELLENCE

Offices located in Vancouver, South Surrey, Abbotsford, Prince Rupert, Terrace and Smithers BC



INDEPENDENT AUDITOR'S REPORT (continued)

- 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 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 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 Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Prince Rupert, BC
February 7, 2025

Vohora LLP
Chartered Professional Accountants

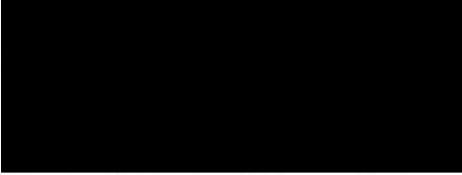
METLAKATLA FIRST NATION

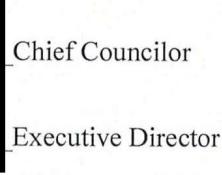
STATEMENT OF FINANCIAL POSITION

MARCH 31, 2024

	2024	2023
	\$	\$
FINANCIAL ASSETS		
Cash (note 2)	168,965,264	11,867,911
Marketable securities (note 1)	4,465,526	3,818,020
Accounts receivable (note 3)	1,289,878	2,279,531
Ottawa trust funds (note 4)	<u>157,313</u>	<u>159,340</u>
	<u>174,877,981</u>	<u>18,124,802</u>
FINANCIAL LIABILITIES		
Accounts payable and accruals (note 5)	1,043,307	641,485
Member distributions payable (note 8)	96,951,453	-
Deferred revenue (notes 1 and 6)	<u>37,496</u>	<u>30,000</u>
	<u>98,032,256</u>	<u>671,485</u>
NET FINANCIAL ASSETS	<u>76,845,725</u>	<u>17,453,317</u>
NON-FINANCIAL ASSETS		
Prepaid expenditure (note 9)	109,749	55,365
Property and equipment (notes 1 and 7)	<u>28,703,241</u>	<u>28,306,466</u>
	<u>28,812,990</u>	<u>28,361,831</u>
	<u>105,658,715</u>	<u>45,815,148</u>
FIRST NATION POSITION		
Operating surplus (note 10)	76,798,161	17,349,342
Equity in property and equipment (note 11)	28,703,241	28,306,466
Ottawa Trust Funds (note 4)	<u>157,313</u>	<u>159,340</u>
	<u>105,658,715</u>	<u>45,815,148</u>

APPROVED ON BEHALF OF COUNCIL

 Chief Councilor

 Executive Director

METLAKATLA FIRST NATION

STATEMENT OF FINANCIAL ACTIVITIES

March 31, 2024

	Unaudited Budget	2024	2023
	\$	\$	\$
REVENUE			
Indigenous Services Canada	3,736,518	4,601,442	4,435,225
First Nations Health Authority	704,121	869,814	786,882
BC First Nations Gaming Revenue Sharing	450,000	1,185,127	743,472
Province of British Columbia	634,852	1,046,663	783,848
First Nations Education Steering Committee	-	114,420	63,518
Ottawa Trust Funds	-	7,500	7,003
Marketable securities and interest	150,000	2,705,870	178,974
Minister of Crown-Indigenous Relations and Northern Affairs	-	155,000,000	-
Other	<u>1,353,547</u>	<u>3,057,892</u>	<u>1,796,324</u>
	<u>7,029,038</u>	<u>168,588,728</u>	<u>8,795,246</u>
EXPENDITURE			
Administration	1,013,079	1,372,131	937,323
Community Health	1,236,963	745,338	603,834
Education	1,137,053	1,205,914	1,036,878
Elder Investment Fund	95,000	208,691	143,568
Lands Management	556,509	433,801	300,801
Public Works and Capital	832,640	1,641,510	654,888
Social Services	599,571	521,234	413,096
Strategic Initiatives	1,884,125	101,956,455	2,186,570
Amortization	-	660,087	584,344
	<u>7,354,940</u>	<u>108,745,161</u>	<u>6,861,302</u>
REVENUE OVER EXPENDITURE	(325,902)	59,843,567	1,933,944
OPENING POSITION	<u>45,815,148</u>	<u>45,815,148</u>	<u>43,881,204</u>
CLOSING POSITION	<u>45,489,246</u>	<u>105,658,715</u>	<u>45,815,148</u>

METLAKATLA FIRST NATION

STATEMENT OF CASH FLOWS

March 31, 2024

	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Revenue over expenditure	59,843,567	1,933,944
Amortization	660,087	584,344
Accounts receivable	989,653	(210,895)
Accounts payable and accruals	401,822	112,252
Member distributions payable	96,951,453	-
Deferred revenue	7,496	5,000
Marketable securities	(647,506)	235,392
Prepaid expenses	(54,384)	25,501
Ottawa Trust Funds	2,027	(883)
	<hr/> <u>158,154,215</u>	<hr/> <u>2,684,655</u>
INVESTING ACTIVITIES		
Property and equipment additions	<hr/> <u>(1,056,862)</u>	<hr/> <u>(1,388,879)</u>
CHANGE IN CASH	<hr/> <u>157,097,353</u>	<hr/> <u>1,295,776</u>
OPENING CASH BALANCE	<hr/> <u>11,867,911</u>	<hr/> <u>10,572,135</u>
CLOSING CASH BALANCE	<hr/> <u>168,965,264</u>	<hr/> <u>11,867,911</u>

METLAKATLA FIRST NATION

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

March 31, 2024

	2024	2023
	\$	\$
Revenue over expenditure	59,843,567	1,933,944
Amortization	660,087	584,344
Prepaid expenses	(54,384)	25,501
Property and equipment additions	<u>(1,056,862)</u>	<u>(1,388,879)</u>
 CHANGE IN NET FINANCIAL ASSETS	 59,392,408	1,154,910
 OPENING NET FINANCIAL ASSETS	 <u>17,453,317</u>	<u>16,298,407</u>
 CLOSING NET FINANCIAL ASSETS	 <u>76,845,725</u>	<u>17,453,317</u>

METLAKATLA FIRST NATION

NOTES

MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

a) Fund Accounting

These financial statements have been prepared using the fund accounting method and guidelines issued by Indigenous Services Canada (ISC) which include compliance with Canadian public sector accounting standards.

b) Property and Equipment

Property and equipment are reported at cost and are amortized using the declining balance method at the following annual rates:

Buildings	2.22%
Infrastructure	1.5%
Infrastructure - Docks	5%
Vehicles	20%
Equipment	20%

Purchases costing more than \$5,000 are capitalized.

c) Recognition of Revenue and Expenditures

Revenue is recognized as it becomes receivable under the terms of the contractual funding arrangements. Funding from external parties restricted by agreement or legislation is reported as deferred revenue until used for the purposes specified.

Other revenue is reported in the period which the goods are sold or services rendered.

Expenditures are reported in the period which the goods are received or services delivered.

d) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts reported. Estimates include the useful lives of property and equipment, allowance for doubtful accounts and certain accrued liabilities. Actual results could differ from these estimates.

METLAKATLA FIRST NATION

NOTES

MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial Instruments

Financial assets and liabilities are reported at market value at the date of acquisition except for marketable securities which are reported at market value at year-end. It is management's opinion that the Nation's financial instruments are not exposed to significant interest rate, liquidity, market or other price risks except for marketable securities.

f) Marketable Securities

Marketable securities classified as held for trading are reported at market value (cost \$2,885,410).

2. CASH

	2024	2023
	\$	\$
Non restricted	168,804,934	11,707,581
Restricted – Letter of Guarantee	<u>160,330</u>	<u>160,330</u>
	<u>168,965,264</u>	<u>11,867,911</u>

3. ACCOUNTS RECEIVABLE

	2024	2023
	\$	\$
Indigenous Services Canada	58,907	85,287
Interest	772,531	-
Government of Canada	3,760	2,027
Housing	-	49,704
Metlakatla Development Corporation	-	1,190,564
Metlakatla Stewardship Society	-	1,142
Metlakatla Treaty	25,427	15,534
School District #52 (Prince Rupert)	-	133,000
Trade and Other	<u>429,253</u>	<u>824,552</u>
	<u>1,289,878</u>	<u>2,301,810</u>
Allowance for doubtful accounts	<u>-</u>	<u>22,279</u>
	<u>1,289,878</u>	<u>2,279,531</u>

METLAKATLA FIRST NATION

NOTES

MARCH 31, 2024

4. OTTAWA TRUST FUNDS

Indigenous Services Canada holds funds in trust for the Nation. These funds are designated as revenue or capital funds as is required by the Indian Act. The Nation is permitted to expend its revenue fund for any purpose that will promote the general progress and welfare of the Nation and its members. The expenditure of capital funds must be for projects of a capital nature and requires the consent of the Minister of ISC.

	Revenue \$	Capital \$	Total \$
Opening balance	4,684	154,656	159,340
Interest	7,500	-	7,500
Transfer to the Nation	(9,527)	-	(9,527)
Closing balance	<u>2,657</u>	<u>154,656</u>	<u>157,313</u>

5. ACCOUNTS PAYABLE AND ACCRUALS

	2024 \$	2023 \$
Metlakatla Development Corporation	577,696	-
Metlakatla Stewardship Society	28,688	-
Trade and other	294,423	516,143
Wages and benefits	<u>142,500</u>	<u>125,342</u>
	<u>1,043,307</u>	<u>641,485</u>

6. DEFERRED REVENUE

	2024 \$	2023 \$
First Peoples Cultural Council	37,496	-
Province of British Columbia	-	<u>30,000</u>
	<u>37,496</u>	<u>30,000</u>

METLAKATLA FIRST NATION

NOTES

MARCH 31, 2024

7. PROPERTY AND EQUIPMENT

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Current Provision	Closing Balance	2024	2023
Infrastructure	26,613,999	1,007,062	27,621,061	5,742,058	428,405	6,170,463	21,450,598	20,871,941
Buildings	10,070,315	36,502	10,106,817	2,995,145	157,069	3,152,214	6,954,603	7,075,170
Vehicles	928,650	13,298	941,948	762,944	35,837	798,781	143,167	165,706
Equipment	<u>1,012,336</u>	-	<u>1,012,336</u>	<u>818,687</u>	<u>38,776</u>	<u>857,463</u>	<u>154,873</u>	<u>193,649</u>
	<u><u>38,625,300</u></u>	<u><u>1,056,862</u></u>	<u><u>39,682,162</u></u>	<u><u>10,318,834</u></u>	<u><u>660,087</u></u>	<u><u>10,978,921</u></u>	<u><u>28,703,241</u></u>	<u><u>28,306,466</u></u>

METLAKATLA FIRST NATION

NOTES

MARCH 31, 2024

8. MEMBER DISTRIBUTIONS PAYABLE

Distribution of \$100,000 to each registered member out of the \$150,000,000 1906 surrender of land specific claim settlement. Funds for minors to be held in trust until they reach the age of 19 years. The balance of funds remaining in surplus will be retained in a financial institution for the benefit of Metlakatla members under the direction of the Metlakatla Governing Council over time.

9. PREPAID EXPENDITURE

	2024	2023
	\$	\$
Legal retainer	15,815	15,815
Post-secondary living allowances	25,518	8,061
Social assistance allowances	11,849	15,736
Other	56,567	15,753
	<hr/> 109,749	<hr/> 55,365

10. OPERATING SURPLUS

	2024	2023
	\$	\$
Administration	1,208,123	968,199
Community Health	1,229,058	1,133,380
Education	2,303,889	2,152,544
Elder Investment Fund	4,361,759	3,843,029
Lands Management	637,137	656,283
Public Works and Capital	3,272,959	2,979,544
Social Services	1,060,841	698,936
Strategic Initiatives	62,724,395	4,917,427
	<hr/> 76,798,161	<hr/> 17,349,342

METLAKATLA FIRST NATION

NOTES

MARCH 31, 2024

11. EQUITY IN PROPERTY AND EQUIPMENT

Opening balance	\$ 28,306,466
Equipment purchases	1,056,862
Amortization	<u>(660,087)</u>
 Closing balance	 <u>\$ 28,703,241</u>

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

13. SEGMENT DISCLOSURE

The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in note one. The following table presents the expenses incurred and the revenue generated by the main object of expense and by major revenue type. The segment results for the period are as follows:

13. SEGMENT DISCLOSURE continued

MARCH 31, 2024

	Unaudited Budget 2024	Administration	Community Health	Education	Investment Fund	Lands Management	Public Works and Capital	Social Services	Strategic Initiatives	Amortization	Total 2024	Total 2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE												
Indigenous Services Canada	3,736,518	486,747	1,128,175	-	391,905	1,713,832	528,323	352,460	-	4,601,442	4,435,225	
First Nations Health Authority	704,121	-	869,814	-	-	-	-	-	-	869,814	786,882	
BC First Nations Gaming Revenue Sharing	450,000	-	-	-	-	-	-	-	-	1,185,127	743,472	
Province of British Columbia	634,832	-	803	-	-	-	243,594	802,266	-	1,046,663	783,848	
First Nations Education Steering Committee	-	-	-	-	-	-	114,420	-	-	114,420	63,518	
Ottawa Trust Funds	7,500	-	-	-	727,421	-	-	-	-	7,500	7,003	
Marketable securities and interest income	150,000	896,501	-	-	-	-	-	-	-	2,705,870	178,974	
Minister of Crown-Indigenous Relations and Northern Affairs	-	-	-	-	-	-	-	-	-	-	-	
Other	1,353,547	-	177,431	-	229,084	-	35,000	1,130,654	7,796	155,000,000	-	
	<u>7,029,038</u>	<u>1,568,179</u>	<u>870,617</u>	<u>1,357,259</u>	<u>727,421</u>	<u>426,905</u>	<u>2,844,486</u>	<u>894,133</u>	<u>159,899,728</u>	<u>3,057,892</u>	<u>1,796,324</u>	
EXPENDITURE												
Administration and office	135,440	80,644	33,110	4,307	-	25,122	32,788	2,814	55,757	-	234,428	
Advertising and communications	29,500	5,353	-	-	-	-	-	-	-	5,353	5,325	
Amortization	-	-	-	-	-	-	-	-	-	660,087	584,344	
Audit and legal	230,000	76,806	-	-	-	-	-	-	-	144,085	68,826	
Bad debts (recovery)	-	-	-	-	-	-	(22,279)	-	-	(22,279)	-	
Basic and special needs	154,700	-	-	2,875	-	-	-	-	-	-	-	
Contract services	251,335	40,824	33,887	-	98,890	132,092	11,389	120,501	-	123,376	126,620	
Council remuneration and travel	427,054	-	-	-	-	-	-	-	-	461,002	131,974	
Ferry services	368,650	113,884	22,992	235,000	-	13,176	11,936	17,786	-	552,424	345,284	
Insurance	82,000	27,184	-	-	-	95,812	-	-	-	423,704	293,170	
Local education agreement	440,000	-	-	477,447	-	-	-	-	-	122,996	100,451	
Materials and supplies	69,600	927	30,133	-	-	-	4,883	13,702	-	477,447	486,832	
Meetings and community events	553,205	158,063	46,259	2,897	-	18,408	5,509	29,750	569	50,214	54,846	
Member distributions	60,000	-	-	-	167,219	-	-	-	144,787	405,973	187,113	
Other operating expenses	434,045	7,701	67,975	-	-	-	-	-	101,469,876	101,637,095	1,034,000	
Professional fees	454,500	60,109	5,542	14,000	41,472	39,101	59,309	-	194,483	508,262	354,434	
Recovery of contribution to related party	-	-	-	-	-	-	-	-	44,494	-	264,027	
Rent	142,560	19,550	-	5,550	-	10,600	7,800	48,399	(1,300,000)	(1,304,000)	-	
Repairs and maintenance	335,965	-	1,710	-	-	-	-	42,568	-	134,467	101,014	
Telephone and utilities	121,160	37,407	40,340	399	-	-	642,089	146,788	114,993	905,580	123,675	
Training	33,700	18,667	5,704	10,361	-	5,419	5,983	2,110	12,687	154,345	125,306	
Travel	160,900	32,344	38,129	66,008	-	16,087	17,435	4,828	1,111	67,493	10,864	
Tuition and supplies	326,600	-	248,617	-	-	-	7,375	39	6,824	166,806	136,195	
Wages and benefits	2,546,026	692,6668	419,257	138,453	-	189,563	365,282	126,845	387,477	-	248,617	
	<u>7,354,940</u>	<u>1,372,131</u>	<u>745,338</u>	<u>1,205,914</u>	<u>208,691</u>	<u>433,801</u>	<u>1,641,510</u>	<u>521,234</u>	<u>101,956,455</u>	<u>660,087</u>	<u>108,745,161</u>	
REVENUE OVER EXPENDITURE	(325,902)	196,048	125,279	151,345	518,730	(6,896)	1,202,976	372,899	57,943,273	(660,087)	59,843,567	
TRANSFERS	-	-	-	-	-	-	-	136,305	(136,305)	-	1,933,944	
ANNUAL SURPLUS (DEFICIT)	(325,902)	196,048	125,279	151,345	518,730	(6,896)	1,339,281	372,899	57,806,958	(660,087)	50,843,567	