

**TSARTLIP
FIRST NATION**



**2023
ANNUAL
REPORT**



TSARTLIP
FIRST NATION

MISSION

To promote and maintain a healthy, safe, and thriving community that is grounded in our traditional laws, language, and culture.

VISION

Tsartlip is a community of strong, independent people who have built a self-sufficient Nation that thrives in harmony with the W̱SÁNEĆ culture, lands, and waters to which we belong.



TSARTLIP
FIRST NATION

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Message from Chief and Council

*Shown here: Back row
from left to right:*

Councillor Gord Elliott, Councillor Phillip Tom, Chief Don Tom, Councillor Howard Morris, Councillor Lawrence Bartleman, Councillor Simon Smith Jr, Councillor Jeanine Cooper, Councillor Verna Ellsworth, Councillor Curtis Olsen. Not Pictured: Councillor Joe Seward



ÍY, SŁÁĆEL / Good day,

We are excited to share a few updates since our last annual report.

RIRSD Table, Negotiations and Priorities

In 2022, Tsartlip rejoined the Recognition of Indigenous Rights and Self-Determination (RIRSD) Table with the Federal government. Earlier this year, Tsartlip Chief and Council met to establish a vision and set priorities for the RIRSD table. For the 2023-2024 fiscal year, Tsartlip's priorities for the RIRSD Table include: establishing a community consultation and engagement strategy, consulting with the community and interest groups, researching historical breaches of the Douglas Treaty, researching co-jurisdiction models for lands and resources, and developing an economic development strategy.

MÁWUEĆ, the Former Woodwynn Farm

As you recall, we reported on the contamination discovered at the farm; we are pleased to announce we've secured an additional million dollars this past year from the Province to execute a remediation plan at the property. Next, we meet with Canada to continue to expedite addition to reserve negotiations. Both these steps are important milestones to ensure the farm is returned to ecological balance and provides value for our growing membership.

Updates to Policies

This year we created and updated policies for Health, Social Development, Personnel, and Finance. We want to ensure staff have clear policies to follow, and many of our outdated policies and procedures required updating to comply with funding. We appreciate your understanding and patience with us through these updates. We continue to post all policies on our website for transparency and accountability.

Primary Care

As a self-determining Nation, we strive to ensure we drive the health care provided to our membership. In that spirit, our Primary Care unit at Tsartlip was created and developed by our WSÁNEĆ Health Directors several years ago, and we are years ahead of other communities in BC with the services we provide and coordinate.

However, specific contracts with the Vancouver Island Health Authority (VIHA) don't have mechanisms for input or oversight from Tsartlip, nor do they ensure equitable resourcing to deliver services adequately. To address the ongoing challenges to delivering primary care, Tsartlip co-hosted an all-day meeting this summer with with VIHA and our WSÁNEĆ Chiefs and Health Directors to discuss these critical services and the resources required to deliver them. Please stay tuned to our website for updates.

We are grateful to the Tsartlip Health team, Doctors, and Nurse practitioners who provide such valuable services to our families.

Tsartlip Board of Directors

Earlier this year, a call-out went out for members of the Board of Directors of our inaugural Tsartlip Group of Companies.

The Council appointed Jeanine Cooper and myself to the Board. We also send our congratulations to Adam Olsen as our inaugural Chair of the Board. The transition from managing poverty to wealth has begun. We will provide an update at the AGM.

Thank You Andrea Morris

On behalf of the Tsartlip Chief and Council, we wish Andrea Morris a well-deserved and happy retirement. We appreciate so very much your 30 years of service and dedication to Tsartlip.

HÍSWKE SIIÁM,

Chief Don Tom



Shown here: Chief Don Tom

Message from the Administrator

Shown here: CFO: Steve McKay, Finance Officer: Tara Morris, Reception: Nora Tom, Administrator: Victor Rumbolt



ÍY, SĆÁĆEL / Good day Tsartlip Membership,

Good day Tsartlip membership, here at Tsartlip, we have had a very busy year and I am pleased to be providing an update to you about our community activity and achievements for our 2023 annual report.



Shown here: South Saanich IR1

Tsartlip's Continued Growth

Tsartlip has achieved significant growth over the past year which has continued into 2023. This helps to meet our goal of providing better programs and services that meet the needs of our community. With the purchase and planned addition to the reserve of MÁWUEĆ, our land base is growing and we continue to prioritize the acquisition of additional lands that can be added to our community for generations to come.

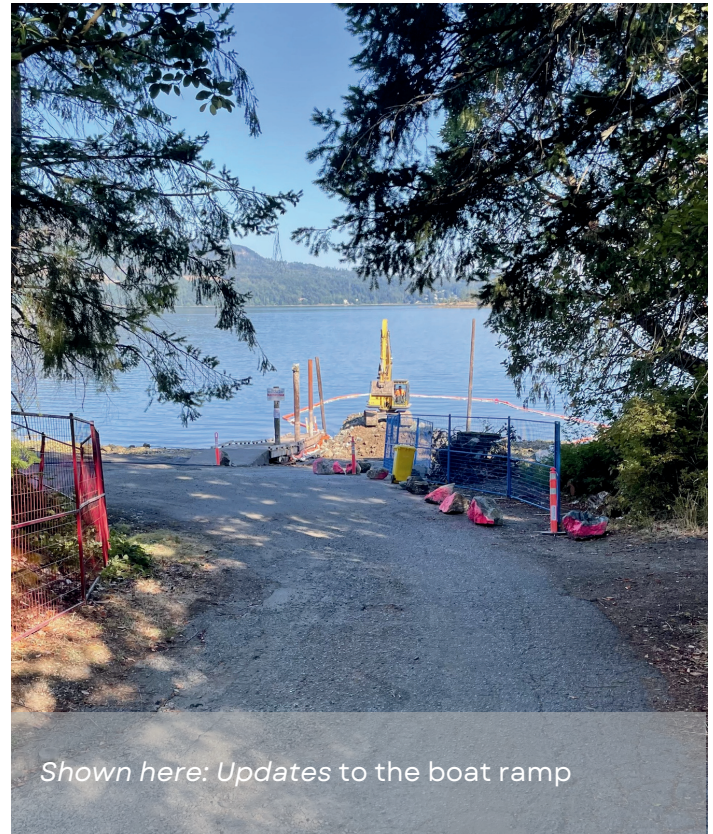
Financially, our annual revenues continue to increase. Annual revenues have increased as follows; in 2018 revenues were \$19.5M, 2019 was \$22.2M, 2020 was \$28.9M, 2021 was \$37.9M, 2022 \$36.5M and 2023 was \$41.8M. Our staffing levels have increased from 27 employees in 2020 to 55 employees currently in 2023, including 13 summer students. New positions have been created to meet various needs in our community including a housing officer, positions in child and family, youth, stewardship and more.

Tsartlip Boat Ramp Reconstruction and New Dock Construction

We are pleased that construction has commenced on a new dock, complete boat ramp and parking area reconstruction. The total project cost is estimated to be \$2.46M and construction will run from July through November, 2023.

Anticipated improvements include:

- a new concrete deck
- floats for the ramp with a better slope
- renovated asphalt road to access the ramp
- upgraded parking areas with designated stalls
- honeycomb parking to prevent runoff
- a rinsing / engine flush station
- improved stormwater management
- improved lighting
- improved security
- a new asphalt sidewalk that will provide access to the new aluminum and accessible boardwalk
- a viewing deck on the boardwalk to access the 6x10M swim and kayak/canoe launch platform for Tsartlip community members and
- a new dock for 4 vessels for the marine stewardship program



The Dock will include a fiberglass, mini-mesh surface that allows light to the seabed as well as new steel piles with black protection sleeves, a wood float structure on HDPE tube floats and lower dock sections for easy access to non-motorised vessels.

Space has been set aside at the site for the Stewardship program as we have an eventual goal of building a new office/program space for them on site in the future.

Community Wellness Center and Gymnasium

Tsartlip First Nation is in the process of developing a new youth and family-focused facility for the community. The first stage of the project included an assessment of the types of programs and spaces that are required to meet the needs of the community. This stage was completed in July 2023, and we are proud of the level of community engagement to date, which will directly inform the design of the building.

Tsartlip First Nation is also excited to begin the second stage of the project, which will be completed throughout the remainder of 2023 and in early 2024. The second stage includes detailed site investigations to identify the best location for the facility, as well as a feasibility study and conceptual design of the building. This second stage will also re-engage community members to inform the architectural design of the building.

Detailed design and the start of construction of the building is anticipated to take place in the 2024/2025 fiscal year. Tsartlip First Nation would like to thank the community for their feedback to date as well as the Canadian Human Rights Tribunal 41 (CHRT-41) for their continued support and funding of this important community project.



Shown here: South Saanich IR1

MÁWUEĆ Addition to Reserve

Tsartlip obtained MÁWUEĆ back from British Columbia at the end of 2020. This land is of great significance to Tsartlip and will provide opportunities for the community, such as housing and economic development. Tsartlip is working to add MÁWUEĆ to its reserves. Before the federal government will add MÁWUEĆ to reserve, the lands must be remediated. Once MÁWUEĆ is added to reserve, Tsartlip can develop the lands.

We expect the remediation to be complete in 2024, after which we can finalize the addition to reserve. In the meantime, we are working to develop a plan on how Tsartlip will use the lands. We will be consulting the community and looking for members' input on MÁWUEĆ over the coming year.

Childcare Building Application

Tsartlip First Nation is undertaking a detailed process to prepare an application to the British Columbia New Spaces Fund, to design and construct a new childcare facility for Tsartlip First Nation. Initial phases of work include a Child Care Needs Assessment and Staffing Plan to understand space, staffing, and funding requirements for the new building. These documents will support creating a cost estimate and design of the childcare building including site servicing, landscape design, geotechnical assessment, and environmental and archaeological review. Once these steps are complete, an application will then be prepared and submitted to the British Columbia New Spaces Fund to secure funding and complete the design and construction of the facility. This process will take place over the Fall and Winter of 2023/2024 in order to secure funding for detailed design and construction in 2024/2025.

Sports Field at Lower Tsartlip Drive

Tsartlip has been working with the University of Victoria Engineering department to perform a feasibility study on the redevelopment of the soccer field. Tsartlip is actively soliciting community engagement on this topic while seeking funding for the upgrades themselves.

Throughout 2023, it has truly been my pleasure to work with Tsartlip's Chief Don Tom and Council, as well as our staff and community members. I consider it a great privilege to be having this experience. I don't take it for granted and look forward to continuing to make great progress in our achievements together in the coming year.

HÍSWKE,

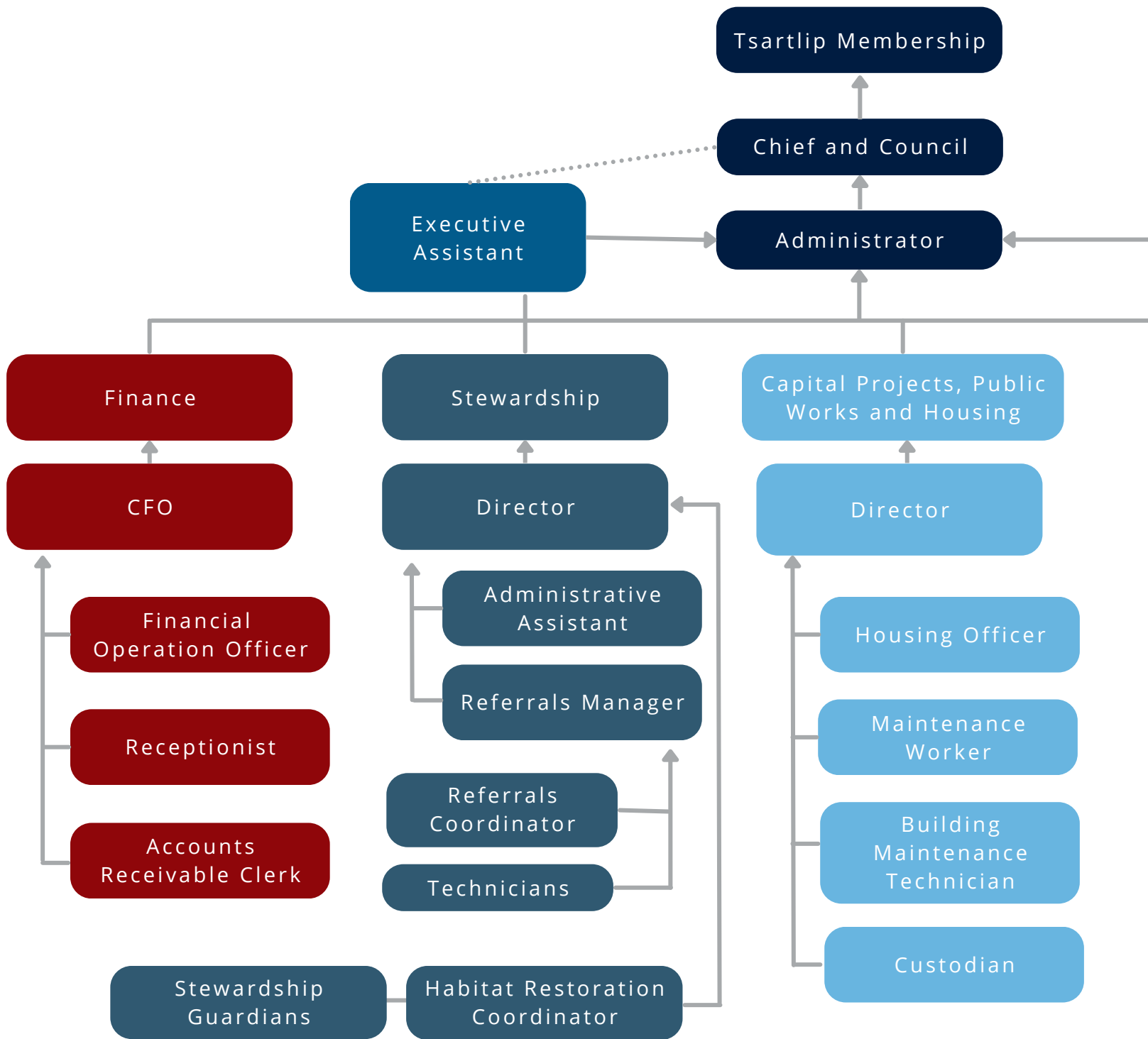
Victor Rumbolt

Administrator, Tsartlip First Nation



TSARTLIP
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Corp Structure



Corp Structure

Tsartlip Group of Companies

Tsartlip Pump,
Fuel & Convenience

General Manager

Store Manager

Retail Clerks

Employment and
Education Assistant

Social Development
Assistant

Maternal Child
Health Assistant

Youth and Family
Support Worker

Homemaker

Indian Registration
Administrator

Employment and
Education Coordinator

Social Development
Coordinator

Children, Youth and
Families Program
Manager

Maternal Child Health
Coordinator

Youth and Family
Program Coordinator

Health & Social Programs

Director

Social Programs

Health Programs

Receptionist

Community Health
Representative

Mental Health &
Addictions Counsellor

Medical Office
Assistant

Home & Community
Care RN

Public Health RN

COHI Aide

Health & Social Development



Shown here from left to right: Director Community Services: Emily Doehnel, Health Reception: Chrissy Olsen, Indian Registration Administrator: Brenda Bartleman, Maternal Child Health Coordinator: Liz Peterson, Social Development Assistant: Katherine Sam, Social Development Coordinator: Shyanne Smith, Mental Health Councilor: Priya Sharma, Health Programs Manager: Marie Va'a, Children, Youth, and Families Manager: Shonna Bell.

Missing: Registered Nurse: Louise Barkman, Registered Nurse: Mandy Stobbe, MOA: Rosy Morris, MOA: Iris Alarcon, Youth and Family Program Coordinator: Mua Va'a, Youth and Family Program Assistant: Alexia Benn, Indigenous Patient Navigator: Lucia Bartleman, COHI Aide: Amanda Hurrell, Nurse Practitioner: Katie Cox, Employment and Training Coordinator: Joni Morris, Homemaker: Sylvia Morris, Maternal Child Health Assistant: Suzanne Lorimer.

Overview

Tsartlip Health and Social Development, led by Director Emily Doehnel has continued to provide expanded and improved services to the community this year, in spite of ongoing issues such as province-wide challenges in health care. The Health and Social Department team is growing, and plans to continue to grow over the next year. Below is an update on the status of various projects and initiatives.

Accomplishments

Employment and Training

Tsartlip Health & Social Development has continued its existing training and employment programs by providing community members with training and workshops in areas such as CPR, First Aid, Food Safety, and Super Host. Moreover, the Health and Social departments have been restructured and expanded with the hiring of Shonna Bell as the Child and Family Services Manager. This expansion has made it possible to offer upgraded services to the community such as the recent back to school event, where food, entertainment, traditional music, games, haircuts, face painting and school supplies were provided.



Shown here: Tsartlip Youth at the Back to School Event

In order to continue to enhance member employment capacity and interest in high-demand jobs, a training coordinator has been hired. As a result, increased employment and training program opportunities are available, such as student job shadowing. We are continuing to work with the Coast Salish Employment and Training Society (CSETS), the province of British Columbia, Camosun and other external organizations to secure funding for employment and training opportunities. Our goal is to continue expanding the program over the next year.

Food Security

We are working with Stewardship on food procurement initiatives. Tsartlip Health & Social is focused on ensuring the most vulnerable members of our community have food security through several endeavors:

The Resource Good Food Box program which provides essential food supplies has resumed recently and occurs bimonthly for families and monthly for singles. Accommodating clients who qualify for social assistance is the current priority. Additionally, a Food Security Coordinator position has been posted in order to formalize a food security program.

Social Development

In addition to employment training and food security, social developments such as the existing income assistance program have been expanded. We implemented a new assisted living (homemaking) policy that aligns with funding guidelines, which helps to deliver crucial programming to the community. We also have a new social development team who have been working tirelessly over the last year to update client files and implement Indigenous service Canada (ISC) policies.

Mental Health

In collaboration with Lyla Harmen from Cedar Wellness, Tsartlip has delivered several mental health and wellness programs, including Butterfly Women, Women's Wellness, Life Skills, and Grief and Loss. Additionally, both men's and women's groups were initiated, with success, over several months. As of now, we are in the midst of revamping the groups, with the intention of reintroducing them to our community members in the near future. The health center continued to provide take-home naloxone kits and additional harm reduction supplies. Looking forward, we are planning to expand the mental health team in the next year with the addition of an outreach worker to support our mental health counselor, Priya.

Summer Student Program

Thanks to the leadership of our youth team, our summer student program was a major success. We had the participation of 10 summer student workers and three supervisors. We're excited about continuing this program in the upcoming year.

Nursing and Community Services

Tsartlip's nurses provided a diverse range of public health & home, and community care services to Tsartlip members, including infant immunizations, wound care, support, and education for chronic diseases. Furthermore, they efficiently conducted multiple COVID-19 and Influenza vaccine clinics. Alongside Marie Va'a, our community health representative, Tsartlip's nurses assisted with patient travel, Jordan's principle applications, medication coverage, and benefits support.

Primary Care

Tsartlip expanded the primary care team by welcoming an additional MOA, bringing the total to two MOAs. In collaboration with other W̱SÁNEĆ Nations, we've established the W̱SÁNEĆ primary care clinic. This clinic provides members with access to a physician, nurse practitioner, and nurse. There are anticipated additions to the W̱SÁNEĆ clinic's staff, including a second nurse and mental health supports. Furthermore, Tsartlip members are offered continued access to primary care services offered by Nurse Practitioner Katie Cox, either in-person at the health center or virtually.



Shown here: Footage of the territory

Allied Health

In partnership with Northern Health Services, Tsartlip members had access to two physiotherapists, which practiced out of the Tsawout health center and conducted home visits throughout the four WSÁNEĆ communities. In addition, Tsartlip offered weekly foot care and acupuncture services, along with monthly massage services for its members.

Registration Services

Tsartlip has a dedicated Indian Registration Administrator, Brenda Bartleman, who assists members with tasks such as status renewal, registration, and a variety of other services.

Indigenous Patient Navigator (IPN)

Lucia Bartleman has continued to work in the IPN role at the Saanich Peninsula Hospital's emergency department. Lucia advocates and supports any Indigenous clients accessing care out of the emergency department if requested, to ensure care received is free of racism and discrimination. Additionally, Lucia collaborates closely with the Indigenous Liaison Nurse, Jane Fox, to further enhance patient care.



Shown here: Tsartlip community member bringing home bags full of food from the Back to School Event

Coming Soon

Youth and Family Wellness Centre

The first phase of a Youth and Family Wellness Center application was recently passed by the Chief and Council. This center will provide much needed physical and recreational support for our families, and this milestone warrants celebration. We are working on phase two as outlined in the administrator's message, and we will be establishing a new committee to help guide the work of phase two to ensure community voices are engaged throughout the entire process.

Health and Wellness Plan

With help from the community, a comprehensive community health and wellness plan is being developed and will be finished by fall 2023. This plan will guide health and wellness programming over the next 5 years.

Health Centre Expansion

With the community health and wellness plan completed, Tsartlip will now look to secure funding to expand the existing health center. Developed with community through recent surveys and engagement sessions, including the distribution of surveys to staff, elders and youth, ongoing community input will direct the design and upcoming construction of the center.

Culture and Language Plan

This coming year, Tsartlip Health and Social, in collaboration with other departments, aims to begin the process of establishing a language and culture department. While the existing Head Start and Brighter Futures programming already incorporates SENĆOŦEN language into the program, we recognize there is need for a dedicated Language and Culture department.

A Tsartlip song has not yet been created, but stands as a medium term goal to be met within the next one to two years. Tsartlip Health and Social Development has successfully established a Youth Council and is working

towards the development and creation of an Elder's Council, which has begun with the development of a list of Knowledge Keepers and Elders.

Speech Language Pathology (SLP)

Tsartlip is exploring a new partnership with Victoria Speech Language to bring SLP services into community, in an effort to reduce the barriers families face to access this essential service, which are currently only offered out of Victoria clinics.

First Nations Primary Care Initiative (FNPCI)

The First Nations-Led Primary Health Care Initiative is a partnership between the Ministry of Health and the First Nations Health Authority to collaborate in developing innovative First Nations primary healthcare service models and delivery formats that also address the social determinants of health. Notably, the four WSÁNEĆ Nations have committed to working collaboratively with FNHA to bring more primary care services into community through the FNPCI, in addition to what is already in place.



Shown here: Footage of the territory



Shown here: The Good Food Box goes out regularly to vulnerable community members



Shown here: Tsartlip's South Saanich IR1 with Brentwood bay in the background

Shown here: Community members enjoying the Back to School Event



Stewardship/ Referrals

Shown here, left to right: Administrative Assistant: Shezell-Rae Sam, Aquatic Habitat Restoration: Mike Desjarlais, Stewardship Guardian: Franklyn Sampson, Referrals Intake: Dave Elliott, Director: William Morris, Stewardship Guardian: Richard Underwood. Missing: Referrals Manager: Katelyn Beale



Overview

Since last year, the Stewardship & Referrals Department has grown in staff and capacity and is now operating in a separate structure adjacent to the boat ramp. The department, led by Director Will Morris, has made great strides this year in taking care of the territory, particularly the inlet.

Stewardship aims to restore ecological systems and improve the relationship with the relatives of the land and sea; viewing the Douglas Treaties' provision of "to hunt and fish as formerly" as a responsibility rather than just a right.



Shown here: WSÁNEĆ Inlet and Tsartlip's SENANUS Island IR 10

Accomplishments

Expanded Capacity

Stewardship has launched a new Marine Guardians program, and with it, added three new staff members including Marine Guardians Franklyn Sampson, Richard Underwood and Stewardship Administrator, Shezell-Rae Sam. In addition to new staff, Stewardship has also acquired new equipment such as a large truck and a boat. Team members are undergoing continual technical and safety training from Marine Safety to Drone Operation. This expanded capacity has enabled the department to better serve the community, the territory and the relatives of the natural world this year.

Environmental Monitoring

The Marine Guardians are engaged in ongoing opportunities to observe, document and address environmental issues occurring within the territory. These efforts ensure that commitments to the community and the natural world are being fulfilled and steps are being taken to safeguard the territory and its ecological well-being.

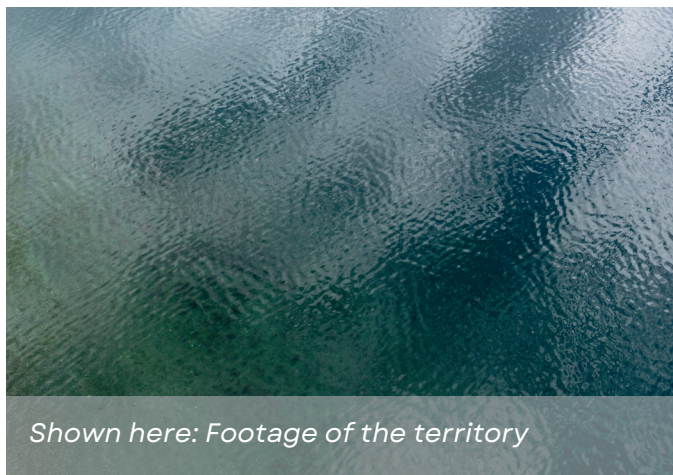
For instance, the team recently captured and documented erosion occurring at Goldstream. With this new expanded capacity, Stewardship can closely monitor these changes in real-time and advocate for Tsartlip interests at all levels.

Referrals Process

In the past, Tsartlip was often subjected to the agendas set by external parties. Public and private organizations operated within the territory without proper accountability, which left the organization vulnerable and disadvantaged. With the dedication of our small but empowered referrals team that combines traditional knowledge and legal expertise, the playing field in these conversations has been levelled.

Tsartlip interests are now better represented, and fair and appropriate benefits are secured for the community. Recently, the team has been actively engaged in numerous important negotiation tables, including Memorandums of Understanding and Impact Benefit Agreements. These discussions are crucial as they significantly impact the community's future. The team's efforts have been invaluable and their impact goes beyond measure. Although we cannot disclose the specific figures in this report, we estimate that the monetary value of the contributions of the referrals department would exceed several million dollars.

Additionally, the Referrals Department supports Laurie Whitehead from The W̱SÁNEĆ Leadership Council during the referrals process with external parties operating with the territory by providing strategic direction, legal, and cultural expertise.



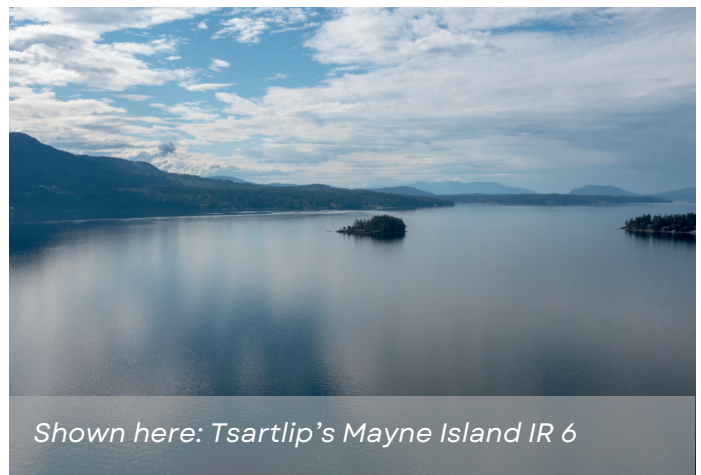
Shown here: Footage of the territory

New Technologies Improve Efficiencies

The use of the Trailmark app, through a partnership with Trailmark Technologies, enables a more efficient response to both referral & environmental, and remediation efforts. In combination with the Harvest app, the time spent on each referral can be tracked, ensuring efficient management of each external request. In addition, the Trailmark app provides key environmental insights that help the Department advocate for Tsartlip's interests. While the system is not yet perfect, deficiencies are currently being addressed in order to create a robust and adaptable system that can handle potential staff changes without disrupting workflow.

Food Security Program

Formalizing the food security program, in conjunction with Tsartlip Health and Social Development, has had significant progress. The team has been actively involved with the Goldstream Hatchery, volunteering time securing a staff member as a board director, and ensuring that community interests are represented. Collaborating with the Goldstream Hatchery allows for salmon stocks to be rebuilt, ultimately benefiting community members.



Shown here: Tsartlip's Mayne Island IR 6

Firewood Distribution

Stewardship has redirected lumber from CRD tree removal to Tsartlip community members. Approximately 25 homes, primarily with Elders, received two deliveries of firewood during the winter months. This provided much-needed support to those who wouldn't typically have access to it.

Coming Soon

Updating Name & Logo

Guided by the Stewardship Language Knowledge Holders Committee, the Stewardship Department is working closely with the Knowledge Holders to ensure proper representation of SENĆOTEN (traditional language) in the logo and on Tsartlip clothing and swag.

Transferring Cultural Knowledge

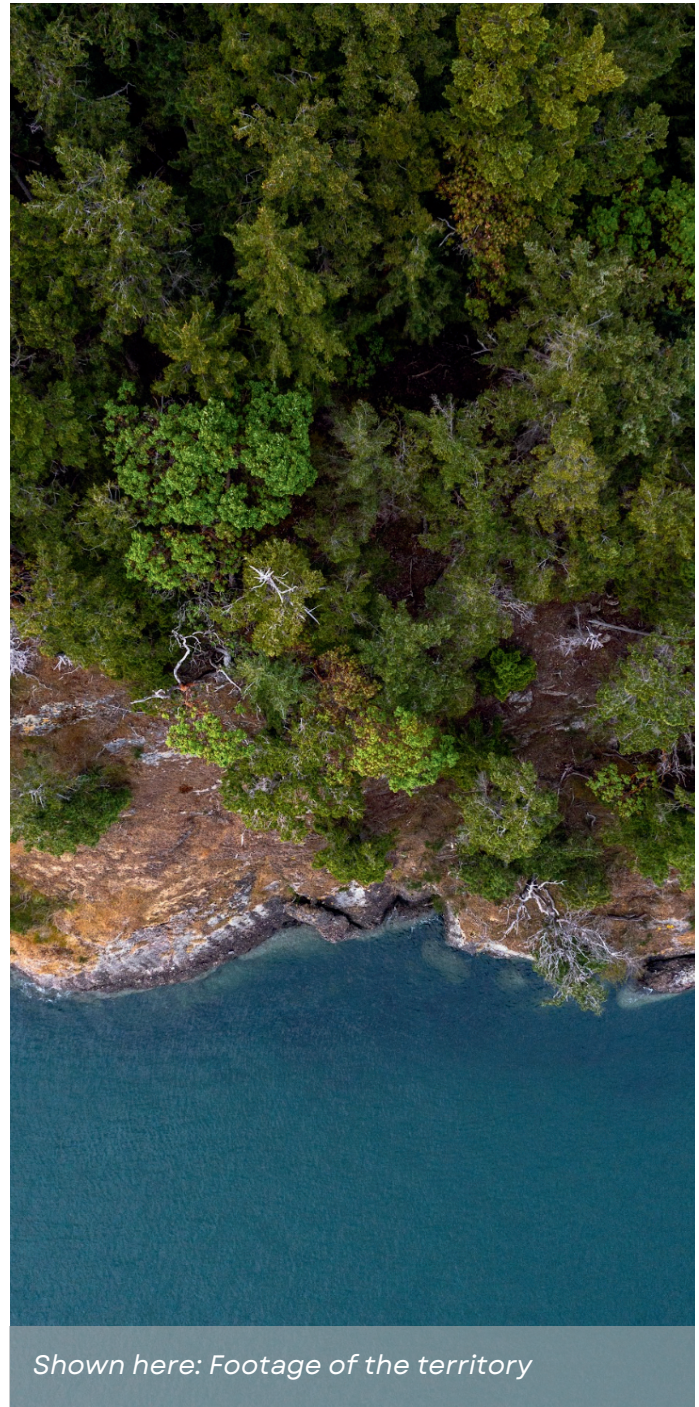
Stewardship is working on a plan to provide land based learning and culture camps to transfer critical cultural knowledge to children and youth, and to make cultural assets and knowledge available to the entire community. A first iteration and draft of this will be available in the near future.

Acquiring State of the Art Equipment & Facilities

The Stewardship Department is currently involved in some exciting initiatives that will further expand community capacity. In addition to the boat ramp renovations and future Stewardship building, Stewardship is also working on gathering community input and applying for funding for a new soccer / sports facility, acquiring drones to better monitor third party activity within the territory as well as the acquisition of all-terrain vehicles (ATVs), for staff working on the remediation of MÁWUEĆ (the former Woodwynn Farm). These investments are vital for ensuring Tsartlip's interests are protected.

Legal Resources

Thanks to the valuable insights provided by team members like Katelyn Beale and our legal advisors, the organization is capitalizing on emerging case law and internal resources which allows us to stay updated on relevant legal trends and make well-informed process decisions.



Shown here: Footage of the territory

Implementing Traditional Language

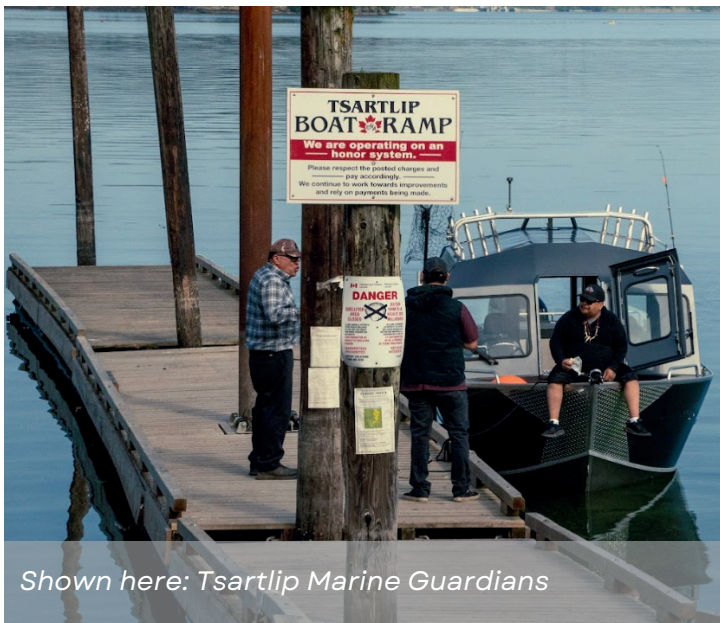
The Department is currently working with Central Saanich and Tsartlip Knowledge Holders in order to implement traditional language in territory place names. Similarly, regular discussions are being held regarding the Douglas Treaty and its implications for the work.

Shared Territory Protocol

This is a complex task that requires collaboration and coordination across different departments and tables. We are actively engaging in discussions to address issues arising from development projects in shared territory.



Shown here: Footage of the territory



Shown here: Tsartlip Marine Guardians



Shown here: William Morris

Housing/Public Works/Capital Projects



Shown here, left to right: Housing Officer: Reg Gladstone, Public Works Maintenance Technician: Andrew Bartleman, Director of Capital Projects: Norman Doerksen, Former Director of Capital Projects: Brad Janvier.

Overview

This department is led by Brad Janvier and directed by Chief and Council and the member-driven Housing Committee to maintain and manage Tsartlip's infrastructure. Much of the Capital Projects work involves communicating with external parties to improve services and supports available to the community.

Capital Projects & Housing has completed a number of new projects to maintain and improve the quality of life for Tsartlip community members. These include the Boat Ramp and Roads and Drainage Project as well as upgrades to the band office, community engagement initiatives, housing renovations, housing officer recruitment and the passing of an animal control bylaw.

Looking to the future, Capital Projects, Health & Social Development, and the Housing Committee are all working together on the creation of several policies related to emergency management, housing, home renovations, flood prevention, wellness, and mold remediation.

Accomplishments

Boat Ramp Feasibility Study:

An extensive feasibility study for the Boat Ramp project, a crucial infrastructural development, has been completed. We have moved forward with the construction phase, which will ensure easier access and enhanced recreational opportunities for our community members. Despite ongoing construction, we are making efforts to accommodate the community's paddling events and recreational activities by providing access to one side of the ramp during the construction process.

Roads and Drainage Phase One Completion:

We are proud to announce the successful completion of Phase One of our Roads and Drainage project. Through effective collaboration with ISCCON, we have signed a completion agreement, marking progress in enhancing the infrastructure within our community.

Upgrades to Band Office:

Major upgrades to the Band Office have been successfully completed, including the installation of a new roof deck and cover. This has addressed long-standing issues and improved the overall functionality and appearance of the office space.

Housing:

A comprehensive renovation project involving a two-bedroom, two-bathroom layout in one of our member's homes has recently been completed. This endeavor involved a complete demolition of the existing rooms followed by a meticulous reconstruction process.

Housing Officer Recruitment:

To further strengthen our commitment to housing initiatives, we have successfully recruited a dedicated Housing Officer. This addition to our team will drive various housing projects forward and ensure that we meet the housing needs of our community effectively.

Spring Cleanup Event:

Our annual spring cleanup event was a resounding success. With the active participation of community members, we made significant strides in improving our environment by properly disposing of waste.

Animal Control Bylaw:

In response to community safety concerns around dogs-at-large, an Animal Control Bylaw was successfully crafted, passed by Council, and implemented. This policy can be found on our website.

Coming Soon

Mold Remediation & Home Safety Policy:

Our dedication to the safety and well-being of our community members is exemplified by the recent discussions of a comprehensive Mold Remediation and Home Safety Policy. This policy will provide clear guidelines for handling mold issues and related home safety concerns, ensuring healthier living conditions for all.



Shown here: Footage of the territory

Emergency Management Plan:

Our dedicated Emergency Management Officer, Richard Elliott, is spearheading the development of a robust Emergency Management Plan. This plan will ensure effective coordination and response to emergencies which prioritize the safety and security of our community members.

Wellness Center/Gym:

An application has been submitted for funding approval to design and build a Wellness Center/Gym.

Housing:

Presently, we are working on an essential bathroom addition to a community member's home. The existing bathroom wasn't sufficiently spacious for accommodating a wheelchair, prompting us to opt for a more accessible bathroom addition. This addition, seamlessly integrated into the member's bedroom, will ensure full accessibility for wheelchair users. These major projects are complemented by smaller tasks such as deck repairs which are being executed concurrently.

In our ongoing efforts to secure funding and resources, we have submitted two proposals for six homes each to the federal government. We remain optimistic about the outcome and continue to strive towards enhancing our housing initiatives through continuous renovation and improvement efforts.

Housing Policy Committee:

We are in the final stages of formulating and refining the policies that will direct the Housing Policy. These policies are slated for submission to the Council for approval, representing a significant step forward in our housing endeavors.

Flood Restoration Initiative:

Over a year ago, an atmospheric river event caused flooding that impacted a relatively new basement suite. We have secured funding to move forward on remediation and are preparing to restore and rehabilitate this space, rectifying the damage incurred by the flood.



Shown here: Footage of the territory

Tsartlip Group of Companies



Shown here: Chair of the Tsartlip Group of Companies: Adam Olsen.

Overview

Since the Tsartlip Group of Companies' Board of Directors is a new entity, the strategic plan doesn't dictate any specific imperatives. Instead, the main objective for the board is to establish strong business and legal structures that support Tsartlip's existing business endeavors. The Board of Directors is responsible for capitalizing on new opportunities that present themselves. Moreover, what truly distinguishes Tsartlip from other companies is the drive to ensure business operations are intertwined with, and driven by, Tsartlip's cultural identity, language, values, and pride.

Short-term Goals

The short-term focus is on bringing several previously independent business entities under the umbrella of the Tsartlip Group of Companies. Once the businesses are consolidated under the Board's governance, clear accountability measures for effective operation will be immediately implemented.

Mid-term Goals

Mid-term objectives involve efficiently assessing incoming opportunities and ensuring that internal staff capacity meets market conditions. This will also be achieved by fostering a strong relationship between the Board of Directors and the Chief and Council, which allows the Tsartlip Group of Companies to act swiftly and effectively to capitalize on new projects and opportunities, while also promoting a shared understanding of the resources needed to tackle new projects and opportunities as they arise.



Shown here: Footage of the territory

Long-term Goals

Tsartlip Group of Companies strives to be fully invested in the community, aiming to become an integral part of the broader business fabric of the territory, all while being driven by cultural identity and community contribution.

To achieve this, it's crucial that board members who aren't from Tsartlip community genuinely understand and respect community culture.

This will require frequent engagement with community, culture, language, and values to genuinely grasp the teachings of the people they serve. By doing so, the Tsartlip Group of Companies will successfully incorporate the preservation and foundations of cultural identity into every facet of business operations, allowing the continuation of a unique, and competitive advantage.



Fiscal Year Highlights

Tsartlip First Nation has had a successful year in 2023, both operationally and financially. More relevantly, Tsartlip has successfully completed our March 31st 2023, audited financial statements. This brings our fiscal reporting up to date and in terms with our funding agreements and reporting requirements.

Before continuing, I want to take this opportunity to thank Andrea Morris for her thirty years of service to Tsartlip First Nation. Andrea always worked diligently to carry out her duties, keeping the accounts up-to-date and supporting the continued growth of Tsartlip. Thanks again Andrea and happy retirement!

Last month, we received a review of our second last audit from our Indigenous Services Canada Funding Services Officer, showing an audit reimbursement of \$0 and audit recovery of \$0 in our Final Review Letter. This is a credit to the efforts of our staff, including Andrea, and shows our internal processes are in conformity with our commitments to our funders.

BC First Nation Gaming Revenue Sharing GP advised us that they were pleased to confirm that Tsartlip First Nation has met all of the audit requirements for the 2022-2023 year relating to BC Gaming Revenue Sharing. They thanked us for our hard work in ensuring that our reporting is up to date and provided us with a 2022-2023 certificate confirming compliance. If you have any success stories relating to funding from the Gaming Grant, please pass them along. The Gaming Grant would love to hear them.

This year, the First Nations Financial Management Board has recommended and approved the issuance of a Financial Performance Certificate to Tsartlip First Nation. This means that the Nation

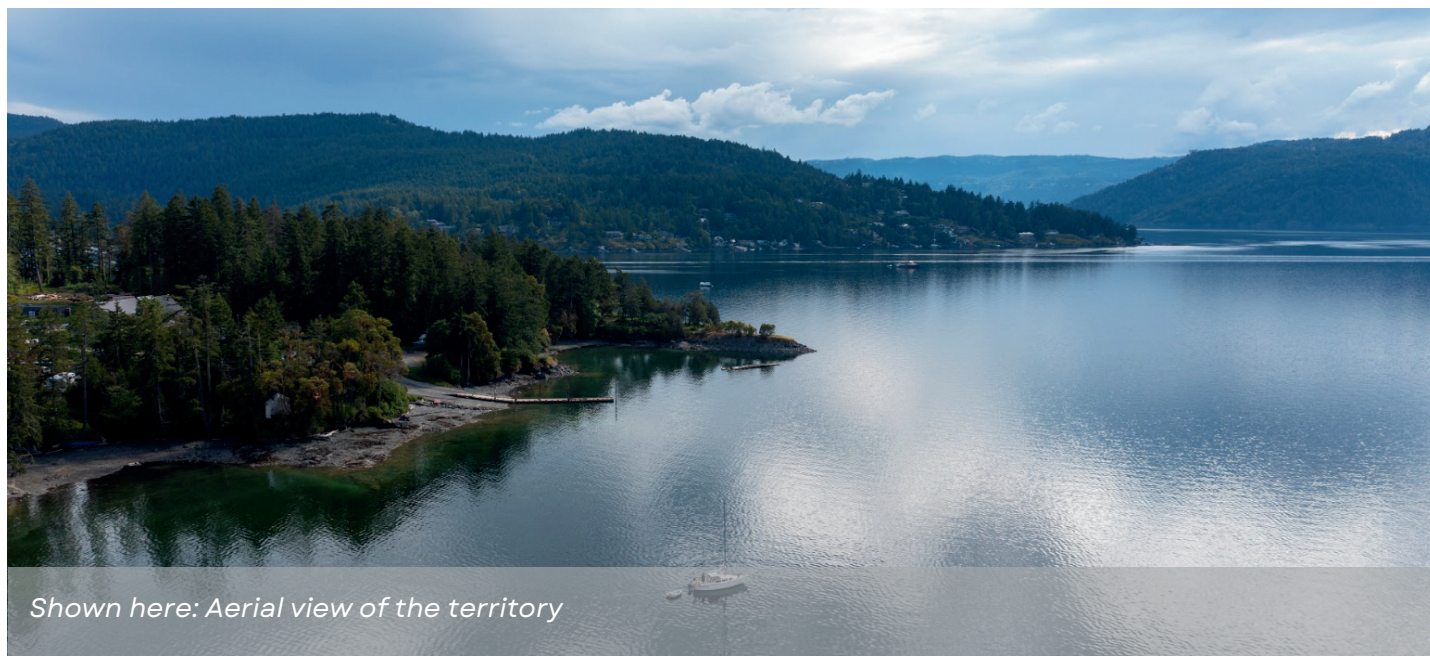
can now apply to and become a part of the First Nations Finance Authority borrowing pool. This would provide us with access to another stream of financing for Capital projects and business initiatives. We received the electronic version of the FP Certificate this July, which will open up fantastic opportunities for Tsartlip's future.

Additionally, during their last duly convened meeting, the First Nations Tax Commission (FNTC) reviewed and approved Tsartlip First Nation Annual Tax Rates Law and Tsartlip First Nation Annual Expenditure Law. A formal letter from the FNTC Registrar acknowledging receipt of the Annual Laws 2023 and advising of the FNTC's approval of the above-noted laws will be forthcoming, along with accompanying Certificates of Approval. This is thanks to the hard work of Tara Morris, our Tax Law Administrator.

Financial Highlights

For 2022-2023 highlights, we have seen an increase in our Liquidity Ratio from 1.1 to 7.4 since March of 2022. A ratio greater than .90 is considered favourable, so this is a great improvement and promising measure of Tsartlip's ability to pay its current (due within one year) liabilities.

Tsartlip's Sustainability Ratio has increased from 0.76 last year to 0.83 in 2023. This is a measure of our Capital Asset replacement process and is calculated by measuring capital expenditure on renewal or replacement of assets, relative to depreciation.



Shown here: Aerial view of the territory

Our revenue comes from multiple sources. The largest portion last fiscal came from external funding sources such as Indigenous Services Canada (ISC). There was a 20 percent decrease to 46 percent from 66 percent in 2022, which was driven in part by the end of COVID-19 funding.

The second largest source was Own Source Revenue (OSR), which means that the revenue is generated by the Nation through things like taxes, leases or Tsartlip PUMP. In the last fiscal year this accounted for 35 percent of the Nation's revenue.

With the launch of the Tsartlip Group of Companies, Tsartlip First Nation can look forward to even more positive financial growth in 2023-24, which means more opportunities for employment for Tsartlip First Nation members and their families.





TSARTLIP FIRST NATION

P.O. Box 70

Brentwood Bay, B.C.

V8M 1R3

Management's Statement of Responsibility

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the CPA Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meet periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Brynjolfson & Company, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Tsartlip First Nation and meet when required.

On behalf of Tsartlip First Nation:

Band Administrator

INDEPENDENT AUDITOR'S REPORT

To the Members of Tsartlip First Nation:

Opinion

I have audited the financial statements of Tsartlip First Nation (the Entity), which comprise the statement of financial position as at March 31, 2023, and the statement of operations, the statement of changes in net financial assets (net debt), and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2023 and its results of operations, its changes in its net debt, and its cash flows for the years then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 Financial Statements

My 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 my 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.

INDEPENDENT AUDITOR'S REPORT Cont'd

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

I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the Entity's audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.


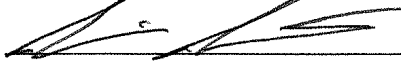
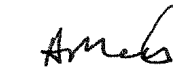

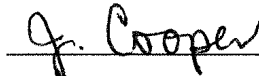
Brynjolfson + Co.

Peter Brynjolfson and Company Ltd.
Victoria, B.C.
July 14, 2023

TSARTLIP FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
March 31, 2023

| | 2023 | 2022 |
|--|--------------------------|--------------------------|
| | Actual | Actual |
| | \$ | \$ |
| Financial assets | | |
| Cash, Note 3 | 6,393,879 | 3,323,244 |
| Restricted Cash, Note 3 | 2,410,187 | 7,394,849 |
| Trust funds held by federal government, Note 4 | 213,668 | 205,076 |
| Accounts Receivable, Note 6 | <u>1,933,135</u> | <u>1,268,215</u> |
| | <u>10,950,869</u> | <u>12,191,384</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 356,581 | 1,709,265 |
| Reserves | 867,970 | 572,863 |
| Deferred revenue | - | 7,099,789 |
| Debt, Note 8 | <u>6,968,881</u> | <u>7,412,833</u> |
| | <u>8,193,432</u> | <u>16,794,750</u> |
| Net financial assets (net debt) | 2,757,437 | (4,603,366) |
| Non-financial assets | | |
| Tangible capital assets, Note 7 | 43,060,261 | 37,077,111 |
| Prepaid Expenses | 112,608 | 194,630 |
| Inventory | <u>190,734</u> | <u>289,286</u> |
| | <u>43,363,603</u> | <u>37,561,027</u> |
| Accumulated surplus, Note 15 | <u>46,121,040</u> | <u>32,957,661</u> |

Approved by:

| | |
|--|--|
| <p>_____ Chief</p> <p> _____ Councillor</p> <p> _____ Councillor</p> | <p> _____ Councillor</p> <p> _____ Councillor</p> <p> _____ Councillor</p> |
|--|--|

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.

TSARTLIP FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended March 31, 2023

| | <u>Budget</u> | <u>2023</u> | <u>2022</u> |
|---|-------------------|----------------------|----------------------|
| Revenues | | | |
| Indigenous Services Canada (ISC) | \$ 18,980,791 | \$ 18,980,791 | \$ 24,211,269 |
| ISC - recoveries | - | - | (4,752) |
| FNHA | 1,215,399 | 1,215,399 | 1,289,939 |
| Canada Mortgage and Housing Corp. | 347,043 | 347,043 | 139,633 |
| CSETS | 215,120 | 330,653 | 317,564 |
| Ottawa Trust – interest/grants | - | 8,592 | 3,850 |
| Rental income | 507,693 | 476,954 | 518,082 |
| Other revenue | 7,918,489 | 13,361,261 | 10,609,015 |
| Deferred revenue | <u>6,328,418</u> | <u>7,099,698</u> | <u>(576,302)</u> |
| | <u>35,512,953</u> | <u>41,820,391</u> | <u>36,508,298</u> |
| Program expenses | | | |
| Administration | 1,694,000 | 1,853,325 | 1,755,988 |
| Operations and Maintenance | 1,444,467 | 1,417,889 | 1,138,910 |
| Health | 1,400,493 | 1,465,540 | 1,351,691 |
| Social Development | 2,648,403 | 2,587,523 | 2,967,090 |
| Capital Operations | 6,931,583 | 6,050,203 | 8,302,477 |
| Education | 11,980,423 | 11,869,806 | 12,764,047 |
| Economic Development and Jobs | 1,617,509 | 1,791,582 | 2,280,189 |
| Housing | 515,556 | 648,768 | 439,779 |
| Band Generated | <u>4,735,894</u> | <u>7,162,956</u> | <u>6,991,762</u> |
| | <u>32,968,328</u> | <u>34,847,592</u> | <u>37,991,933</u> |
| Annual surplus (deficit) before adjustment | <u>2,544,625</u> | 6,972,799 | (1,483,635) |
| Adjustment for capital acquisitions, Note 13 | | <u>6,190,580</u> | <u>8,174,232</u> |
| Annual surplus | | 13,163,379 | 6,690,597 |
| Accumulated surplus, beginning of year | | <u>32,957,661</u> | <u>26,267,064</u> |
| Accumulated surplus, end of year | | \$ <u>46,121,040</u> | \$ <u>32,957,661</u> |

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.

TSARTLIP FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
For the year ended March 31, 2023

| | 2023 | 2022 |
|---|--------------------|--------------------|
| | Actual | Actual |
| | \$ | \$ |
| Annual surplus | 13,163,379 | 6,690,597 |
| Acquisition of tangible capital assets | (6,820,216) | (8,681,846) |
| Amortization of tangible capital assets | <u>837,066</u> | <u>605,114</u> |
| | <u>7,180,229</u> | <u>(1,386,135)</u> |
| Net consumption (acquisition) of supplies inventory | 98,552 | (21,273) |
| Net use (acquisition) of prepaid expenses | <u>82,022</u> | <u>(88,512)</u> |
| | <u>180,574</u> | <u>(109,785)</u> |
| Increase (decrease) in net financial assets | 7,360,803 | (1,495,920) |
| Net financial assets (debt), beginning of year | <u>(4,603,366)</u> | <u>(3,107,446)</u> |
| Net financial assets (debt), end of year | <u>2,757,437</u> | <u>(4,603,366)</u> |

Note: 2023 budget figures are not available.

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

1. NATURE OF OPERATIONS

Tsartlip First Nation (the “First Nation”) is an Indian Band as defined by the Indian Act. The First Nation manages various programs offered by Indigenous Services Canada (ISC) and other funding agents to benefit its members. The First Nation also represents its members in the negotiation of treaty settlement and specific lands claims.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These Consolidated Financial Statements have been prepared in accordance with Canadian public sector accounting standards for government entities as recommended by the CPA Canada Public Sector Accounting Board.

a) Reporting Entity

The reporting entity includes the Tsartlip First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. The Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Operating Fund
- Trust Fund
- Social Housing Fund
- Capital Fund

b) Principles of Consolidation

These financial statements consolidate the assets, liabilities and results of operations for entities which are controlled by the First Nation. Controlled entities are consolidated, except for government business enterprises (GBE), and government business partnerships (GBP), which are accounted for by the modified equity method. All inter-fund and inter-organization transactions and balances have been eliminated on consolidation.

The First Nation records its investments in GBE and GBP on the modified equity basis. Under this basis, the GBE and GBP 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 GBE and GBP 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 GBE and GBP will be reflected as deductions in the investment asset account.

The commercial enterprises and business partnerships accounted for on a modified equity basis include:

1. TFN Holdings Ltd – inactive
2. TFN Meadows Development Limited Partnership - inactive

TSARTLIP FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended March 31, 2023

| | 2023 | 2022 |
|---|--------------------------|--------------------------|
| | Actual | Actual |
| | \$ | \$ |
| Operating Activities | | |
| Annual surplus | 13,163,379 | 6,690,597 |
| Changes in non-cash items: | | |
| Amortization | 837,066 | 605,114 |
| Accounts receivable | (664,920) | 545,416 |
| Prepaid expenses | 82,022 | (88,512) |
| Accounts payable and accrued liabilities | (1,352,684) | 508,536 |
| Inventory | 98,552 | (21,273) |
| Reserve | 295,107 | 62,406 |
| Deferred revenue | (7,099,789) | 576,303 |
| Ottawa Trust | <u>(8,592)</u> | <u>(6,084)</u> |
| Cash provided by operating activities | <u>5,350,141</u> | <u>8,872,503</u> |
| Capital Activities | | |
| Purchase of tangible capital assets | <u>(6,820,216)</u> | <u>(8,681,846)</u> |
| Financing Activities | | |
| First Nations debt increase | 200,000 | 200,000 |
| First Nations debt retirement | <u>(643,952)</u> | <u>(543,798)</u> |
| Cash provided by (applied to) financing activities | <u>(443,952)</u> | <u>(343,798)</u> |
| Increase (decrease) in cash and cash equivalents | (1,914,027) | (153,141) |
| Cash and equivalents – Beginning of year | <u>10,718,093</u> | <u>10,871,234</u> |
| Cash and equivalents – End of year | <u>8,804,066</u> | <u>10,718,093</u> |
| REPRESENTED BY: | | |
| Cash | 6,393,879 | 3,323,244 |
| Cash – Restricted | <u>2,410,187</u> | <u>7,394,849</u> |
| | <u>8,804,066</u> | <u>10,718,093</u> |

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

c) 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.

d) Inventory

Inventories are measured at the lower of cost and net realizable value, with cost being determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

e) Trust Funds

Trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds. The 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 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.

f) Debt

Loan proceeds related to the financing of tangible capital assets are recorded as revenue in the appropriate fund. The loan amount is also recorded as a liability on the Statement of Financial Position and as a reduction in the Tangible Capital Asset Fund.

Debt payments, including principal and interest, are charged to the fund to which they relate. Principal reductions are reflected as a reduction in the liability with an offsetting increase in the Tangible Capital Asset Fund.

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 asset.

Amortization is provided for over their estimated useful lives using the diminishing balance method, at the following rates:

| | |
|----------------------------|-----|
| Housing | 5% |
| Buildings and improvements | 4% |
| General equipment | 20% |
| Infrastructure | 4% |

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

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 consolidated 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.

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. Assets under construction are not amortized until the asset is available to be put into service.

All intangible assets and items inherited by the right of the Nation, such as reserve land, forests, water and mineral resources, are not recognized in the Nation's consolidated financial statements.

h) Revenue Recognition

Government Funding:

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as such. In these circumstances, the First Nation recognized 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 Fund:

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.

Housing Rental Income:

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 transactions 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

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

k) Employee Future Benefits

Tsartlip First Nation and its employees make contributions to a group Registered Retirement Savings Plan (RRSP). This plan is a defined contribution plan and contributions by Tsartlip First Nation to the plan are expensed as incurred.

Sick leave benefits also accrue to Tsartlip First Nation employees. Unused benefits are carried forward into the following year.

l) Segmented disclosure

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard.

m) Deferred revenue

Under the terms of the contribution agreement between the First Nation, Indigenous Services Canada and certain other agencies, the First Nation may be liable to repay any contributed funds either not expended or not expended in accordance with the agreement. Also, any deficit, supported by claims eligible for reimbursement under the terms and conditions of the funding agreements, may be reimbursed by the contributor subject to the program's terms and conditions. The First Nation has recorded all known unexpended contribution funds as deferred revenue and/or accounts payable.

3. CASH AND CASH EQUIVALENTS

| | 2023 | 2022 |
|----------------------------------|------------------|-------------------|
| | <u>\$</u> | <u>\$</u> |
| Externally restricted | | |
| Mayne Island logging funds | 324,947 | 324,785 |
| Capital project school expansion | 1,706,257 | 6,702,640 |
| Reserve accounts – CMHC Housing | <u>378,983</u> | <u>367,424</u> |
| | <u>2,410,187</u> | <u>7,394,849</u> |
| Unrestricted | | |
| Cash | <u>6,393,879</u> | <u>3,323,244</u> |
| Total Cash and Cash Equivalents | <u>8,804,066</u> | <u>10,718,093</u> |

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

estimation is impracticable.

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 performed is deferred and recognized when the fee is earned or service performed.

i) Financial Instruments

Financial instruments are initially classified upon initial recognition as a fair value or 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 an 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 an amortized cost.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss, calculated as in its carrying value, in excess of the net recoverable amount of the asset, is reported in the statement of operations and any unrealized gain is adjusted through the statement of re-measurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of re-measurement gains and losses are reversed and recognized in the statement of operations.

The First Nation's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and debt. It is management's opinion that the First Nation is not exposed to significant interest rate, market, currency, credit, or liquidity risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values.

j) Measurement Uncertainty

In preparing the consolidated financial statements for the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include allowance for doubtful accounts and amortization. Actual results could differ from these estimates.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

| 6. ACCOUNTS RECEIVABLE | <u>2023</u> | <u>2022</u> |
|-------------------------------|----------------------------|----------------------------|
| • Property taxation | \$ 78,808 | 57,789 |
| • Funding agencies | 1,036,787 | 428,541 |
| • Housing loan receivable | 65,643 | 69,393 |
| • CMHC Subsidy | 207,000 | - |
| • Other | 386,712 | 500,146 |
| • GST refund | 158,185 | 117,125 |
| • Rents - housing | <u> -</u> | <u>95,221</u> |
| | \$ <u>1,933,135</u> | \$ <u>1,268,215</u> |

7. TANGIBLE CAPITAL ASSETS

| | COST | | | AMORTIZATION | | | | |
|----------------------|----------------------------|-------------------------|--------------------------|-------------------------|-----------------------|-------------------------|--------------------------|--------------------------|
| | Opening Balance | Additions | Closing Balance | Opening Balance | Amorti- zation | Closing Balance | 2023 Balance | 2022 Balance |
| Land | 739,367 | - | 739,367 | - | - | - | 739,367 | 739,367 |
| Land Development | 8,802,229 | - | 8,802,229 | - | - | - | 8,802,229 | 8,802,229 |
| Drainage Upgrade | 6,497,485 | 70,000 | 6,567,485 | 129,950 | 256,101 | 386,051 | 6,181,434 | 6,367,535 |
| Building - School | 12,579,850 | 5,391,196 | 17,971,046 | - | - | - | 17,971,046 | 12,579,850 |
| Equipment – School | 326,229 | 425,714 | 751,943 | - | - | - | 751,943 | 326,229 |
| Housing - CMHC | 5,081,979 | - | 5,081,979 | 2,143,737 | 215,038 | 2,358,775 | 2,723,204 | 2,938,243 |
| Housing - Band | 2,007,624 | - | 2,007,624 | 520,236 | 71,023 | 591,259 | 1,416,365 | 1,487,388 |
| Building - Admin | 1,200,000 | - | 1,200,000 | 615,004 | 23,399 | 638,403 | 561,597 | 584,996 |
| Equipment - Health | 139,665 | - | 139,665 | 83,519 | 11,229 | 94,748 | 44,917 | 56,146 |
| Building - Health | 2,671,362 | - | 2,671,362 | 1,022,838 | 82,426 | 1,105,264 | 1,566,098 | 1,648,523 |
| Equipment | 620,921 | 131,284 | 752,205 | 418,810 | 53,554 | 472,364 | 279,841 | 202,111 |
| Boat Launch Facility | - | 636,486 | 636,486 | - | - | - | 636,486 | - |
| Vessels | 265,312 | 37,068 | 302,380 | 26,531 | 51,463 | 77,994 | 224,386 | 238,781 |
| Vehicles | - | 128,468 | 128,468 | - | 19,270 | 19,270 | 109,198 | - |
| Building – Store | 1,422,340 | - | 1,422,340 | 374,902 | 41,898 | 416,800 | 1,005,540 | 1,047,438 |
| Equipment - Store | <u>252,970</u> | <u> -</u> | <u>252,970</u> | <u>194,695</u> | <u>11,665</u> | <u>206,360</u> | <u>46,610</u> | <u>58,275</u> |
| TOTALS | <u>\$42,607,333</u> | <u>6,820,216</u> | <u>49,427,549</u> | <u>5,530,222</u> | <u>837,066</u> | <u>6,367,288</u> | <u>43,060,261</u> | <u>37,077,111</u> |

* There were no disposals during the year.

8. DEBT

| | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| All Nations Trust loan repayable at \$1,495 per month including interest at 4.74%. Secured by a mortgage on buildings, | 62,369 | 77,696 |

TSARTLIP FIRST NATION
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Externally restricted – Operating Reserve:

Under the terms of the agreements with CMHC, excess revenues over expenditures for the Post 1996 phases may be retained in an Operating Reserve. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds may be used to offset future deficits. Withdrawals are credited to interest first and the principal. At the year end, the reserve was under funded by \$360,988 (2022 under funded by \$370,512).

Externally restricted – Replacement Reserve:

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$49,030 annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, the reserve was under funded by \$207,229 (2022 under funded by \$158,129).

4. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

Trust fund 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. The management of these funds are primarily governed by Sections 63 to 69 of the Indian Act.

| | Opening Balance | Additions | Withdraws | 2023 Total | 2022 Total |
|---------|--------------------|--------------|-----------|----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Revenue | 41,927 | 8,592 | - | 50,519 | 41,927 |
| Capital | <u>163,149</u> | <u>-</u> | <u>-</u> | <u>163,149</u> | <u>163,149</u> |
| | <u>205,076</u> | <u>8,592</u> | <u>-</u> | <u>213,668</u> | <u>205,076</u> |

5. ECONOMIC DEPENDENCE

The government of Tsartlip First Nation receives a major portion of its revenue from Indigenous Services Canada. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
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8. Debt (continued)

| | | |
|--|---------------------|---------------------|
| - Loan #220-96475001 repayable at \$2,478 per month, including interest at 2.06%, matures Jan. 1/40 | 423,055 | 443,888 |
| - Loan #220-95475001 repayable at \$2,329 per month, including interest at .74%, matures Feb. 1/41 | 468,865 | 493,251 |
| | | |
| - Loan #220-954-75008 repayable at \$3,781 per month, including interest at 2.52%, matures Sept 1/43 | 726,581 | 753,367 |
| - Loan #3655-6998-931 repayable at \$6,117 per month, including interest at prime plus 1.75% | <u>1,102,121</u> | <u>1,095,314</u> |
| | | |
| Total | \$ <u>6,968,881</u> | \$ <u>7,412,833</u> |

Estimated principal repayments required over the next five years:

| | | | |
|------|------------|------|------------|
| 2024 | \$ 616,530 | 2027 | \$ 565,760 |
| 2025 | \$ 618,780 | 2028 | \$ 561,933 |
| 2026 | \$ 593,320 | | |

9. SOCIAL HOUSING RESERVES

a) Replacement Reserve

Under the terms of the agreement with CMHC, a replacement reserve is maintained to provide for future asset replacement. These funds, along with accumulated interest, must be held in a separate bank account. Use of these funds is restricted to expenditures approved by CMHC.

b) Operating Reserve

Under the terms of the agreement with CMHC (Section 95, Post 1997 on Reserve Program), any surplus revenue will be retained within an Operating Reserve. These funds, along with accumulated interest, must be held in a separate bank account. Use of these funds is restricted to ongoing operating costs of housing projects committed under the Post 1997 On Reserve Program.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
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| 8. Debt (continued) | <u>2023</u> | <u>2022</u> |
|---|-------------|-------------|
| Bank of Montreal loan for the building of a new house to replace member's home destroyed by fire. Due on demand but is being amortized over 25 years. Repayable at \$542 per month including interest at prime plus 1.75% | 61,390 | 63,597 |
| Bank of Montreal demand loan used for building innovative housing, being amortized over 20 years repayable at \$1,642 per month including interest at prime plus 1.5% | 131,892 | 142,552 |
| Bank of Montreal demand loan non-revolving for the building of the community health centre, repayable at 2,353 per month plus interest at prime plus 1% | 167,053 | 195,289 |
| Bank of Montreal demand loan non-revolving to assist with the construction of the gas bar and convenience store, repayable at \$14,281 per month principal and interest at prime plus 1.25% | 906,092 | 1,016,299 |
| Bank of Montreal demand loan non-revolving to assist with Phase 1 of the land development project, repayable at \$5,497 per month principal and interest, at prime plus 1.25% | 841,239 | 856,204 |
| Bank of Montreal demand loan non-revolving to assist with Phase 2 of the land development project, repayable at \$5,749 per month principal and interest, at prime plus 1.25% | 850,803 | 865,139 |
| Talw'awtxw Aboriginal Financing Group repayable at \$3,549 per month principal, with no interest rate charges | 94,944 | 162,502 |
| Talw'awtxw Aboriginal Financing Group repayable at \$5,556 per month principal, with no interest rate charges | 27,777 | - |
| Canada Mortgage and Housing Corporation Mortgages, secured by ministerial guarantees from ISC: | | |
| - Loan #220-95475001 repayable at \$2,380 per month, including interest at 1.73%, matures Feb. 1/25 | 53,809 | 81,190 |
| - Loan #220-95475002 repayable at \$2,362 per month, including interest at .74%, matures Jan. 1/26 | 79,453 | 107,102 |
| - Loan #220-95475003 repayable at \$2,849 per month, including interest at 3.70%, matures Oct. 1/28 | 172,366 | 200,901 |
| - Loan #220-95475004 repayable at \$6,143 per month, including interest at 1.72%, matures Mar. 1/35 | 799,072 | 858,542 |

**TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023**

10. EXPENSES BY OBJECT

| | <u>2023</u> | <u>2022</u> |
|--|----------------------|----------------------|
| Wages | \$ 1,661,012 | \$ 1,753,902 |
| Benefits | 261,742 | 257,598 |
| Amortization - operations | 359,054 | 302,252 |
| Amortization – equity in tangible capital assets | 478,012 | 302,861 |
| Contracts | 7,033,217 | 8,698,099 |
| Cost of sales | 5,663,032 | 5,134,551 |
| Government transfers to school | 11,797,636 | 12,935,571 |
| Materials and supplies | 860,519 | 546,218 |
| Other | 4,376,760 | 5,095,958 |
| Professional fees | 331,061 | 327,423 |
| Social Assistance | <u>2,025,547</u> | <u>2,637,500</u> |
| | <u>\$ 34,847,592</u> | <u>\$ 37,991,933</u> |

The expenses by object are before the adjustment for capital acquisitions in the consolidated statement of operations.

11. CONTINGENT LIABILITIES

- a) Restricted unexpended surpluses can be recovered by the funding agency.
- b) The First Nation has Ministerial Guarantees for loan balances outstanding. The contingent liability as at year-end amounts to \$2,920,460 (2022 \$3,162,193) as per confirmation provided by Indigenous Services Canada. There are also contingent liabilities for outstanding BMO loans totaling \$448,630 (2022 \$473,468).

12. GOVERNMENT TRANSFERS

| | 2023 | | | 2022 | | |
|------------------------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
| | <u>Operating</u> | <u>Capital</u> | <u>Total</u> | <u>Operating</u> | <u>Capital</u> | <u>Total</u> |
| Federal Govt Transfers: | | | | | | |
| Indigenous Services Canada | 18,377,626 | 603,165 | 18,980,781 | 17,487,233 | 6,724,036 | 24,211,269 |
| Federal Govt – other | 1,098,909 | - | 1,098,909 | - | - | - |
| FNHA | 1,215,399 | - | 1,215,399 | 1,289,939 | - | 1,289,939 |
| CMHC | <u>347,043</u> | <u>-</u> | <u>347,043</u> | <u>139,633</u> | <u>-</u> | <u>139,633</u> |
| Total | <u>21,038,977</u> | <u>603,165</u> | <u>21,642,132</u> | <u>18,916,805</u> | <u>6,724,036</u> | <u>25,640,841</u> |
| Provincial Govt (includes Gaming): | <u>874,095</u> | <u>1,000,000</u> | <u>1,874,095</u> | <u>350,677</u> | <u>-</u> | <u>350,677</u> |

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

13. ADJUSTMENT FOR CAPITAL ACQUISITIONS

Capital acquisitions have been included as an expense item in the Statement of Operations in order to be consistent with the capital funding reports provided to Indigenous Services Canada. For the required presentation under public sector accounting standards, the expense is reversed and capitalized accordingly.

14. SUBSEQUENT EVENTS

In March 2020, there was a global outbreak of COVID-19 (corona virus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

15. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

| | <u>2023</u> | <u>2022</u> |
|------------------------------------|---------------------|---------------------|
| Surplus in operating funds | 7,507,134 | 1,648,036 |
| Surplus in restricted capital fund | 2,443,047 | 1,328,414 |
| Equity in Ottawa Trust funds | 213,668 | 205,076 |
| Equity in tangible capital assets | 35,596,203 | 29,405,623 |
| Operating CMHC reserve fund | <u>360,988</u> | <u>370,512</u> |
| | <u>\$46,121,040</u> | <u>\$32,957,661</u> |

16. BUDGET FIGURES

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

18. SEGMENTED DISCLOSURE

| Tsartlip First Nation | | | | | | | | | | | | |
|--|-----------|-------------------------|-----------|--------------------|-----------|------------|------------------------------|----------------------|-------------------|-----------------|------------|-------------|
| Schedule of Segmented Operations | | | | | | | | | | | | |
| For the Year Ended March 31, 2023 | | | | | | | | | | | | |
| | 2023 | | | | | | | | | | 2022 | |
| | Admin. | Operations & Maintc. | Health | Social Develop. | Capital | Education | Economic Dev & Employment | Housing Generated | Band Generated | Ottawa Trust | TOTAL | TOTAL |
| Revenue | | | | | | | | | | | | |
| ISC | 1,258,383 | 1,108,467 | - | 4,267,113 | 603,165 | 11,626,114 | 117,549 | - | - | - | 18,980,791 | 24,211,269 |
| ISC - recoveries | - | - | - | - | - | - | - | - | - | - | - | (4,752) |
| FNHA | - | - | 1,215,399 | - | - | - | - | - | - | - | 1,215,399 | 1,289,939 |
| CMHC | - | - | - | - | - | - | - | 347,043 | - | - | 347,043 | 139,633 |
| CSETS | - | - | - | - | - | - | 330,653 | - | - | - | 330,653 | 317,564 |
| Deferred | 423,524 | - | - | - | 6,482,707 | - | 193,467 | - | - | - | 7,099,698 | (576,301) |
| Other | 1,354,157 | 264,917 | 722,684 | 112,941 | 378,786 | 354,311 | 2,279,618 | 292,201 | 8,078,600 | 8,592 | 13,846,807 | 11,130,946 |
| | 3,036,064 | 1,373,384 | 1,938,083 | 4,380,054 | 7,464,658 | 11,980,425 | 2,921,287 | 639,244 | 8,078,600 | 8,592 | 41,820,391 | 36,508,298 |
| Expenses | | | | | | | | | | | | |
| Wages and Benefits | 288,211 | 188,638 | 625,211 | 126,986 | 7,539 | - | 373,547 | 34,100 | 278,522 | - | 1,922,754 | 2,011,500 |
| Amortization | - | - | - | - | - | - | - | 275,570 | 83,484 | - | 359,054 | 302,252 |
| Direct Assistance | - | - | - | 2,025,547 | - | - | - | - | - | - | 2,025,547 | 2,637,500 |
| Education Flow-through | - | - | - | - | - | 11,797,636 | - | - | - | - | 11,797,636 | 12,263,830 |
| Program and Other Costs | 1,565,114 | 1,229,251 | 840,329 | 434,990 | 6,042,664 | 72,170 | 1,418,035 | 339,098 | 6,800,950 | - | 18,742,601 | 20,776,851 |
| | 1,853,325 | 1,417,889 | 1,465,540 | 2,587,523 | 6,050,203 | 11,869,806 | 1,791,582 | 648,768 | 7,162,956 | - | 34,847,592 | 37,991,933 |
| Annual surplus (deficit) before adjustments | 1,182,739 | (44,505) | 472,543 | 1,792,531 | 1,414,455 | 110,619 | 1,129,705 | (9,524) | 915,644 | 8,592 | 6,972,799 | (1,483,635) |
| Investment in tangible capital assets | | | | | | | | | | | 6,190,580 | 8,174,232 |
| Annual surplus | | | | | | | | | | | 13,163,379 | 6,690,597 |

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

17. SEGMENTED INFORMATION

Tsartlip First Nation provides a wide range of services to its membership. For management reporting purpose, Tsartlip First Nation's operations and activities are organized and reported by department. These departments have been separately disclosed in the segmented information, along with the services they provide, as follows:

- (a) Administration – this function pertains to all the general and administrative functions of Tsartlip First Nation, including management, reception, accounting, human resource management, staff training, information technology and records.
- (b) Operations and Maintenance – responsibilities include the care and maintenance of Tsartlip First Nation infrastructure including government buildings, roads, water and sewer, and materials management.
- (c) Health – this department delivers health and prevention services to the community including community nursing services, in home care, drug and alcohol counseling, diabetes counseling, head start programs and patient travel.
- (d) Social Development and Training – this department delivers social assistance programs including basic needs, adult in home care and prevention programs.
- (e) Capital - this department is responsible for the planning and construction of new capital facilities and infrastructure, as well as overseeing new housing projects.
- (f) Education Support Services - the education department supports various education and parental / community engagement programs as well as providing for the flow-through of ISC education funds to the School Board.
- (g) Economic Development – this department assists the community in identifying and developing economic development initiatives, links training opportunities and job creation with community labour needs, and undertakes research and planning.
- (h) Housing – this department is engaged with the administration of band housing for members including the CMHC housing program.
- (i) Band Generated Programs – this department operates programs that normally have no specific outside funding sources; activities include band store operations, office building rentals and property taxation.

Territory

