# TSARTLIP FIRST NATION

**Consolidated Financial Statements**

**March 31, 2025**

# TSARTLIP FIRST NATION

## Consolidated Financial Statements
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Year Ended March 31, 2025


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# TSARTLIP FIRST NATION

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

## March 31, 2025

The accompanying financial statements of the Tsartlip First Nation as at and for the year ended March 31, 2025 are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

Management 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 the Nation's assets are appropriately accounted for and adequately safeguarded.

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

Chief and Council reviews the financial statements and approves them. Chief and Council meets 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 financial statements and the independent auditor's report. Chief and Council consider their findings when approving the financial statements for issuance to the Members.

The financial statements have been approved by Chief and Council. In addition, these financial statements have been audited by Chan Nowosad Boates Inc. in accordance with Canadian generally accepted auditing standards on behalf of the members. Chan Nowosad Boates Inc. has full access to Chief and Council for the purpose of their audit.

Steve McKay

Steve McKay, CPA, CMA
Chief Financial Officer

July 21, 2025

# INDEPENDENT AUDITOR'S REPORT

To the Chief and Council and Members of Tsartlip First Nation,

## Opinion

We have audited the financial statements of the Tsartlip First Nation (the "Nation"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, 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 (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Nation as at March 31, 2025, 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 the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management 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.

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

**Other Matter**

The prior year financial statements on which the comparative information within the financial statements is derived from were audited by another Charter Professional Accounting firm who issued an unqualified audit opinion on September 16, 2024.

Chan Nowosad Boates Inc

Chartered Professional Accountants
Campbell River, BC

July 21, 2025

# TSARTLIP FIRST NATION

**Consolidated Statement of Financial Position**
March 31, 2025

| | 2025 | 2024 (Note 18) |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash **(Note 3)** | $ 12,155,358 | $ 9,710,543 |
| Restricted Cash **(Note 3)** | 761,105 | 1,262,105 |
| Trust Funds Held by Federal Government **(Note 4)** | 232,997 | 223,253 |
| Accounts Receivable **(Note 5)** | 1,356,054 | 612,009 |
| Inventory | - | 218,641 |
| Portfolio Investment **(Note 6)** | 110 | 110 |
| Investment in Nation Business Enterprises and Partnership **(Note 7)** | 400,002 | 438,162 |
| | 14,905,626 | 12,464,823 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities **(Note 8)** | 2,130,406 | 780,934 |
| Deferred Revenue **(Note 9)** | 5,814,675 | 3,377,654 |
| Long Term Debt **(Note 11)** | 6,450,743 | 6,811,403 |
| | 14,395,824 | 10,969,991 |
| **NET FINANCIAL ASSETS** | 509,802 | 1,494,832 |
| **NON-FINANCIAL ASSETS** | | |
| Prepaid Expenses and Deposits | 78,173 | 105,106 |
| Tangible Capital Assets **(Note 10)** | 46,871,020 | 44,055,773 |
| | 46,949,193 | 44,160,879 |
| **ACCUMULATED SURPLUS (Note 15)** | $ 47,458,995 | $ 45,655,711 |

**Contingent Liabilities and Commitments (Note 14)**

**Approved on behalf of Chief and Council by:**

Chief

Councilor

# TSARTLIP FIRST NATION

## Consolidated Statement of Operations
Year Ended March 31, 2025

| | 2025 Actual | 2025 Budget (Note 16) | 2024 (Note 18) |
|---|---|---|---|
| **Revenues** | | | |
| Indigenous Services Canada (ISC) | $ 20,547,981 | $ 16,801,679 | $ 18,599,580 |
| First Nations Health Authority (FNHA) | 1,281,930 | 1,197,309 | 1,140,031 |
| Rental Income (CMHC) | 477,576 | 411,044 | 422,636 |
| Property Taxation | 346,661 | 364,884 | 421,211 |
| Province of BC | 239,966 | 333,564 | 407,843 |
| Canada Mortgage and Housing Corporation (CMHC) | 149,694 | 171,042 | 146,137 |
| Ottawa Trust | 9,743 | 6,084 | 9,585 |
| Other Revenue | 5,054,425 | 5,366,892 | 10,911,725 |
| | 28,107,976 | 24,652,498 | 32,058,748 |
| **Expenditures** | | | |
| Administration | 2,208,774 | 1,438,768 | 2,055,886 |
| Operations and Maintenance | 1,968,152 | 1,354,665 | 1,477,424 |
| Health | 1,732,317 | 1,953,723 | 1,774,100 |
| Social Development | 2,912,365 | 2,642,377 | 2,440,946 |
| Capital Operations | 442,379 | 138,728 | 535,575 |
| Education | 13,677,939 | 10,615,711 | 12,133,452 |
| Economic Development | 1,383,204 | 2,992,882 | 2,586,232 |
| CMHC Housing | 875,737 | 873,920 | 571,346 |
| Band Generated | 1,103,825 | 1,735,580 | 7,949,892 |
| | 26,304,692 | 23,746,354 | 31,524,853 |
| **Annual Surplus** | 1,803,284 | 906,144 | 533,895 |
| **Accumulated Surplus - Beginning of Year** | 45,655,711 | | 45,121,816 |
| **Accumulated Surplus - End of Year** | $ 47,458,995 | | $ 45,655,711 |

# TSARTLIP FIRST NATION

## Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2025

| | 2025 | 2024 (Note 18) |
|---|---|---|
| **Annual Surplus** | $ 1,803,284 | $ 533,895 |
| Tangible Capital Assets Purchased | (3,575,542) | (2,038,293) |
| Disposal of Tangible Capital Assets | 66,446 | - |
| Amortization of Tangible Capital Assets | 693,849 | 1,042,782 |
| | (2,815,247) | (461,616) |
| Change in Inventory | - | (27,907) |
| Use of Prepaid Asset | 26,933 | 7,502 |
| | 26,933 | (20,405) |
| **Decrease in Net Financial Assets** | (985,030) | (482,021) |
| **Net Financial Assets - Beginning of Year** | 1,494,832 | 1,976,853 |
| **Net Financial Assets - End of Year** | $ 509,802 | $ 1,494,832 |

# TSARTLIP FIRST NATION

**Consolidated Statement of Cash Flows**
Year Ended March 31, 2025

| | 2025 | 2024 |
|---|---|---|
| **Cash Flows From Operating Activities:** | | |
| Annual Surplus | $ 1,803,284 | $ 533,895 |
| Changes in non-cash items: | | |
| Amortization | 693,849 | 1,042,782 |
| Accounts Receivable | (744,045) | 1,311,126 |
| Accounts Payable and Accrued Liabilities | 1,349,472 | 320,486 |
| Bad Debt Expense | 78,808 | - |
| Inventory | 218,641 | (27,907) |
| Gain on Sale of Assets | (155,821) | - |
| Prepaid Expenses | 26,933 | 7,502 |
| Loss in Nation's Business Enterprise and Partnership | 650,621 | - |
| Deferred Revenue | 2,386,019 | 1,609,218 |
| Ottawa Trust | (9,744) | (9,585) |
| | 4,494,733 | 4,787,517 |
| **Cash Flows From Capital Activities:** | | |
| Purchase of Tangible Capital Assets | (3,575,542) | (2,038,293) |
| Proceeds from Sale and of Property and Equipment | 385,349 | - |
| | (3,190,193) | (2,038,293) |
| **Cash Flows From Investing Activities:** | | |
| Related Entities - Investments and Advances | (803,349) | (428,164) |
| **Cash Flows From Financing Activities:** | | |
| Net Long Term Debt Advances | 247,529 | 403,940 |
| Long Term Debt Retirement | (608,189) | (556,418) |
| | (360,660) | (152,478) |
| **Increase in Cash and Cash Equivalents** | 1,943,815 | 2,168,582 |
| **Cash and Cash Equivalents - Beginning of Year** | 10,972,648 | 8,804,066 |
| **Cash and Cash Equivalents - End of Year** | $ 12,916,463 | $ 10,972,648 |
| **Represented by:** | | |
| Cash | $ 12,155,358 | $ 9,710,543 |
| Cash - Restricted | 761,105 | 1,262,105 |
| | $ 12,916,463 | $ 10,972,648 |

## 1. Nature of Operations:

Tsartlip First Nation (the "Nation") is located in British Columbia, and provides various services to its citizens. Tsartlip First Nation includes the Nation's citizens, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

## 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 financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation Business entities accounted for on the modified equity basis. The Nation has consolidated the assets, liabilities, revenues and expenses of the following entities:

- Tsartlip Construction Limited Partnership
- Tsartlip Construction GP Ltd.
- TFN Meadows Development Ltd.

All inter-entity balances have been eliminated on consolidation. The Nation's business enterprises and partnerships, owned or controlled by the Nation but not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principals are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

Entities accounted for by the modified equity basis include:

- Tsartlip Master GP Ltd.
- Tsartlip Master Limited Partnership

### b) Asset Classification:

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

### 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.

## 2. Basis of Presentation and Significant Accounting Policies (continued):

**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) 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:

| | |
|---|---|
| Land Improvements | 4% |
| Buildings | 4% |
| Housing | 5% |
| Equipment, Vehicles, Vessels | 20% |

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Nation's ability to provide goods and services, or when the value of future economic benefits associated with the assets are less than their net book value. The net writedowns 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.

**g) Revenue Recognition**

Government Funding: Revenues are recognized in the period in which the transactions or events occurred. 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 recognizes revenue as the liability or obligation is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

## 2. Basis of Presentation and Significant Accounting Policies (continued):

**g) Revenue Recognition (continued)**

First Nation Capital and Revenue Trust Fund: The 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 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.

**h) Financial Instruments**

Financial instruments are 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 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 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 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.

**i) Measurement Uncertainty**

In preparing the consolidated financial statements for the 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, estimated useful lives of tangible capital assets, impairment of tangible capital assets, recoverability of investments and advances, accrued liabilities, asset retirement obligations and contingent liabilities. Actual results could differ from those estimates.

## 2. Basis of Presentation and Significant Accounting Policies (continued):

**j) Employee Future Benefits**

The Nation and its employees make contributions to a group Registered Retirement Savings Plan (RRSP). This plan is a defined contrib ution plan and contributions by the Nation to the plan are expensed as incurred. Sick leave benefits also accrue to Nation employees. Unused benefits are carried forward into the following year.

**k) 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.

**(l) Asset Retirement Obligations**

The Nation recognizes a liability for an asset retirement obligation when there is legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. No asset retirement obligations have been identified in the fiscal year.

**(m) Liability for Contaminated Site**

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2025. At each financial reporting date, the Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2025, no liability for contaminated site exists.

## 3. Cash and Cash Equivalents:

| | 2025 | 2024 |
|---|---|---|
| Externally Restricted | | |
| Capital Project School Expansion | $ 345,540 | $ 863,597 |
| Reserve accounts - CMHC Housing | 415,565 | 398,508 |
| | 761,105 | 1,262,105 |
| Unrestricted | | |
| Cash | 12,155,358 | 9,710,543 |
| Total Cash and Cash Equivalents | $ 12,916,463 | $ 10,972,648 |

## 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.

| | 2024 | Additions | Withdrawals | 2025 |
|---|---|---|---|---|
| Revenue | $ 60,104 | $ 9,744 | $ - | $ 69,848 |
| Capital | 163,149 | - | - | 163,149 |
| | $ 223,253 | $ 9,744 | $ - | $ 232,997 |

## 5. Accounts Receivable:

| | 2025 | 2024 |
|---|---|---|
| Due from Funding Agencies | $ 564,698 | $ - |
| Due from Meadows Development | 314,917 | 314,917 |
| Due from Property Taxation | 78,808 | 78,808 |
| Due from Social Housing Rent | 307,776 | 252,631 |
| Due from Other | 304,051 | 101,041 |
| Due from Members | 65,643 | 65,643 |
| | 1,635,893 | 813,040 |
| Less: Allowance for Doubtful Accounts | (279,839) | (201,031) |
| | $ 1,356,054 | $ 612,009 |

## 6. Portfolio Investment:

The portfolio investment consists of an investment in the BC Gaming First Nations Revenue Sharing LP. Investments in limited partnerships without control or significant influence are accounted for as portfolio investments using the cost method. Investments will be recorded at cost and any share of income received will be recognized as income when received or receivable.

## 7. Investment in Nation Business Enterprises and Partnership:

Investments and advances consist of the following:

| | 2025 | 2024 |
|---|---|---|
| Tsartlip Master GP Ltd: | | |
| Investment, shares at cost | $ 1 | $ 1 |
| Tsartlip Master LP: | | |
| Investment, 9,999 LP Units at $1 each, recorded for a nominal amount due to losses incurred to date. | 1 | 9,999 |
| Advance | - | 28,162 |
| Tsartlip Fuels and Convenience Limited Partnership: | | |
| Non-interest bearing advance, repayable in annual payments of $40,000 a year for 10 years. | 400,000 | 400,000 |
| | $ 400,002 | $ 438,162 |

## 7. Investments in Nation Business Enterprises and Partnerships (continued):

Summary unaudited financial information for the Nation's business enterprise and partnership, accounted for using the modified equity method, for their year-end of December 31st is :

| | 2024 | 2023 |
|---|---|---|
| Total Assets | 1,843,929 | - |
| Total Liabilities | 1,942,569 | - |
| Total Equity | (98,640) | - |
| Total Liabilities and Equity | 1,843,929 | - |
| Revenue | 4,230,906 | - |
| Expenses | 4,912,051 | 70,495 |
| Total Comprehensive Income (Loss) | $ (681,145) | $ (70,495) |

## 8. Accounts Payable and Accrued Liabilities:

| | 2025 | 2024 |
|---|---|---|
| Trade Payable | $ 1,522,237 | $ 405,015 |
| Wages and Benefits Payable | 236,429 | 117,107 |
| Government Remittances | 56,497 | 50,633 |
| Other | 315,243 | 208,179 |
| | $ 2,130,406 | $ 780,934 |

## 9. Deferred Revenue:

| | 2024 | Funding Received | Revenue Recognized | 2025 |
|---|---|---|---|---|
| ISC - Fixed Funding | $ 2,461,961 | $ 4,985,243 | $ (4,054,378) | $ 3,392,826 |
| ISC - Set Funding | - | 1,296,723 | (1,296,723) | - |
| ISC - NFR Funding | - | 15,196,880 | (15,196,880) | - |
| | 2,461,961 | 21,478,846 | (20,547,981) | 3,392,826 |
| FNHA | 582,743 | 1,301,332 | (1,281,930) | 602,145 |
| Other | 332,950 | 2,048,696 | (561,942) | 1,819,704 |
| | $ 3,377,654 | $ 24,828,874 | $ (22,391,853) | $ 5,814,675 |

## 10. Tangible Capital Assets:

| | Cost | | | | Accumulated Amortization | | | | Net Book Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Additions | Disposals | Closing | Opening | Amort. | Disposals | Closing | 2025 | 2024 |
| Land | $ 9,541,597 | $ - | $ - | $ 9,541,597 | $ - | $ - | $ - | $ - | $ 9,541,597 | $ 9,541,597 |
| Land Improvements | 6,567,485 | - | - | 6,567,485 | 633,308 | 237,368 | - | 870,676 | 5,696,809 | 5,934,177 |
| Boat Launch Facility | 636,486 | 672,712 | - | 1,309,198 | 127,297 | (127,297) | - | - | 1,309,198 | 509,189 |
| Buildings | 32,013,863 | 2,630,077 | - | 34,643,940 | 5,614,470 | 429,325 | - | 6,043,795 | 28,600,145 | 26,399,393 |
| Equipment | 2,193,243 | 272,753 | (495,470) | 1,970,526 | 847,745 | 74,628 | (429,024) | 493,349 | 1,477,177 | 1,345,498 |
| Vehicles | 210,788 | - | - | 210,788 | 64,378 | 43,923 | - | 108,301 | 102,487 | 146,410 |
| Vessels | 302,380 | - | - | 302,380 | 122,871 | 35,902 | - | 158,773 | 143,607 | 179,509 |
| **Total** | $ 51,465,842 | $ 3,575,542 | $ (495,470) | $ 54,545,914 | $ 7,410,069 | $ 693,849 | $ (429,024) | $ 7,674,894 | $ 46,871,020 | $ 44,055,773 |

## 11. Long Term Debt:

| | 2025 | 2024 |
|---|---|---|
| All Nations Trust loan repayable at $1,495 per month including interest at 4.74%. Secured by a mortgage on buildings. | $ 30,726 | $ 46,789 |
| 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% | 55,047 | 58,665 |
| 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% | 105,775 | 119,992 |
| 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% | 110,581 | 138,817 |
| 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% | 672,727 | 797,601 |
| Bank of Montreal demand loan non-revolving to assist with construction of 3 single family dwellings, repayable at $2,297 per month, principal and interest at prime plus 1.5% | 310,287 | 329,987 |
| 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% | 810,403 | 837,410 |
| 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% | 811,302 | 837,341 |
| Bank of Montreal demand loan non-revolving, repayable at $565 per month principle and interest, at prime plus 1%, | 55,885 | - |
| Bank of Montreal demand loan non-revolving, repayable at $177 per month principle and interest, at prime plus 1.5% | 8,673 | - |
| Bank of Montreal demand loan #3655-6998-931 repayable at $6,117 per month, including interest at prime plus 1.75% | 1,063,554 | 1,091,534 |
| Talw'awtxw Aboriginal Financing Group repayable at $3,549 per month principal, with no interest rate charge, repaid during the year | - | 58,637 |

## 11. Long Term Debt: (continued)

**CMHC Mortgages, secured by ministerial guarantees from ISC:**

| | | |
|---|---|---|
| Loan #220-95475001 repayable at $2,380 per month, including interest at 1.73%, repaid during the year. | - | 25,953 |
| Loan #220-95475002 repayable at $2,362 per month, including interest at .74%, matures Jan. 1/26 | 23,539 | 51,600 |
| Loan #220-95475003 repayable at $2,850 per month, including interest at 3.70%, matures Dec 1/27 | 114,636 | 144,042 |
| Loan #220-95475004 repayable at $6,587 per month, including interest at 3.18%, matures Mar. 1/30 | 677,036 | 738,605 |
| Loan #220-96475001 repayable at $2,715 per month, including interest at 3.37%, matures Jan. 1/30 | 380,417 | 401,810 |
| Loan #220-95475001 repayable at $2,329 per month, including interest at .74%, matures Feb. 1/26 | 419,548 | 444,305 |
| Loan #220-954-75008 repayable at $3,781 per month, including interest at 2.52%, matures Sept 1/28 | 666,722 | 688,315 |
| Equipment Loan #754283 repayable at $4,561 per month principal, with no interest rate charges. Secured by equipment | 133,885 | - |
| **Total Long Term Debt** | $ 6,450,743 | $ 6,811,403 |

Estimated repayments required over the next five years and thereafter:

| | | | |
|---|---|---|---|
| 2026 | $ 561,191 | 2029 | $ 528,055 |
| 2027 | $ 560,182 | 2030 | $ 436,540 |
| 2028 | $ 539,207 | Thereafter | $3,825,568 |

## 12. Social Housing Reserves:

**a) Replacement Reserve**

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of $48,030 (2024 - $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 (CDIC) 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 replacement reserve was under funded by $462,393.

**b) Operating Reserve**

Under the terms of the agreement 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 and/or invested only in accounts or instruments insured by the CDIC or as may otherwise be approved by CMHC from time to time. At year end, the operating reserve was underfunded by $454,326.

## 13. Schedule of Expenses by Object:

| | 2025 | 2024 |
|---|---|---|
| Administration | $ 124,808 | $ 51,025 |
| Amortization | 679,630 | 973,828 |
| Cost of Sales | - | 5,269,222 |
| Insurance | 156,961 | 149,320 |
| Interest and Bank Charges | 435,772 | 493,153 |
| Equipment Rental | 80,950 | 90,543 |
| Honoraria | 293,149 | 411,501 |
| Materials and Supplies | 924,668 | 852,209 |
| Office Expenses | 182,380 | 252,619 |
| Other Operating Expenses | 663,494 | 1,623,743 |
| Professional Fees | 807,894 | 1,599,533 |
| Property Taxes | 19,712 | 18,758 |
| Repairs and Maintenance | 201,953 | 435,130 |
| School Board Transfer | 13,563,936 | 12,128,107 |
| Subcontracts | 2,106,144 | 1,446,327 |
| Social Assistance | 1,576,584 | 1,675,427 |
| Training Expense | 49,670 | 90,381 |
| Travel and Meetings | 216,627 | 177,663 |
| Utilities | 1,510,771 | 1,207,930 |
| Wages and Benefits | 2,709,589 | 2,578,434 |
| | $ 26,304,692 | $ 31,524,853 |

## 14. Contingent Liabilities:

a) Restricted unexpended surpluses can be recovered by the organizations that provide funding to the Nations.

b) The First Nation has outstanding letters of credit with BMO for the following:
   i) Corporate MasterCard guarantee authorizing to a maximum of $75,000;
   ii) Non borrowing guarantee to facilitate on reserve housing loans to a maximum of $2,845,000 secured by signed letter of agreement and a Band Council Resolution (BCR); individual guarantees of up to $300,000 for each borrower;
   iii) Non borrowing guarantee to facilitate on reserve housing loan home renovation loans to a maximum of $100,000 including guarantees of up to $25,000 per individual; guaranteed by supporting BCR and Chief Certificate;
   iv) Non borrowing guarantee contingent liability to a maximum of $750,000 representing the cap on the amount of Band guarantees for individual member loans which have the purpose of construction, purchase, renovation or refinancing for a residential unit; individual loans to members are capped at $200,000 for new construction and purchase and from $5,000 to $60,000 for renovation of an existing residence; security includes a signed commitment letter and BCR.

## 15. Accumulated Surplus:

Accumulated surplus consists of the following:

| | 2025 | 2024 |
|---|---|---|
| Unrestricted - Operating Surplus | 7,418,328 | 8,800,694 |
| Externally Restricted - Equity in Ottawa Trust | 232,996 | 223,253 |
| Equity in Tangible Capital Assets | 39,132,671 | 35,956,764 |
| Equity in Land | 675,000 | 675,000 |
| Total Accumulated Surplus | 47,458,995 | 45,655,711 |

## 16. Budget Figures:

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

## 17. Economic Dependence:

The government of Tsartlip First Nation receives a major portion of its revenue from Indigenous Services Canada (ISC). The nature and extent of this revenue is of such significance that the Nation's operations would be materially altered without funding from ISC.

## 18. Prior Period Restatement and Adjustment:

The March 31, 2024 consolidated financial statements have been restated to to conform with the presentation of the current period. A prior period adjustment was recorded to defer surplus of restricted revenue, recognize unreported rent receivable, report portfolio investments and reverse internally generated expenses (reserves) that were previously reported.

| | Previously Stated at March 31, 2024 | March 31, 2023 Adjustment (Opening 2024) | March 31, 2024 Adjustment | Restated Balance at March 31, 2024 |
|---|---|---|---|---|
| Accounts Receivable | $ 560,409 | - | 51,600 | $ 612,009 |
| Portfolio Investment | - | 110 | - | 110 |
| Reserves | 838,644 | 838,644 | - | - |
| Deferred Revenue | - | 1,837,978 | 1,539,676 | 3,377,654 |
| Revenue | 33,546,121 | - | (1,488,073) | 32,058,048 |
| Accumulated Surplus - April 1, 2023 | 46,121,040 | (999,224) | - | 45,121,816 |
| Accumulated Surplus - March 31, 2024 | $ 48,143,011 | $ (999,224) | $ (1,488,076) | $ 45,655,711 |

## 19. Segment Information:

The Nation provides a wide range of services to its membership. For management reporting purposes, the 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:

**Administration**
This function pertains to all the general and administrative functions of the Nation, including management, reception, accounting, human resource management, staff training, information technology and records.

**Operations and Maintenance**
This department's responsibilities include the care and maintenance of the Nation's infrastructure including government buildings, roads, water and sewer, and materials management.

**Health**
This department delivers health and prevention services to the community including community nursing services, in home care, drug and alcohol counselling, diabetes counselling, head start programs and patient travel.

**Social Development and Training**
This department delivers social assistance programs including basic needs, adult in home care and prevention programs.

**Capital**
This department is responsible for the planning and construction of new capital facilities and infrastructure, as well as overseeing new housing projects.

**Education Support Services**
This 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.

**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.

## 19. Segment Information (continued):

**Housing**
This department is engaged with the administration of band housing for members including the CMHC housing program.

**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.

# TSARTLIP FIRST NATION

**Schedule 1 - Segment Disclosure**
March 31, 2025

| | Administration | Operations and Maintenance | Health | Social Development | Capital | Education | Economic Development | CMHC Housing | Band Generated | Ottawa Trust | 2025 Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | | |
| ISC | $ 1,218,959 | $ 1,141,292 | $ - | $ 3,783,834 | $ 1,118,519 | $ 13,233,055 | $ 52,322 | $ - | $ - | $ - | $ 20,547,981 |
| FNHA | - | - | 1,281,930 | - | - | - | - | - | - | - | 1,281,930 |
| Province of BC | 25,000 | - | 214,966 | - | - | - | - | - | - | - | 239,966 |
| Taxation | - | - | - | - | - | - | - | - | 346,661 | - | 346,661 |
| Other | 939,297 | 239,893 | 462,262 | 85,050 | - | 3,681 | 1,831,912 | 627,270 | 1,492,330 | 9,743 | 5,691,438 |
| | 2,183,256 | 1,381,185 | 1,959,158 | 3,868,884 | 1,118,519 | 13,236,736 | 1,884,234 | 627,270 | 1,838,991 | 9,743 | 28,107,976 |
| **Expenses** | | | | | | | | | | | |
| Amortization | - | - | - | - | - | - | - | 268,789 | 693,849 | - | 962,638 |
| Interest and Bank Charges | 176,535 | 72 | - | - | - | - | - | - | 259,165 | - | 435,772 |
| Other Expenses | 1,491,906 | 1,659,082 | 783,530 | 2,665,477 | 442,379 | 13,677,939 | 915,861 | 428,241 | 132,278 | - | 22,196,693 |
| Wages and Benefits | 540,333 | 308,998 | 948,787 | 246,888 | - | - | 467,343 | 178,707 | 18,533 | - | 2,709,589 |
| | 2,208,774 | 1,968,152 | 1,732,317 | 2,912,365 | 442,379 | 13,677,939 | 1,383,204 | 875,737 | 1,103,825 | - | 26,304,692 |
| **Annual Surplus (Deficit)** | $ (25,518) | $ (586,967) | $ 226,841 | $ 956,519 | $ 676,140 | $ (441,203) | $ 501,030 | $ (248,467) | $ 735,166 | $ 9,743 | $ 1,803,284 |

| | Administration | Operations and Maintenance | Health | Social Development | Capital | Education | Economic Development | CMHC Housing | Band Generated | Ottawa Trust | 2024 Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | | |
| ISC | $ 1,028,336 | $ 1,204,364 | $ - | $ 3,516,994 | $ 717,710 | $ 11,954,319 | $ 177,857 | $ - | $ - | $ - | $ 18,599,580 |
| FNHA | - | - | 1,140,031 | - | - | - | - | - | - | - | 1,140,031 |
| Province of BC | 10,000 | - | 234,955 | - | 1,804 | - | 10,000 | - | 151,084 | - | 407,843 |
| Taxation | - | - | - | - | - | - | - | - | 421,211 | - | 421,211 |
| Other | 519,548 | 51,550 | 422,772 | 157,881 | - | 301,156 | 2,303,141 | 568,773 | 7,155,677 | 9,585 | 11,490,083 |
| | 1,557,884 | 1,255,914 | 1,797,758 | 3,674,875 | 719,514 | 12,255,475 | 2,490,998 | 568,773 | 7,727,972 | 9,585 | 32,058,748 |
| **Expenses** | | | | | | | | | | | |
| Amortization | - | - | - | - | - | - | - | 199,985 | 689,771 | - | 889,756 |
| Interest and Bank Charges | 213,689 | 148 | - | - | - | - | - | 37,006 | 242,310 | - | 493,153 |
| Other Expenses | 1,501,736 | 1,240,237 | 868,324 | 2,233,676 | 493,770 | 12,133,452 | 2,106,529 | 334,355 | 6,651,431 | - | 27,563,510 |
| Wages and Benefits | 340,461 | 237,039 | 905,776 | 207,270 | 41,805 | - | 479,703 | - | 366,380 | - | 2,578,434 |
| | 2,055,886 | 1,477,424 | 1,774,100 | 2,440,946 | 535,575 | 12,133,452 | 2,586,232 | 571,346 | 7,949,892 | - | 31,524,853 |
| **Annual Surplus (Deficit)** | $ (498,002) | $ (221,510) | $ 23,658 | $ 1,233,929 | $ 183,939 | $ 122,023 | $ (95,234) | $ (2,573) | $ (221,920) | $ 9,585 | $ 533,895 |