

**Saulteau First Nations
Consolidated Financial Statements**

March 31, 2024

Saulteau First Nations Contents

For the year ended March 31, 2024

	Page
Management's Responsibility	
Independent Auditor's Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Operating Surplus.....	2
Consolidated Statement of Remeasurement Gains and Losses.....	4
Consolidated Statement of Change in Net Financial Assets.....	5
Consolidated Statement of Cash Flows.....	6
Notes to the Consolidated Financial Statements.....	7
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	24
Schedule 2 - Consolidated Schedule of Consolidated Expenses by Object.....	25
Schedule 3 - Consolidated Schedule of Revenue and Expenses - Admin.....	26
Schedule 4 - Consolidated Schedule of Revenue and Expenses - Economic Development.....	29
Schedule 5 - Consolidated Schedule of Revenue and Expenses - Education.....	30
Schedule 6 - Consolidated Schedule of Revenue and Expenses - Family and Social Development.....	31
Schedule 7 - Consolidated Schedule of Revenue and Expenses - Health Services.....	32
Schedule 8 - Consolidated Schedule of Revenue and Expenses - Housing.....	33
Schedule 9 - Consolidated Schedule of Revenue and Expenses - Public Works and Asset Management.....	34
Schedule 10 - Consolidated Schedule of Revenue and Expenses - Recreation and Culture.....	35
Schedule 11 - Schedule of Recognition Of Indigenous Rights and Self-Determination.....	36
Schedule 12 - Schedule of Employment and Social Development Canada.....	37
Schedule 12A - Schedule of Employment and Social Development Canada - Employment Insurance.....	38
Schedule 12B - Schedule of Employment and Social Development Canada - Consolidated Revenue Fund.....	39
Schedule 13 - Condensed supplementary financial information Investment in Government Business Enterprises.....	40

Management's Responsibility

To the Chief and Council of Saulteau First Nations

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

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Saulteau First Nations Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

January 7, 2025



Michael F. Smith
Executive Director

To the Members of Saulteau First Nations:

Opinion

We have audited the consolidated financial statements of Saulteau First Nations and its subsidiaries (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and accumulated operating surplus, remeasurement gains and losses, remeasurement gains and losses, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2024, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Other Matter

The consolidated financial statement for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on August 28, 2024.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Grande Prairie, Alberta

January 7, 2025

MNP LLP

Chartered Professional Accountants

MNP

Saulteau First Nations
Consolidated Statement of Financial Position
As at March 31, 2024

	2024	2023
Financial assets		
Cash and cash equivalents (Note 3)	68,283,108	49,776,240
Accounts receivable (Note 4)	9,688,110	14,295,829
Long-term investments (Note 5)	1,113	1,113
Temporary investments (Note 6)	93,187,828	28,310,835
Advances to related parties (Note 7)	6,919,497	9,922,566
Investments in government business enterprises (Note 8)	20,356,763	24,799,851
Total of assets	198,436,419	127,106,434
Liabilities		
Accounts payable and accruals (Note 10)	7,834,293	3,805,020
Deferred revenue (Note 11)	2,624,104	1,832,762
Advances from related parties (Note 12)	2,048,490	2,069,140
Long-term debt (Note 13)	13,063,320	15,050,506
Total of financial liabilities	25,570,207	22,757,428
Net financial assets	172,866,212	104,349,006
Contingencies (Note 15)		
Subsequent events (Note 26)		
Non-financial assets		
Tangible capital assets (Schedule 1)	64,783,474	49,633,637
Prepaid expenses	188,484	181,785
Total non-financial assets	64,971,958	49,815,422
Accumulated surplus	237,838,170	154,164,428
Accumulated surplus is comprised of:		
Surplus (deficit)	235,025,526	152,815,438
Accumulated Remeasurement Gains	2,812,643	1,348,990
	237,838,169	154,164,428

Approved on behalf of the Council

Kathy Payette

Chief

Juritha Dene

Councillor

Saulteau First Nations
Consolidated Statement of Operations and Accumulated Operating Surplus
For the year ended March 31, 2024

	<i>Schedules</i>	<i>2024 Budget (Note 24)</i>	<i>2024</i>	<i>2023</i>
Revenue				
Federal Government Funding				
Indigenous Services Canada		8,158,280	7,938,968	8,337,731
Canadian Mortgage and Housing Corporation		68,600	437,428	50,698
Government of Canada		2,300,103	1,251,687	1,450,602
First Nations Health Authority		1,270,745	1,632,838	1,760,674
First Nation Land Management		-	142,621	-
Provincial Funding				
Provincial Funding		3,853,620	17,262,322	26,269,329
Ministry of Children and Family Development		-	98,014	-
BC Hydro		782,600	518,403	703,308
BC First Nations Gaming		500,000	789,351	786,484
Cumulative Impacts		50,000,000	48,222,355	15,496,747
Other revenue				
Reimbursements		165,000	91,196	698,096
Retail operations		60,000	77,183	106,164
Admin		-	67,545	37,001
Other grant and contributions				
Other land use and miscellaneous contracts		3,252,003	1,837,647	2,162,725
First Nations Education Steering Committee		163,087	364,536	291,166
BC Oil and Gas Commission		720,000	798,474	1,072,060
Revenue Sharing from Industry		5,730,503	3,888,762	3,488,987
Donations		-	1,017,529	970,060
Capacity Development and negotiation		295,000	(36,100)	330,000
North East Native Advancing Society		-	2,708	13,157
Investment income		2,500,000	5,925,636	1,267,202
Rental income		600,712	745,916	765,292
Legal settlement		-	1,327,484	-
		80,420,253	94,402,503	66,057,483
Program expenses				
Admin	3	6,368,153	13,694,453	12,345,696
Economic Development	4	3,460,762	3,879,506	2,417,516
Education	5	3,518,247	3,271,381	2,960,438
Family and Social Development	6	1,707,557	1,412,474	1,760,830
Health Services	7	1,860,351	2,390,062	1,755,291
Housing	8	2,376,227	3,196,172	2,138,687
Public Works and Asset Management	9	4,813,996	3,035,818	4,259,899
Recreation and Culture	10	2,911,841	839,366	885,101
Total expenditures		27,017,134	31,719,232	28,523,458
Operating surplus before other items		53,403,119	62,683,271	37,534,025

Continued on next page

Saulteau First Nations
Consolidated Statement of Operations and Accumulated Operating Surplus
For the year ended March 31, 2024

	<i>Schedules</i>	2024	2024	2023
Operating surplus before other items <i>(Continued from previous page)</i>		53,403,119	62,683,271	37,534,025
Other items				
Income (loss) from government business enterprises		131,380	(3,176,609)	236,521
Gain on sale of partnership units		-	428,052	-
Gain on sale of temporary investments		-	217,966	-
Treaty land entitlement received		120,645,027	120,824,032	-
Treaty land entitlement member distributions		(98,766,624)	(98,766,624)	-
		22,009,783	19,526,817	236,521
Operating surplus		75,412,902	82,210,088	37,770,546
Accumulated operating surplus, beginning of year		-	152,815,438	115,044,892
Accumulated operating surplus, end of year		75,412,902	235,025,526	152,815,438

Saulteau First Nations
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31, 2024

	2024	2023
Accumulated remeasurement gains, beginning of year	1,348,990	3,273,870
Unrealized gains (losses) attributable to temporary investments	1,463,653	(1,924,880)
Accumulated remeasurement gains, end of year	2,812,643	1,348,990

Saulteau First Nations
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2024

	2024 <i>Budget</i> <i>(Note 24)</i>	2024	2023
Annual surplus	75,412,902	82,210,088	37,770,546
Purchases of tangible capital assets	-	(16,584,426)	(9,592,322)
Amortization of tangible capital assets	-	1,434,588	1,390,322
	75,412,902	67,060,250	29,568,546
Acquisition of prepaid expenses	-	(6,698)	(79,984)
Net remeasurement gain (loss) for the year	-	1,463,653	(1,924,880)
	-	1,456,955	(2,004,864)
Increase in net financial assets	75,412,902	68,517,205	27,563,682
Net assets, beginning of year	-	104,349,007	76,785,324
Net financial assets, end of year	75,412,902	172,866,212	104,349,006

Saulteau First Nations
Consolidated Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating activities		
Operating surplus	82,210,088	37,770,546
Non-cash items		
Amortization	1,434,588	1,390,322
Bad debts	448,441	-
Income from government business enterprises	3,690,627	(236,521)
Net remeasurement gains (losses) for the year	1,463,653	(1,924,880)
	89,247,397	36,999,467
Changes in working capital accounts		
Accounts receivable	4,159,278	(9,437,466)
Prepaid expenses	(6,698)	(79,984)
Accounts payable and accruals	4,029,271	1,766,725
Deferred revenue	791,342	1,800,643
	98,220,590	31,049,385
Financing activities		
Advances of current portion of long-term debt	9,593,704	-
Repayment of long-term debt	(11,580,889)	(206,919)
	(1,987,185)	(206,919)
Capital activities		
Purchases of tangible capital assets	(16,584,426)	(9,592,322)
Investing activities		
Advances to related parties	(201,490)	(1,347,305)
Repayment of advances to related parties	3,183,911	-
Net change in temporary investments	(64,876,993)	8,033,399
Net change in government business enterprises	752,461	2,912,503
	(61,142,111)	9,598,597
Increase in cash resources	18,506,868	30,848,741
Cash resources, beginning of year	49,776,240	18,927,499
Cash resources, end of year	68,283,108	49,776,240

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

1. Operations

Saulteau First Nations (the "First Nation") is located in the province of British Columbia, and provides various services to its band members. Saulteau First Nations includes the First Nation's members and all related entities that are accountable to the First Nation and are either owned or controlled by the Nation. Saulteau First Nations is an Indian Band and, as such, is exempt from income tax under section 87 of the Indian Act.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada are consistent with accounting policies set out by the Department of Indigenous Services Canada. Significant aspects of the accounting policies adopted by the First Nation are as follows:

Reporting entity: consolidated

The financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for government business entities. Trusts administered on behalf of third parties by Saulteau First Nations are excluded from the Nation reporting entity.

The Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Nikanese Wah Tzee Stewardship Society (50% owned)
- 1225936 Limited Partnership (100% owned)
- The Linda Krystina Housing Society (100% controlled)

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Government business entities, owned or controlled by the Nation's Council but not dependent on the Nation for their continuing operations, are included in the 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 government business entity accounting principles 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:

- 4 Evergreen Resources Limited Partnership
- 4 Evergreen Resources Inc.
- Six Nations Ventures Limited Partnership
- Three Nations Ventures Limited Partnership
- Twin Sisters Native Plants Nursery Limited Partnership
- Saulteau Camp Services Limited Partnership
- Saulteau Camp Services Ltd.
- 4 Evergreen Harvesting Incorporated
- Saulteau Resources Ventures Limited Partnership
- Saulteau Resource Ventures Ltd.
- Sukunka Wind Project Limited Partnership
- Sukunka Wind Project (GP) Ltd.
- Mistahiya Development Corporation
- Saulteaux Green Energy Limited Partnership
- Saulteaux Green Energy Ltd.
- Saulteau Communications Limited Partnership
- Saulteau Communications (GP) Ltd.
- 1225936 BC (GP) Ltd.
- Aski Reclamation Limited Partnership

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

2. Significant accounting policies *(Continued from previous page)*

Reporting entity: *(Continued from previous page)*

- 1202370 Limited Partnership
- 1202370 BC Ltd.
- Atooskee Energy Services Limited Partnership
- North Wind Supplies Limited Partnership
- 1142616 BC Ltd.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less.

Long-term investments

The First Nation's investment in the following entities which are not controlled, are recorded at cost.

- First Nations Pipeline Limited Partnership
- Little Prairie Community Forest Inc.
- BC First Nations Gaming Limited Partnership

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

Deferred revenue

Funding received under funding arrangements relating to projects that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt. These amounts are recognized in revenue in the year the project costs are incurred.

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, 2024.

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.

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

2. Significant accounting policies *(Continued from previous page)*

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life. One half of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for use.

When conditions indicate that a tangible capital asset no longer contributes to the Nation's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the Nation reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

Amortization

Social housing assets acquired under Canada Mortgage and Housing Corporation ("CMHC") sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long-term debt. Amortization for other tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Buildings	25-50 years
Machinery and equipment	3-20 years
Engineering structures	15-25 years
Automotive	10 years

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Long-lived assets and discontinued operations

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

Asset classification

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

Net financial assets

The Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated operating surplus.

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

2. Significant accounting policies *(Continued from previous page)*

Fair value measurements

The Nation classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the Nation to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

Asset retirement obligation(s)

A liability for an asset retirement obligation reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the year in which they become known.

Segments

The First Nation conducts its business through eight reportable segments: Administration, Economic Development, Education, Family and Social Development, Health Services, Housing, Public Works, Recreation and Culture. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Government Transfers

The 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 a liability. In such circumstances, the Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

The Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the Nation records externally restricted inflows in deferred revenue.

Other revenue and contributions

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the purpose specified.

Rental revenue is recognized when the services are provided to tenants, and collection is reasonably assured. When rental payments are received in advance of contracted services, the Nation records this as deferred revenue.

Interest income on loans receivable and on funds held in trust are recorded as revenue when received by the First Nation.

Royalty revenue and revenues from other land use and miscellaneous contracts is recognized on an accrual basis when services are provided, and collection is reasonably assured. When payments are received in advance of contracted services, the First Nation records this as deferred revenue.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

2. Significant accounting policies *(Continued from previous page)*

Statement of Remeasurement Gains and Losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the statement of operations. The statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the statement of remeasurement gains and losses. Taken together, the two statements account for changes in a Nation's net assets (liabilities) in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to all financial instruments are reported in the statement of operations.

3. Cash and cash equivalents

	2024	2023
Cash and cash equivalents	68,283,108	49,776,240

During the year the Nation designated \$454,465 (2023 – \$226,972) of cash that is externally restricted.

	2024	2023
CMHC Operating and Replacement reserves	411,677	183,512
Ottawa Trust Fund - Capital (Note 21)	42,787	42,787
Ottawa Trust Fund - Revenue (Note 21)	-	673
	454,464	226,972

Replacement Reserves

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the Replacement Reserve account is to be credited annually by \$5,000 (2023 - \$5,000) as specified by CMHC. 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. Withdrawals are credited to interest first and then principal.

4. Accounts receivable

	2024	2023
Accounts receivable - Saulteau First Nations	9,266,517	14,089,391
Accounts receivable - Linda Krystina Housing Society	161,736	-
Goods and Services Tax receivable	254,639	132,262
Accounts receivable - Housing	520,658	588,712
	10,203,550	14,810,365
Less: Allowance for doubtful accounts	515,440	514,536
	9,688,110	14,295,829

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

5. Long-term investments

	2024	2023
First Nations Pipeline Limited Partnership	1,000	1,000
Little Prairie Community Forest Inc.	3	3
BC First Nations Gaming Limited Partnership	110	110
	1,113	1,113

6. Temporary investments

	2024	2023
Temporary Investments	93,187,828	28,310,835

Temporary investments includes equity investments recorded at fair value of \$16,127,770 (2023 - \$18,365,833), bonds of \$11,306,191 (2023 - \$9,029,372) and fixed income investments recorded at amortized cost of \$616,034 (2023 - \$556,226).

Temporary investments also includes four (2023 - one) term deposits which consists of cashable GIC's, maturing between 6 and 24 months at interest rates of 3.30% to 5.84% per annum (2023 - 18 month cashable GICs at rates at 0.60% per annum), which will begin to mature in April 2024.

7. Advances to related parties

Advances to related parties are unsecured, non-interest bearing, and have no set terms of repayment.

	2024	2023
1142616 BC Ltd.. related by virtue of being a shareholder	4,417,876	5,568,393
Mistahiya Development Corporation, related by virtue of being a shareholder	1,314,542	3,183,864
North Wind Supply Limited Partnership, related by virtue of being a partner	10,570	-
Saulteau Camp Services (GP) Ltd., related by virtue of being a shareholder	502,193	500,493
Saulteau Camp Services Limited Partnership, related by virtue of being a partner	4,500	-
4 Evergreen Harvesting Inc., related by virtue of being a shareholder	946	946
Twin Sisters Native Plants Nursery Limited Partnership, related by virtue of being a partner	281,802	281,802
Aski Reclamation Limited Partnership, related by virtue of being a partner	387,068	387,068
	6,919,497	9,922,566

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

8. Investments in government business entities

	2024	2023
4 Evergreen Resources Limited Partnership (99.99%)	14,477,589	19,473,002
4 Evergreen Resources Inc. (100%)	1	1
Six Nations Ventures Limited Partnership (16.66%)	471,926	335,517
Three Nations Ventures Limited Partnership (33.33%)	155,142	155,142
Twin Sisters Native Plants Nursery Limited Partnership(49.99%)	176,292	28,840
Saulteau Camp Services Limited Partnership (99.99%)	375,101	143,795
Saulteau Camp Services (GP) Limited (100%)	1	1
4 Evergreen Harvesting Incorporated (100%)	1	1
Saulteau Ventures Limited Partnership (99.99%)	3,399,769	3,399,019
Saulteau Resource Ventures (GP) Ltd. (100%)	1	1
1142616 BC Ltd. (100%)	(617,420)	(489,328)
Sukunka Wind Project Limited Partnership (85%)	2,699,178	3,575,966
Sukunka Wind Project (GP) Ltd. (100%)	1	1
Saulteau Development Corp. (100%)	120	120
Mistahiya Development Corporation (100%)	15,950	1
Saulteaux Green Energy Limited Partnership (99.99%)	100	100
Saulteaux Green Energy Ltd. (100%)	1	1
Saulteau Communications Limited Partnership (99.99%)	100	100
Saulteau Communications (GP) Ltd. (100%)	1	1
1225936 BC (GP) Ltd. (100%)	1	1
Aski Reclamation Limited Partnership (100%)	(103,550)	(553,448)
1202370 Limited Partnership (50%)	50	50
1202370 BC Ltd. (50%)	1	1
Atooskee Energy Services Limited Partnership (99%)	(88,742)	(89,877)
North Wind Supplies Limited Partnership (99.99%)	(604,851)	(1,179,157)
	20,356,763	24,799,851

4 Evergreen Resources Limited Partnership

The principal purpose of 4 Evergreen Resources Limited Partnership ("4EG") is providing contract services for the oil and gas, timber and road construction industries.

4 Evergreen Resources Inc.

The principle purpose of 4 Evergreen Resources Inc. is to act as the general partner of the 4 Evergreen Resources Limited Partnership.

Six Nations Ventures Limited Partnership

Six Nations Ventures Limited Partnership is a partnership of Blueberry River First Nations, Doig River First Nation, Halfway River First Nation, Prophet River First Nation, Saulteau First Nations, West Moberly First Nations and Six Nations Ventures Inc. This partnership operates a log sort yard on a contract basis in Fort St. John, British Columbia.

Three Nation Ventures Limited Partnership

Three Nations Ventures Limited Partnership is a limited partnership of the Saulteau First Nations, Blueberry First Nations, West Moberly First Nations, and Three Nations Ventures Inc. This partnership operates predominantly in the forestry sector and operates a log sort yard. There was no activity in the current year.

Twin Sisters Native Plants Nursery Limited Partnership

Twin Sisters Native Plants Nursery Limited Partnership is a limited partnership of the Saulteau First Nations. The principal purpose is to provide plant growing and seed collecting services.

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

8. Investments in government business entities *(Continued from previous page)*

Saulteau Camp Services Limited Partnership

Saulteau Camp Services Limited Partnership is a limited partnership of the Saulteau First Nations. The principle purpose is the collection of interest payments.

Saulteau Camp Services Ltd.

The principle purpose of Saulteau Camp Services Ltd. is to act as the general partner of the Saulteau Camp Services Limited Partnership.

4 Evergreen Harvesting Incorporated

4 Evergreen Harvesting Incorporated was inactive for the fiscal period ended, and as a result has not been included in the accompanying table below. There was no activity in the current year.

Saulteau Resource Ventures Limited Partnership

Saulteau Ventures Limited Partnership is a limited partnership of the Saulteau First Nations. The principal purpose is identifying and participating in opportunities available to the Saulteau First Nations for the supply of goods and services.

Saulteau Resource Ventures Ltd.

The principle purpose of Saulteau Resource Ventures Ltd. is to act as the general partner of the Saulteau Ventures Limited Partnership.

1142616 BC Ltd.

The principal purpose of 1142616 BC Ltd. is holding land and real estate investments on behalf of Saulteau First Nations.

Sukuna Wind Project Limited Partnership

Sukuna Wind Project Limited Partnership is a limited partnership of the Saulteau First Nations and Natural Forces Assets Limited Partnership. The principle purpose is to develop, construct, and operate renewable energy projects.

Sukuna Wind Project (GP) Ltd.

The principle purpose of Sukuna Wind Project (GP) Ltd. is to act as the general partner of the Sukuna Wind Project Limited Partnership.

Mistahiya Development Corporation

The principle purpose of Mistahiya Development Corporation is to oversee and manage those Saulteau First Nations business interests directed to it by the Saulteau First Nations including, if necessary, holding title to and maintaining assets on behalf of and for the benefit of the Saulteau First Nations.

Saulteaux Green Energy Limited Partnership

Saulteaux Green Energy Limited Partnership is a limited partnership of the Saulteau First Nations. The principle purpose of Saulteaux Green Energy Limited Partnership is to develop and progress clean energy projects for the Saulteau First Nations. There was no activity in the current year.

Saulteaux Green Energy Ltd.

The principle purpose of Saulteaux Green Energy Ltd. is to act as the general partner of the Saulteaux Green Energy Limited Partnership. There was no activity in the current year.

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

8. Investments in government business entities *(Continued from previous page)*

Saulteau Communications Limited Partnership

Saulteau Communications Limited Partnership is a limited partnership of the Saulteau First Nations. The principle purpose of Saulteau Communications Limited Partnership is to bring fibre optic cable to members of the Saulteau First Nations. There was no activity in the current year.

Saulteau Communications (GP) Ltd.

The principle purpose of Saulteau Communications (GP) Ltd. is to act as the general partner of the Saulteau Communications Limited Partnership. There was no activity in the current year.

1225936 BC (GP) Ltd.

The principle purpose of 1225936 BC (GP) Ltd. is to act as the general partner of the 1225936 Limited Partnership. There was no activity in the current year.

Aski Reclamation Limited Partnership

Aski Reclamation Limited Partnership is a limited partnership of the Saulteau First Nations. The principle purpose of Aski Reclamation Limited Partnership is to provide reclamation services to the oil and gas and public sectors.

1202370 BC Limited Partnership

1202370 Limited Partnership is a limited partnership of the Saulteau First Nations and West Moberly First Nations. The principle purpose of the 1202370 BC Limited Partnership was to run a health centre. This project is currently inactive.

1202370 BC Ltd.

The principle purpose of the 1202370 BC Ltd. is to act as the general partner of the 1202370 BC Limited Partnership.

Atooskee Energy Services Limited Partnership

Atooskee Energy Services Limited Partnership is a limited partnership of Saulteau First Nations. The principle purpose of the partnership is to run a fuel card lock.

North Wind Supplies Limited Partnership

North Wind Supplies Limited Partnership is a limited partnership of Saulteau First Nations. The principle purpose of the partnership is to run an industrial supply store.

Please refer to Schedule 13 for condensed supplementary financial information relative to the entities noted above, including total assets and liabilities, net assets, and total revenues and expenses.

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

9. Bank indebtedness

The First Nation has the following credit facilities with TD:

Facility 1: A committed reducing term facility of \$6,798,000 (2023 - \$6,798,000) of which \$6,530,666 (2023 - \$nil) was drawn on at year-end and included in Note 13;

Facility 2: A committed reducing term facility of \$1,952,694 (2023 - \$1,952,694) of which \$1,782,728 (2023 - \$nil) was drawn on at year-end and included in Note 13;

Facility 3: A committed reducing term facility of \$940,000 (2023 - \$940,000) of which \$903,034 (2023 - \$nil) was drawn on at year-end and included in Note 13;

Facility 4: A demand loan facility of \$2,500,000 (2-23 - \$2,500,000) of which \$nil (2023 - \$nil) was drawn on at year-end. The credit facility bears interest at the current prime rate per annum (2023 - prime rate);

Facility 5: A demand loan facility of \$10,000,000 (2-23 - \$10,000,000) of which \$nil (2023 - \$nil) was drawn on at year-end. The credit facility bears interest at the current prime rate per annum (2023 - prime rate);

Facility 6: A committed reducing term facility with a maximum limit of \$10,000,000 (2023 - \$10,000,000) of which \$nil (2023 - \$nil) was drawn on at year-end. The amount drawn on facility 5 and 6 cannot combined exceed \$10,000,000.

The above facilities are secured by the following:

A) General security agreement representing a first charge on all Saulteau First Nations, Mountain Time Industrial Services Ltd. (related through direct ownership), North Wind Supplies Limited Partnership (related through the Nation being a limited partner), North Wind Supplies Ltd.'s (related through common ownership) present and after acquired personal property; and
B) CMHC Mortgage indenture from Saulteau First Nations;

Included in the consolidated financial statements is a committed term facility held by 1225936 Limited Partnership. The facility has a borrowing limit of \$2,500,000 (2023 - \$2,900,000), bearing interest at prime plus 0.25% (2023 - prime plus 0.25%) per annum. As at March 31, 2024, the balance outstanding is \$2,785,315 (2023 - \$2,900,000). The facility is secured by the following:

A) General security agreement from 12259936 Limited Partnership representing a first charge on all its present and after acquired personal property;
B) General assignment of rents and leases from 1225936 Limited Partnership covering property located at, 201 Highway 2, Dawson Creek, BC;
C) Continuing collateral mortgage, representing a first charged, in the principle amount of \$2,900,000 beneficially owned by and registered in the name of 1225936 Limited Partnership, on real property located at, 201 Highway 2, Dawson Creek, BC;
D) Band council resolution from Saluteau First Nations authorizing the unlimited guarantee;
E) Unlimited guarantee of advances executed by Saulteau First Nations
F) General security agreement from 1225936 BC Ltd., representing a first charge on all its present and after acquired personal property;
F) Unlimited guarantee on advances executed by 1225936 BC Ltd.,

In addition, the above facilities are subject to certain financial covenants calculated based on the consolidated year-end financial statements of Saulteau First Nation.

A) Maintain a debt service coverage of not less than 100%

As at March 31, 2024, the Nation is compliant with the above required financial covenant.

10. Accounts payable and accruals

Included in accounts payable is \$60,395 (2023 - \$148,039) payable to Government agencies.

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

11. Deferred revenue

	2024	2023
Province of BC - ELCC Funding	220,057	266,204
BC Aboriginal Child Care Society Funding	-	204,257
Province of BC - MELT Funding	-	218,179
Province of BC - Child Care Funding	274,964	221,139
Indigenous Skills and Employment Training Program	-	364,603
Ministry of Childern and Family Development	-	341,318
CRI FireSmart Community Funding	150,000	67,358
Indigenous Services Canada funding	1,156,961	-
Indigenous Watersheds Initiative funding	272,099	-
Community and Employer Partnerships funding	120,233	-
Ministry of Water Land and Resources funding	325,000	-
First Nations Health Authority funding	50,000	-
Other funding	54,790	149,704
	2,624,104	1,832,762

12. Advances from related parties

	2024	2023
4 Evergreen Resources Limited Partnership, , related by virtue of being a partner	-	5,180
Saulteau Development Corporation, related by virtue of being a shareholder	120	120
Three Nation Ventures Limited Partnership, related by virtue of being a partner	148,500	148,500
Saulteau Resource Ventures Limited Partnership, related by virtue of being a partner	317,612	317,612
Saulteau Resource Ventures (GP) Limited, virtue of being a shareholder	1,582,258	1,584,508
Atooksee Energy Services Limited Partnership, related by virtue of being a partner	-	13,120
North Wind Supplies Limited Partnership, related by virtue of being a partner	-	100
	2,048,490	2,069,140

13. Long-term debt

	2024	2023
TD term loan, bearing interest at 5.80% per annum, payable in blended monthly instalments of \$56,637, due April 2024, secured by facility noted in Note 9	6,530,666	-
Bank of Montreal term loan, bearing interest at prime plus 0.25% (2023 - 0.75%) per annum, payable in blended monthly instalments of \$24,054 (2023 - interest only), due April 2024, secured by land with a book value of \$2,968,336 (2023 - \$2,968,336)	2,785,315	-
TD term loan, bearing interest at 5.80% per annum, payable in blended monthly instalments of \$15,461, due April 2024, secured by facility noted in Note 9	1,782,728	-
Royal Bank of Canada term loan, bearing interest at 3.64% (2023 - 3.64%) per annum, payable in blended monthly instalments of \$6,841 (2023 - \$6,841), due April 2024	942,703	986,155
TD term loan, bearing interest at 5.80% per annum, payable in blended monthly instalments of \$7,832, due April 2024, secured by facility noted in Note 9	903,034	-
Royal Bank of Canada term loan, bearing interest at 5.01% (2023 - 5.01%) per annum, payable in blended monthly instalments of \$765 (2023 - \$795), due November 2027	57,970	64,068

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

13. Long-term debt *(Continued from previous page)*

	2024	2023
Royal Bank of Canada term loan, bearing interest at 7.70% (2023 - 7.95%) per annum, payable in blended monthly instalments of \$1,545 (2023 - \$1,500), due April 2024	43,518	52,590
Royal Bank of Canada term loan, bearing interest at 5.01% (2023 - 5.01%) per annum, payable in blended monthly instalments of \$260 (2023 - \$260), due September 2026	17,386	21,714
Term loan repaid in the year	-	179,003
Term loan repaid in the year	-	1,855,904
Term loan repaid in the year	-	1,253,072
Term loan repaid in the year	-	940,000
Term loan repaid in the year	-	6,798,000
Term loan repaid in the year	-	2,900,000
	13,063,320	15,050,506

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Total
2025	12,996,690
2026	9,170
2027	19,750
2028	37,710
	13,063,320

14. Defined benefit and contribution plans and other post-employment benefits

Defined contribution pension plan

The Nation has a defined contribution pension plan covering substantially all full-time employees. Contributions to the plan are based on fixed percentages of a participant's contributions up to a maximum amount per participant. The Nation contributions and corresponding expense totalled \$298,412 in 2024 (2023 - \$217,425).

15. Contingencies

From time to time, there are potential claims against the First Nation for incidents which arise in the ordinary course of business. In the opinion of management and legal counsel, the outcomes of the claims are not determinable at this time and cannot be estimated. Should any loss result from the resolution of these claims, such a loss will be charged to operations in the year of resolution.

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

16. Commitments

The First Nation has entered into various lease agreements with estimated minimum annual payments over the next five years as follows:

	Total
2025	114,698
2026	114,698
2027	114,698
2028	30,593
2029	-

17. Federal assistance payments

The Social Housing Fund receives federal assistance through CMHC, pursuant to Section 56.1 of the National Housing Act, to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of the assistance received for the year ended March 31, 2024 was \$437,428 (2023 - \$50,698).

18. Related party transactions

During the year, Saulteau First Nations paid a total of \$1,400 (2023 - \$nil) in fees to and collected a total of \$235,293 (2023 - \$287,428) in fees from 4 Evergreen Resources Limited Partnership for various contracted, consulting and rental services. Included in accounts payable is \$1,844,919 (2023 - \$nil) owing to 4 Evergreen Resources Limited Partnership and \$529 (2023 - \$nil) included in accounts receivable.

During the year, Saulteau First Nations paid a total of \$69,138 (2023 - \$69,556) in fees to North Wind Supplies Limited Partnership for renovations, repairs and maintenance, community events and program resources. Included in accounts payable is \$6,242 (2023 - \$nil) payable to North Wind Supplies Limited Partnership.

During the year, Saulteau First Nations paid a total of \$183,697 (2023 - \$23,019) in contracted services to Aski Reclamation Limited Partnership and collected \$27,960 (2023 - \$26,309) in contract and rental fees. Included in accounts payable is \$75,039 (2023 - \$129,309) payable to Aski Reclamation Limited Partnership and \$3,444 (2023 - \$nil) included in accounts receivable.

During the year, Saulteau First Nations collected a total of \$29,711 (2023 - \$nil) from Sukunka Wind Project Limited Partnership for donations.

During the year, Saulteau First Nations paid a total of \$5,546 (2023 - \$nil) in contract services to Twin Sisters Native Plant Nursery Limited Partnership.

These transactions were conducted in the normal course of operations and were measured at the estimated carrying amount which approximates fair value.

19. Settlement claims

Royal Trust Corporation of Canada ("Trustee") holds \$9,982,744 (2023 - \$10,290,582) in trust for members of the Nation for the purpose of receiving and disbursing settlement funds to members not yet eligible to receive, or who have not yet come forward to receive their proportionate share of the settlement funds. These trust assets have not been included in these consolidated financial statements as the funds are held and administered by the Trustee for the members as primary beneficiaries.

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

20. Loan guarantees

The Nation has guaranteed two lines of credit for 4 Evergreen Resources Limited Partnership of up to \$9,000,000 and \$8,000,000 (2023 - \$9,000,000 and \$8,000,000) with interest rates of prime plus 0.75% and prime plus 0.50%, respectively, (2023 - prime plus 0.75% and prime plus 0.50%) per annum. At March 31, 2024, the balance owing was \$3,099,124 (2023 - \$1,146,199).

The Nation has guaranteed a line of credit for Twin Sisters Native Plants Nursery Limited Partnership in the amount of \$300,000 (2023 - \$300,000), with an interest rate of prime plus 2.30% (2023 - prime plus 2.30%) per annum. At March 31, 2024, the balance owing was \$67,989 (2023 - \$90,113).

The Nation has a credit facility with BMO for an on reserve home loan program of up to a maximum of \$2,500,000 in guarantees, of which \$1,598,712 (2023 - \$1,508,058) has been utilized.

The Nation has guaranteed a real estate financing loan for 1142616 BC Ltd. in the amount of \$875,000, with an interest rate of prime plus 0.75% per annum. At March 31, 2024, \$nil (2023 - \$783,291) of the loan was outstanding.

The Nation guaranteed a real estate financing loan for 1225936 Limited Partnership in the amount of \$2,900,000, with an interest rate of prime plus 0.25% (2023 - prime plus 0.75%) per annum. As at March 31, 2024, the balance owing was \$2,785,315 (2023 - \$2,900,000).

The Nation guaranteed a demand operating loan for North Wind Supplies Limited Partnership in the amount of \$50,000, with a prime interest rate (2023 - prime interest) per annum. As at March 31, 2024, the balance owing was \$nil (2023 - nil).

The Nation guaranteed a committed reducing term facility for Aski Reclamation Limited Partnership in the amount of \$86,369 (2023 - \$56,000), with an interest rate of prime plus 0.25% (2023 - prime plus 0.25%) and an operating loan with a limit of \$500,000, with an interest rate of prime plus 0.25% (2023 - prime plus 0.75%) per annum. As at March 31, 2024, the balance owing was \$79,408 (2023 - \$49,000) and \$188,478 (2023 - \$91,509), respectively.

The Nation guaranteed two committed reducing term facility for 1142616 BC Ltd., in the amount of \$1,296,315 (2023 - \$1,296,315) and \$831,000 (2023 - \$831,000), with an interest rate of prime plus 0.25% (2023 - prime plus 0.25%). As at March 31, 2024, the balance owing was \$1,962,970 (2023 - \$nil) and \$nil (2023 - \$nil).

21. Ottawa 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	2023	Additions	Withdrawals	2024	2023
Capital	42,787	-	-	42,787	42,787
Revenue	673	735	(673)	735	673
Total	43,460	735	(673)	43,522	43,460

22. Financial Instruments

The First Nation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the First Nation's risk exposure and concentration as of March 31, 2024, which remain significantly unchanged compared to the prior year.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The carrying amount of the Nation's financial instruments best represents the maximum exposure to credit risk.

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

22. Financial Instruments *(Continued from previous page)*

Risk management

The Nation manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

A credit concentration exists relating to trade accounts receivable. Accounts receivable from one customer (2023 - one customer) in connection with government funding represents 63% (2023 - 51%) of total accounts receivable as at March 31, 2024. The balance of accounts receivable is widely distributed among the remainder of the Nation's large customer base.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation is exposed to this risk mainly in respect of its receipt of funds from its accounts payable, advances from related parties and long term debt. It is the First Nation's intention to meet its financial obligations through the collection of current accounts receivable, cash on hand and future funding from government agencies. The First Nation mitigates liquidity risk by ensuring it documents when authorized payments become due and monitors cash balances and cash flows generated from investments against its anticipated, committed and contemplated outflows.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the Nation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Nation is not exposed to foreign currency exchange risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure through its normal operating and financing activities. The First Nation is exposed to interest rate risk primarily through its floating interest rate credit facilities and temporary investments.

Other price risk

The Nation's investments in publicly-traded securities exposes the First Nation to price risks as such investments are subject to price changes in an open market due to market movements, global markets and changes to market rates of interest. The First Nation reduces its exposure to other price risk by diversifying its investment portfolio.

23. Segments

The Saulteau First Nations is a government institution that provides a range of programs and services to its members, including social, education, health, housing, public works and economic activities. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided for departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information.

24. Budget information

The budget was adopted by Chief and Council on June 7, 2023. It was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated use of administration fee revenue billed between programs to reduce current year expenditures in excess of current year revenues.

Saulteau First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

25. Comparative figures

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

26. Subsequent event

Subsequent to year-end, the Nation finished the construction of the cultural center. The building was completed in July 2024 with a cost of approximately \$26,000,000. The cultural center is included in assets under construction as at March 31, 2024.

On April 1, 2024 the company purchased 40% benefit ownership in Dlez NGL Limited Partnership for \$125,000