

**Tzeachten First Nation
Consolidated Financial Statements**

March 31, 2024

Tzeachten First Nation Contents

For the year ended March 31, 2024

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To the Members of Tzeachten First Nation:

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2024, and the results of its operations, its remeasurement gains and losses, changes in its net financial assets and its 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 Financial Statements section of our report. We are independent of the First 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 Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- 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 First 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 First 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 First 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.

Chilliwack, British Columbia

July 29, 2024

MNP LLP

Chartered Professional Accountants

MNP

Tzeachten First Nation
Consolidated Statement of Financial Position
As at March 31, 2024

	2024	2023
Financial assets		
Cash and cash equivalents	36,558,118	19,946,930
Accounts receivable (Note 6)	806,204	953,431
Portfolio investments (Note 5)	270,999	6,769,282
Restricted cash (Note 4)	1,140,420	1,054,854
Investment in Nation business entities (Note 7)	15,318,403	14,529,223
Total of assets	54,094,144	43,253,720
Liabilities		
Accounts payable and accruals	3,500,644	2,140,868
Deferred revenue (Note 8)	11,078,129	9,754,521
Minors Trust Fund	1,140,420	1,064,561
Long-term debt (Note 9)	10,144,825	8,699,657
Total of financial liabilities	25,864,018	21,659,607
Net financial assets	28,230,126	21,594,113
Guarantees (Note 10)		
Non-financial assets		
Tangible capital assets (Note 1)	40,062,177	32,444,591
Prepaid expenses	367,398	106,836
Total non-financial assets	40,429,575	32,551,427
Accumulated surplus	68,659,701	54,145,540
Accumulated surplus is comprised of:		
Surplus (Note 12)	68,420,884	54,533,152
Accumulated Remeasurement Gains (Losses)	238,817	(387,612)
	68,659,701	54,145,540

Approved on behalf of the Council

Chief

Councillor

Councillor

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

	<i>Schedules</i>	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
Revenue				
Indigenous Services Canada		2,589,182	3,098,837	2,881,555
Tzeachten Investment Income (Loss)		1,384,809	2,200,041	1,718,085
Canada Mortgage and Housing Corporation		7,551,699	7,798,727	5,746
Property taxation		6,319,987	6,361,864	5,374,094
Home owners grants		(1,094,223)	(1,159,203)	(1,113,434)
Property transfer tax		2,367,323	2,438,297	2,745,465
Development Cost Charge Equivalents		929,223	1,725,400	1,620,632
Interest income		197,828	1,178,283	897,005
Tzeachten Sales Tax		625,384	715,436	397,410
Province of B.C.		250,000	442,225	458,693
Other income		25,000	536,268	309,917
Rental income		257,559	516,946	447,231
Application and registry fees		475,080	427,399	437,998
New Relationship Trust		-	336,000	-
Sto:lo Nation		121,166	215,202	90,996
First Nations Education Steering Committee		35,000	-	80,509
Lands settlement		185,752	139,752	209,752
FN Land Management Resource Centre Inc		180,000	62,957	90,000
BC Hydro		40,500	44,511	40,511
Donations		10,000	21,200	22,650
Community Contributions		10,000	10,000	467,703
Environment Canada		-	-	100,000
Loss on sale of tangible capital assets		-	(50,274)	(157,134)
		22,461,269	27,059,868	17,125,384
Program expenses				
Governance	2	3,246,100	4,411,474	3,521,986
Facilities and Programs	3	1,658,392	1,778,424	1,457,316
Lands Management & Taxation	4	5,239,911	3,932,079	3,981,459
Public Works and Housing	5	891,497	1,778,912	1,054,938
Capital Fund	6	988,600	1,271,247	1,060,338
Total expenditures		12,024,500	13,172,136	11,076,037
Surplus		10,436,769	13,887,732	6,049,347
Accumulated operating surplus, beginning of year		54,533,152	54,533,152	48,483,805
Accumulated operating surplus, end of year		64,969,921	68,420,884	54,533,152

The accompanying notes are an integral part of these consolidated financial statements

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

	2024	2023
Accumulated remeasurement gains (losses), beginning of year	(387,612)	-
Unrealized gains (losses) attributable to:		
Portfolio investments	590,436	(357,224)
Amounts reclassified to the statement of operations:		
Portfolio investments	35,993	(30,388)
Change in remeasurement gains (losses), for the year	626,429	(387,612)
Accumulated remeasurement gains (losses), end of year	238,817	(387,612)

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

	2024 Budget	2024	2023
Annual surplus			
Purchase of tangible capital assets	10,436,769	13,887,732	6,049,347
Amortization of tangible capital assets	(22,291,479)	(8,852,353)	(4,879,380)
Non-cash loss (gain) on capital asset	639,000	1,184,493	999,523
Proceeds of disposal of tangible capital assets	-	50,274	157,134
Acquisition of prepaid expenses	-	-	100,000
Use of prepaid expenses	-	(367,398)	(106,836)
Change in remeasurement gains (losses) for the year	-	106,836	91,181
	-	626,429	(387,612)
Increase (decrease) in net financial assets	(11,215,710)	6,636,013	2,023,357
Net financial assets, beginning of year	21,594,113	21,594,113	19,570,756
Net financial assets, end of year	10,378,403	28,230,126	21,594,113

Tzeachten First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating activities		
Surplus	13,887,732	6,049,347
Non-cash items		
Amortization	1,184,493	999,523
Equity income from investments	(1,455,714)	(1,291,208)
Loss (gain) on disposal of asset and issuance of CPs	50,274	157,134
Change in remeasurement losses for the year	626,429	(387,612)
	14,293,214	5,527,184
Changes in working capital accounts		
Accounts receivable	147,227	(43,130)
Prepaid expenses	(260,562)	(15,655)
Accounts payable and accruals	1,359,775	(953,358)
Deferred revenue	1,323,607	(89,433)
Minors Trust Fund	75,859	81,876
	16,939,120	4,507,484
Financing activities		
Advances of long-term debt	5,795,989	1,196,420
Repayment of long-term debt	(4,350,821)	(132,654)
	1,445,168	1,063,766
Capital activities		
Purchase of tangible capital assets	(8,852,353)	(4,879,380)
Proceeds of disposal of tangible capital assets	-	100,000
	(8,852,353)	(4,779,380)
Investing activities		
Decrease in portfolio investments	6,498,284	71,455
Advances to Nation business entity	(260,000)	-
Distributions from Nation business entity	926,536	990,000
	7,164,820	1,061,455
Increase in cash resources	16,696,755	1,853,325
Cash resources, beginning of year	21,001,783	19,148,458
Cash resources, end of year	37,698,538	21,001,783

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

1. Operations

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

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

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

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

- Property Taxation

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.

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. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

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 First 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 First 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 surplus.

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. [Portfolio investments with prices quoted in an active market include cash bonds and equities.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records for all tangible capital assets. Contributed tangible assets are recorded at their fair value at the date of contribution.

When conditions indicate that a tangible capital asset no longer contributes to the First 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 First Nation reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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

Tangible capital assets *(Continued from previous page)*

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:

	Method	Years
Buildings	straight-line	40 years
Building and leasehold improvements	straight-line	10 years
Computers	straight-line	4 years
Equipment	straight-line	10 years
Land improvements	straight-line	10 years
Roads	straight-line	20 years
Signs	straight-line	10 years
Small and heavy equipment	straight-line	10 years
Vehicles	straight-line	5 years
Water	straight-line	50 years

Long-lived assets

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.

When the First Nation determines that a long-lived asset no longer has any long-term service potential to the First Nation, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

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.

Externally restricted revenue

The First 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 First Nation records externally restricted inflows in deferred revenue.

Tax revenue

The First Nation recognizes taxes as assets and revenue when they meet the definition of an asset; are authorized by a legislature, council, or legislative convention; and the taxable event has occurred.

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the First Nation evaluates the tax receivable for collectability and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

Own source revenue

Own source revenue derived from such sources as housing rents, resource based revenues, management fees, interest income, etc., is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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

Revenue recognition *(Continued from previous page)*

Investments

The First Nation uses the modified equity method to account for its investments in various business partnerships and corporations whereby the acquisition cost is increased by the First Nation's proportionate share of earnings. Investment income earned from portfolio investments is recognized in the period the income is earned.

Rental revenue

Rental revenue is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Measurement uncertainty

The preparation of 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 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.

Tax receivable

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. Tax receivables are evaluated as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Asset retirement obligations

A liability for asset retirement obligations 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 financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Segments

The First Nation conducts its operations through a number of reportable segments as described in Note 12. 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.

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), 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 best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The First 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.

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 First 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.

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 has not made such an election during the year.

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. 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.

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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

Financial instruments *(Continued from previous page)*

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.

3. Change in accounting policy

Effective April 1, 2023, the First Nation adopted the recommendations relating to the following accounting policy, as set out in the Canadian public sector accounting standards:

- PS 3400 Revenue

Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated. The adoption of PS 3400 did not have a material impact on the financial statements.

4. Restricted cash

Restricted cash consists of Minors Trust Fund in the amount of \$1,104,420 (2023 - \$1,054,854).

5. Portfolio investments

	2024	2023
BC First Nations Gaming Revenue Sharing LP - measured at cost	100	100
BC First Nations Gaming Sharing General Partner Ltd. - measured at cost	10	10
Portfolio investments managed by Connor, Clark & Lunn Private Capital Ltd. - measured at fair value	270,889	3,447,431
Portfolio investments managed by Leith Wheeler Investment Counsel Ltd. - measured at fair value	-	3,321,741
	270,999	6,769,282

6. Accounts receivable

Accounts receivable is comprised of the following:

	2024	2023
Accounts receivable	804,353	952,062
Due from Tzeachten First Nation members:		
Tzeachten housing rent receivable	2,311	1,829
Less: allowance for doubtful accounts	(460)	(460)
	1,851	1,369
	806,204	953,431

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

7. Investments in partnerships and government business entities

The First Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	2024
				<i>Total investment</i>
Not for Profit:				
Ch-ihl-kway-uhk Tribe Society	-	-	116,006	116,006
First Nation Government Business Enterprises				
Centre Creek Management Limited - 11%	10	-	-	10
Ch-ihl-kway-uhk Forest Ltd. - 13%	5,769	-	-	5,769
IndigeNATION Strategic Advisors Corporation - 25%	100	-	-	100
Seven Generation Environmental Services Ltd. - 17%	194,968	58,875	(160,987)	92,856
Shxw Kwimel Cha Management Ltd. - 100%	100	155,351	-	155,451
Ts'elxweyeqw Tribe Management Limited - 14%	10	-	-	10
Andmar Limited Partnership - 100%	260,000	-	-	260,000
Shxw Kwimel Cha Limited Partnership - 99%	3,308	9,915,229	925,319	10,843,856
Ts'elxweyeqw Tribe Limited Partnership - 14%	5	-	3,844,340	3,844,345
	464,270	10,129,455	4,608,672	15,202,397
	464,270	10,129,455	4,724,678	15,318,403

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

7. Investments in partnerships and government business entities *(Continued from previous page)*

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>2023</i>
				<i>Total investment</i>
Not for Profit:				
Ch-ihl-kway-uhk Tribe Society	-	-	99,038	99,038
First Nation Government Business Enterprises				
Centre Creek Management Ltd. - 11%	10	-	-	10
Ch-ihl-kway-uhk Forest Ltd. - 13%	5,769	-	-	5,769
IndigeNATION Strategic Advisors Corporation - 25%	100	-	-	100
Seven Generation Environmental Services Ltd. - 17%	194,968	58,876	(182,059)	71,785
Shxw Kwimel Cha Management Ltd. - 100%	100	155,351	-	155,451
Ts'elxweyeqw Tribe Management Ltd. - 14%	10	-	-	10
Centre Creek Limited Partnership - 11%	1	-	173,959	173,960
Ch-ihl-kway-uhk Forestry Limited Partnership - 13%	1	-	240,737	240,738
Shxw Kwimel Cha Limited Partnership - 99%	1	9,915,229	878,562	10,793,792
Ts'elxweyeqw Tribe Limited Partnership - 14%	1	-	2,988,569	2,988,570
	200,961	10,129,456	4,099,768	14,430,185
	200,961	10,129,456	4,198,806	14,529,223

Summary financial information for each business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Ts'elxweyeqw Tribe Limited Partnership</i>	<i>Shxw Kwimel Cha Limited Partnership</i>
	<i>As at December 31, 2023</i>	<i>As at December 31, 2023</i>
Assets		
Assets	28,755,429	11,028,848
Total assets	28,755,429	11,028,848
Liabilities		
Liabilities	2,533,697	9,915,229
Total liabilities	2,533,697	9,915,229
Partner's capital	26,221,732	1,113,619
Total revenue	5,116,813	89,667
Total expenses	1,367,671	3,292
Net income	3,749,142	86,375
Other comprehensive income	605,604	-
Comprehensive income	4,354,746	86,375

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

7. Investments in partnerships and government business entities *(Continued from previous page)*

Summary financial information for each business enterprise, accounted for using the portfolio investment method, for the respective year-end is as follows:

	<i>Centre Creek Management Ltd As at December 31, 2023</i>	<i>Ch-ihl-kway-uhk Forest Ltd. As at December 31, 2023</i>	<i>IndigeNATION Strategic Advisors Corporation As at December 31, 2023</i>	<i>Seven Generation Environmental Services Ltd. As at December 31, 2023</i>
Assets				
Assets	1	65,882	100	623,185
Total assets	1	65,882	100	623,185
Liabilities				
Liabilities	4,884	-	-	419,300
Total liabilities	4,884	-	-	419,300
Equity				
	(4,883)	65,882	100	203,885
Total revenue	1	49	-	793,776
Total expenses	-	-	-	667,344
Net income	1	49	-	126,432
Comprehensive income	1	49	-	126,432
	<i>Shxw Kwimel Cha Management Ltd. As at December 31, 2023</i>	<i>Ts'elxweyeqw Tribe Management Ltd. As at December 31, 2023</i>		
Assets				
Assets	147,455	443,148		
Total assets	147,455	443,148		
Liabilities				
Liabilities	162,351	94,920		
Total liabilities	162,351	94,920		
Equity				
	(14,896)	348,228		
Total revenue	16,867	858,289		
Total expenses	6,076	786,509		
Net income	10,791	71,780		
Comprehensive income	10,791	71,780		

8. Deferred revenue

Deferred revenue consists of prepaid land leases, prepaid property taxes, and prepaid rent.

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

9. Long-term debt

	2024	2023
First Nations Finance Authority, bearing interest at 5.3%, with monthly payments of \$9,005 plus interest.	5,795,989	-
First Nations Finance Authority, bearing interest at 2.6%, with monthly payments of \$8,156 plus interest	4,348,836	4,486,797
First Nations Finance Authority	-	4,212,860
	10,144,825	8,699,657

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:

2025	205,932
2026	205,932
2027	205,932
2028	205,932
2029	205,932

First Nation Finance Authority debt is secured by income distributions received from Shxw Kwimel Cha Limited Partnership investment and annual distributions received from BC First Nation Gaming Revenue Sharing LP.

10. Loan guarantees

Tzeachten First Nation has guaranteed RBC mortgages for members totalling \$227,827 (2023 - \$264,854). At March 31, 2024, no liability has been recorded associated with this guarantee.

11. Subsequent event

Subsequent to year, the First Nation agreed to purchase 50 acres of property for a consideration of \$23 million.

12. Accumulated operating surplus

Accumulated operating surplus consists of the following:

	2024	2023
Equity in capital replacement reserve	4,627,379	3,945,021
Equity in Nation Business Entities	15,318,403	14,529,223
Equity in tangible capital assets	30,284,750	23,744,934
Accumulated remeasurement surplus (loss)	238,817	(387,612)
Program surplus	18,190,352	12,313,974
	68,659,701	54,145,540

Tzeachten First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

13. Segments

Tzeachten First Nation receives revenues and incurs expenses from many different projects and sources. For management and reporting purposes, the revenues, expenses and surpluses or deficits are organized by segments. Schedule 2 discloses TzFN's revenues and expenses in the following segments:

Governance

Includes general operations, support, and financial management of TzFN and own source revenue.

Facilities and Programs

Includes revenues and expenditures related to maintenance of community infrastructure as well as revenue and expenses related to education and awareness through prevention programs and after school programs for the members of TzFN.

Lands Management and Taxation

Includes revenues and expenditures related to conservation and stewardship of TzFN's land and resources and revenues and expenditures related to property taxation.

Public Works and Housing

Includes rent collection and maintenance related to the mortgaged and non-mortgaged homes owned by TzFN as well as public works.

Capital

Includes capital replacement reserve, amortization, and maintenance related to the ongoing capital projects by TzFN.

14. Financial Instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The First Nation is exposed to interest rate price risk with respect to fixed rate GICs included in cash, fixed rate investments included in portfolio investments, and fixed rate mortgages included in long term debt.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The First Nation enters into transactions to purchase and sell portfolio investments for which the market price fluctuates.

Tzeachten First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2024

	<i>Land</i>	<i>Buildings</i>	<i>Housing units</i>	<i>Roads, water, and sewer</i>	<i>Vehicles</i>	<i>Small and heavy equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	4,196,294	12,748,270	11,346,060	6,326,918	413,813	132,559	35,163,914
Acquisition of tangible capital assets	23,190	4,751,696	3,696,835	-	48,251	11,942	8,531,914
Disposal of tangible capital assets	-	(5,870)	(133,701)	-	-	-	(139,571)
Balance, end of year	4,219,484	17,494,096	14,909,194	6,326,918	462,064	144,501	43,556,257
Accumulated amortization							
Balance, beginning of year	-	2,947,904	705,563	1,914,239	302,269	46,388	5,916,363
Annual amortization	-	469,836	276,837	206,804	54,723	12,908	1,021,108
Accumulated amortization on disposals	-	(5,870)	(89,418)	-	-	-	(95,288)
Balance, end of year	-	3,411,870	892,982	2,121,043	356,992	59,296	6,842,183
Net book value of tangible capital assets	4,219,484	14,082,226	14,016,212	4,205,875	105,072	85,205	36,714,074
2023 Net book value of tangible capital assets	4,196,294	9,800,366	10,640,497	4,412,679	111,544	86,171	29,247,551

Tzeachten First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2024

	<i>Subtotal</i>	<i>Land</i>	<i>Furniture and equipment</i>	2024	2023
Cost					
Balance, beginning of year	35,163,914	3,520,107	978,365	39,662,386	35,091,462
Acquisition of tangible capital assets	8,531,914	40,270	280,169	8,852,353	4,879,380
Disposal of tangible capital assets	(139,571)	-	(304,347)	(443,918)	(308,456)
Balance, end of year	43,556,257	3,560,377	954,187	48,070,821	39,662,386
Accumulated amortization					
Balance, beginning of year	5,916,363	444,739	856,693	7,217,795	6,269,594
Annual amortization	1,021,108	88,003	75,382	1,184,493	999,523
Accumulated amortization on disposals	(95,288)	-	(298,356)	(393,644)	(51,322)
Balance, end of year	6,842,183	532,742	633,719	8,008,644	7,217,795
Net book value of tangible capital assets	36,714,074	3,027,635	320,468	40,062,177	32,444,591
2023 Net book value of tangible capital assets	29,247,551	3,075,368	121,672	32,444,591	

Tzeachten First Nation
Schedule 2 - Segmented Information
For the year ended March 31, 2024

	Governance	Facilities and Programs	Lands Management and Taxation	Public Works and Housing	Capital	2024
Revenue						
ISC	\$ 519,184	\$ 886,410	\$ 678,228	\$ 1,015,015	\$ -	\$ 3,098,837
Other government	541,415	161,665	250,000	10,000	23,559	986,638
Economic activities and other	4,231,672	8,508,229	9,408,927	707,215	118,351	22,974,393
	5,292,271	9,556,304	10,337,155	1,732,230	141,909	27,059,868
Expenses						
Amortization	-	-	-	-	1,184,493	1,184,493
Operating expenses	2,365,297	679,019	1,007,295	1,394,832	80,754	5,527,199
Salaries, wages and benefits	1,057,641	629,481	330,125	374,392	-	2,391,637
Program and services delivery expenses	988,536	469,924	2,594,659	9,688	6,000	4,068,807
	4,411,474	1,778,424	3,932,079	1,778,912	1,271,247	13,172,136
Surplus (deficit) before transfers						
Surplus (deficit) before transfers	880,797	7,777,880	6,405,076	(46,682)	(1,129,338)	13,887,732
Transfers between programs	7,866,064	(10,156,932)	(6,990,733)	232,000	9,049,602	-
Annual surplus (deficit)	\$ 8,746,861	\$ (2,379,052)	\$ (585,657)	\$ 185,319	\$ 7,920,264	\$ 13,887,732

	Governance	Facilities and Programs	Lands Management and Taxation	Public Works and Housing	Capital	2023
Revenue						
ISC	\$ 433,987	\$ 779,009	\$ 1,092,944	\$ 575,615	\$ -	\$ 2,881,555
Other government	720,951	68,280	-	-	426,912	1,216,143
Economic activities and other	3,923,457	639,010	8,041,732	333,154	90,331	13,027,684
	5,078,396	1,486,299	9,134,676	908,769	517,243	17,125,384
Expenses						
Amortization	-	-	-	-	999,523	999,523
Operating expenses	1,677,717	669,931	1,366,819	750,031	50,315	4,514,813
Salaries, wages and benefits	910,824	526,969	247,470	304,907	-	1,990,171
Program and services delivery expenses	933,445	260,416	2,367,169	-	10,500	3,571,530
	3,521,986	1,457,316	3,981,459	1,054,938	1,060,338	11,076,037
Surplus (deficit) before transfers						
Surplus (deficit) before transfers	1,556,410	28,983	5,153,217	(146,169)	(543,095)	6,049,347
Transfers between programs	1,793,948	348,111	(5,485,044)	(344,530)	3,687,516	0
Annual surplus (deficit)	\$ 3,350,357	\$ 377,093	\$ (331,827)	\$ (490,700)	\$ 3,144,421	\$ 6,049,347