

TS'UUBAA-ASATX

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

TS'UUBAA-ASATX

CONSOLIDATED FINANCIAL STATEMENTS March 31, 2022

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TS'UUBAA-ASATX

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2022

The accompanying consolidated financial statements of Ts'uubaa-asatx and all the information in this annual report for the year ended March 31, 2022 are the responsibility of management and have been approved by the Chief and Council.

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

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

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


The Chief and Council review the Nation's financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report. (The Chief and Council take this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.)

The consolidated financial statements have been audited by Reid Hurst Nagy Inc. in accordance with Canadian generally accepted auditing standards on behalf of their members. Reid Hurst Nagy Inc. has full access to Chief and Council. Reid Hurst Nagy Inc. have full and free access to the council for information purposes.



Acting Chief


Administrator

Date


Date

Independent Auditors' Report

To the Members of
Ts'uubaa-asatx

Qualified Opinion

We have audited the consolidated financial statements of Ts'uubaa-asatx, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2022, and the results of its consolidated operations, its changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with PSAB.

Basis for Qualified Opinion

The financial information for Hul'q'humi'num Fisheries Limited Partnership, which is a related government business enterprise, were not available and have not been accounted for in the consolidated financial statements for the current year. In this respect, the financial statements are not in accordance with Canadian public sector accounting standards. We were not able to determine the adjustments that might have been necessary to investment in government business enterprises, liability in government enterprises, investment in government business partnerships, liability in government business partnerships, income (loss) from the government business enterprises, income (loss) from the government business partnerships, due to and from government business enterprises, due to and from government business partnerships, and the enterprises fund balance.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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 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 qualified 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 consolidated financial statements in accordance with PSAB, 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 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.

Auditors' 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 auditors' 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 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 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 auditors' 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 auditors' 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 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 Group 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.



Reid Hurst Nagy Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS

Richmond, B.C.
May 25, 2023


TS'UUBAA-ASATX

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at March 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash	\$ 3,718,700	\$ 514,205
Restricted cash (Note 3)	2,025	1,934
Accounts receivable (Note 4)	2,028,855	114,227
Loans receivable (Note 5)	1,500,000	-
Rents receivable	1,250	-
Due from related party (Note 6)	-	1,005,385
Long-term investments (Note 7)	2,232,541	626,629
	9,483,371	2,262,380
LIABILITIES		
Accounts payable (Note 10)	710,709	330,122
Deferred revenue (Note 11)	2,038,857	907,158
Replacement reserve fund (Note 12)	54,000	6,000
Due to related parties (Note 6)	52	-
Long-term debt (Note 13)	351,863	381,121
	3,155,481	1,624,401
NET FINANCIAL ASSETS	6,327,890	637,979
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	5,461,571	4,611,565
Prepaid expenses	13,104	13,104
	5,474,675	4,624,669
ACCUMULATED SURPLUS	\$ 11,802,565	\$ 5,262,648

APPROVED ON BEHALF OF THE TS'UUBAA-ASATX

 , Acting Chief

 , Administrator

TS'UUBAA-ASATX

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended March 31, 2022

	2022 Budget	2022 Actual	2021
ANNUAL SURPLUS	\$ 313,467	\$ 6,539,917	\$ 1,284,609
Acquisition of tangible capital assets	-	(1,212,214)	(192,254)
Amortization of tangible capital assets	-	327,566	192,254
Loss on disposal of assets	-	7,642	-
Proceeds on disposal of tangible capital assets	-	27,000	-
	-	(850,006)	-
Acquisition of prepaid asset	-	(13,104)	(13,104)
Use of prepaid asset	-	13,104	291,431
	-	-	278,327
Acquisition of capital assets	-	(327,563)	(2,347,037)
Use of capital assets	-	327,563	192,254
	-	-	(2,154,783)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	313,467	5,689,911	(591,847)
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	-	637,979	1,229,826
NET FINANCIAL ASSETS AT END OF YEAR	\$ -	\$ 6,327,890	\$ 637,979

TS'UUBAA-ASATX

CONSOLIDATED SUMMARY STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31, 2022

	2022 Budget	2022 Actual	2021 Actual
REVENUE			
Indigenous Services Canada	\$ 378,782	\$ 963,844	\$ 1,120,197
BC Aboriginal Child Care Society	-	157,299	71,500
BC First Nation Gaming Limited Partnership	-	144,085	252,077
Claim settlement	-	4,638,491	-
Dept. of Fisheries	30,000	1,163,466	80,000
First Nations Health Authority	332,374	1,018,734	379,853
Federal Government	-	100,000	-
Province of BC	135,000	140,124	244,440
Share of income from controlled entities	-	1,605,912	-
Property tax assessed	-	30,927	-
Treaty negotiation support agreement	150,000	150,000	150,000
Kwumut Lelum Child and Family Services	57,000	57,000	57,000
Rental	57,002	61,335	50,016
Other	602,570	661,617	283,473
	1,742,728	10,892,834	2,688,556
EXPENSES			
Governance and administration	331,800	1,460,550	629,548
Social development	97,306	586,597	68,586
Health services	275,000	121,818	161,663
Education and training	130,300	91,974	93,723
Public works	76,400	59,266	51,110
Lands and treaty	324,200	295,743	102,126
Economic development	15,000	20,050	(200,555)
Capital project	-	27,500	30,695
Social housing	53,350	97,259	67,125
First Nation Negotiation Support Agreement	125,905	152,343	125,396
Ottawa trust fund	-	69	195
Capital fund	-	308,050	238,873
	1,429,261	3,221,219	1,368,485
ANNUAL SURPLUS BEFORE EXPENSES	313,467	7,671,615	1,320,071
OTHER			
Transfer to deferred revenue	-	(2,038,856)	(907,158)
Transfer from deferred revenue	-	907,158	871,696
	-	(1,131,698)	(35,462)
ANNUAL SURPLUS	313,467	6,539,917	1,284,609
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	-	5,262,648	3,978,039
ACCUMULATED SURPLUS AT END OF YEAR	\$ 313,467	\$ 11,802,565	\$ 5,262,648

TS'UUBAA-ASATX

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
ANNUAL SURPLUS	\$ 6,539,917	\$ 1,284,609
Items not affecting cash		
Amortization of tangible capital assets	327,566	238,873
Loss on disposal of tangible capital assets	7,468	-
Share of income from controlled entities	(1,694,326)	-
	5,180,625	1,523,482
Change in non-cash operating working capital	(355,600)	528,570
	4,825,025	2,052,052
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,212,214)	(2,440,673)
Proceeds on disposal of tangible capital assets	27,000	47,021
	(1,185,214)	(2,393,652)
FINANCING ACTIVITIES		
Loan advances to First Nation Controlled Entity	(1,500,000)	-
Repayment of long term debt	(48,633)	(77,805)
Proceeds from long term debt	19,375	88,999
Advances from (to) related party	1,005,437	(1,005,385)
	(523,821)	(994,191)
INVESTING ACTIVITIES		
Change in restricted cash	91	126
Redemption (purchase) of short-term Investments	-	1,007,996
Acquisition of investment in First Nation Controlled Entity	88,414	-
	88,505	1,008,122
CHANGE IN CASH DURING THE YEAR	3,204,495	(327,669)
CASH, BEGINNING OF YEAR	514,205	841,874
CASH, END OF YEAR	\$ 3,718,700	\$ 514,205

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting Entity

The Ts'uubaa-asatx First Nation reporting entity includes the Ts'uubaa-asatx government and all related entities that are controlled by the First Nation.

(b) Fund Accounting

The Ts'uubaa-asatx maintains the following funds and reserves as part of its operations:

- The Operating Fund which reports the general activities of the First Nation administration.
- The Capital Fund which reports the capital assets of the First Nation not included in other funds, together with their related activities.
- The Treaty Fund reports activities of the treaty negotiating team.
- The Trust Fund which reports on the trust funds of the First Nation and held by third parties.
- The Social Housing Fund which reports on the social housing assets of the First Nation together with their related activities.
- The Enterprise Fund which reports the First Nation's investment in self-supporting commercial entities.

(c) Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Ts'uubaa-asatx's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Ts'uubaa-asatx.

Segments consolidated in Ts'uubaa-asatx's financial statements include:

1. Ts'uubaa-asatx Operating Fund
2. Ts'uubaa-asatx Treaty Negotiation Agreement Fund
3. Ts'uubaa-asatx Trust Fund
4. Ts'uubaa-asatx Capital Fund
5. Ts'uubaa-asatx CMHC Social Housing Fund
6. Ts'uubaa-asatx Enterprise Fund

Organizations accounted for on a modified equity basis include:

7. Hul'q'hum'i'num Fisheries Limited Partnership
8. Tsu Holdings Limited Partnership
9. NSE Development (Phase 2) Limited Partnership
10. Ts'uubaa-asatx Development Corporation

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(e) Loans Receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Ts'uubaa-asatx's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings	10-20 years Straight line
Automotive equipment	5 years Straight line
Computer equipment	5 years Straight line
Equipment	5 years Straight line
Marina	10 years Straight line
Dock	10 years Straight line
Boat	5 years Straight line
Infrastructure	20 years Straight line
Walkway	40 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Ts'uubaa-asatx's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(g) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

(h) Replacement Reserve

The Replacement Reserve is funded by an annual charge against earnings as opposed to an appropriation of surplus.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Surplus Recoveries and Deficit Funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

(j) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

(k) Measurement Uncertainty

In preparing the consolidated financial statements for the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 period. Items requiring the use of significant estimates include allowance for doubtful accounts receivable, the useful lives of tangible capital assets and its related depreciation and accounts payable and accrued liabilities. Actual results could differ from these estimates.

(l) Liability for contaminated sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standards;
- (iii) First Nation is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

As at March 31, 2021 and 2022, no liability for contaminated sites have been recorded.

(m) Asset classification

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

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

2. Youth Trust Fund

The Youth Trust Fund holds distribution payments in trust for youth until the age of maturity. Ts'uubaa-asatx is the trustee of the Youth Trust Fund. These funds are neither an asset nor a liability of Ts'uubaa-asatx and accordingly are not reflected in the accompanying financial statements.

	2022
Opening Trust fund balance	\$ 64,684
Contributions during the year	175,936
Interest income	42
Distribution during the year	(10,091)
Ending Trust fund balance	\$ 230,571

3. RESTRICTED CASH

Replacement Reserve Fund:

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Housing Program must set aside funds annually for the non-annual expenditures of the Program for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account with any interest earned to be credited as revenue to the Replacement Reserve Fund.

As at the year end date, the Fund is underfunded by \$51,553 (2021 - underfunded \$6,000).

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.

Operating Reserve Fund:

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Program is to set aside any surplus revenue to an operating reserve for the purpose of meeting future requirements of income listed occupants over and above the maximum federal assistance. The Fund may be replenished to its original limit from subsequent operating surpluses.

	2022	2021
Ottawa Trust Fund	\$ 2,025	\$ 1,934

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

4. ACCOUNTS RECEIVABLE

	2022	2021
Accounts receivable	\$ 182,709	\$ 10,742
Ministry Of Transportation and Infrastructure - Negotiation	1,152,000	-
Indigenous Services Canada	197,185	10,447
Fisheries and Oceans Canada	185,072	14,856
First Nations Health Authority	130,000	-
Kwumut Lelum Prevention funding	57,000	-
Province of BC	55,062	20,600
Property Tax	23,289	-
Hul'qumi'num Treaty Group	-	37,500
First People's Heritage	-	14,894
Rent - members	-	3,650
Canada Mortgage and Housing Corporation	46,538	1,538
	\$ 2,028,855	\$ 114,227

5. LOANS RECEIVABLE

	2022	2021
NSE Development (Phase 2) Limited Partnership	\$ 1,500,000	\$ -

The loan receivable is non-interest bearing with no specific terms of repayment.

6. DUE FROM (TO) RELATED PARTIES

	2022	2021
Due from Tsu Holdings LP	\$ -	\$ 1,005,385
Due to Ts'uubaa-asatx Development Corporation	(1)	-
Due to NSE (Phase 2) GP Inc.	(51)	-
	\$ (52)	\$ 1,005,385

The balances due to related parties are unsecured with no specific terms of repayment.

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

7. LONG-TERM INVESTMENTS

	2022	2021
Investment in Hul'qumi'num Fisheries Limited Partnership		
Partnership units, at cost (20% partnership interest)	\$ 20	\$ 20
Accumulated partner's capital	605,751	626,489
	605,771	626,509
Investment in Tsu Holdings Limited Partnership		
Partnership unit, at cost (99.99% partnership interest)	10	10
Accumulated partner's capital	36,745	-
	36,755	10
Investment in NSE (Phase 2) GP Inc.		
Shares, at cost (51% ownership)	51	-
Accumulated partner's capital	(4)	-
	47	-
Investment in NSE Development (Phase 2) LP		
Partnership unit, at cost (51% partnership interest)	51	-
Accumulated partner's capital	1,589,806	-
	1,589,857	-
Investment in Ts'uubaa-asatax Development Corp. shares	1	-
Investment in BC First Nations Gaming Revenue Limited Partnership, partnership units, at cost	100	100
Investment in BC First Nations Gaming Revenue GP Ltd., shares	10	10
	\$ 2,232,541	\$ 626,629

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

8. GOVERNMENT BUSINESSES

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

	NSE Development (Phase 2) Limited Partnership	NSE (Phase 2) GP Inc.	Tsu Holding Limited Partnership	2022 Total
Cash	\$ 1,182,423	\$ 691	\$ 134,429	\$ 1,317,543
Inventory	4,161,704	-	-	4,161,704
Other assets	24,023	100	-	24,123
Total assets	\$ 5,368,150	\$ 791	\$ 134,429	\$ 5,503,370
Accounts payable	\$ 469,206	\$ -	\$ -	\$ 469,206
Long-term debt	1,500,000	-	-	1,500,000
Other liabilities	442,634	699	97,500	540,833
Total liabilities	2,411,840	699	97,500	2,510,039
Share capital	-	100	-	100
Equity	2,956,310	(8)	36,929	2,993,231
Total equity	2,956,310	92	36,929	2,993,331
Total liabilities and equity	\$ 5,368,150	\$ 791	\$ 134,429	\$ 5,503,370

	NSE Development (Phase 2) Limited Partnership	NSE (Phase 2) GP Inc.	Tsu Holding Limited Partnership	2022 Total
Revenue	\$ -	\$ 25,655	\$ 4,804,336	\$ 4,829,991
	-	25,655	4,804,336	4,829,991
Expenses	73,692	25,663	3,069,590	3,168,945
Net income	\$ (73,692)	\$ (8)	\$ 1,734,746	\$ 1,661,046

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

9. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2022 net book value
Buildings	\$ 366,022	\$ 88,000	\$ -	\$ 454,022	\$ 231,652	\$ 24,291	\$ -	\$ 255,943	\$ 198,079
Automotive equipment	423,685	36,375	(45,185)	414,875	91,399	82,290	(10,543)	163,146	251,729
Computer equipment	20,334	-	-	20,334	18,300	2,034	-	20,334	-
Equipment	91,877	-	-	91,877	70,385	17,776	-	88,161	3,716
Construction in progress	1,951,532	881,660	(1,951,532)	881,660	-	-	-	-	881,660
CMHC Housing	527,097	-	-	527,097	294,633	28,110	-	322,743	204,354
Boat	18,212	155,000	-	173,212	18,212	14,208	-	32,420	140,792
Infrastructure	2,177,047	2,002,711	-	4,179,758	239,660	158,857	-	398,517	3,781,241
	\$ 5,575,806	\$ 3,163,746	\$ (1,996,717)	\$ 6,742,835	\$ 964,241	\$ 327,566	\$ (10,543)	\$ 1,281,264	\$ 5,461,571

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2021 Net book value
Buildings	\$ 366,022	\$ -	\$ -	\$ 366,022	\$ 213,230	\$ 18,422	\$ -	\$ 231,652	\$ 134,370
Automotive equipment	204,514	259,050	(39,879)	423,685	48,648	54,714	(11,963)	91,399	332,286
Computer equipment	20,334	-	-	20,334	14,234	4,066	-	18,300	2,034
Equipment	91,877	-	-	91,877	52,610	17,775	-	70,385	21,492
Construction in progress	-	1,951,532	-	1,951,532	-	-	-	-	1,951,532
CMHC Housing	527,097	-	-	527,097	259,023	35,610	-	294,633	232,464
Boat	18,212	-	-	18,212	18,212	-	-	18,212	-
Infrastructure	1,946,956	230,091	-	2,177,047	112,273	127,387	-	239,660	1,937,387
	\$ 3,175,012	\$ 2,440,673	\$ (39,879)	\$ 5,575,806	\$ 718,230	\$ 257,974	\$ (11,963)	\$ 964,241	\$ 4,611,565

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

10. ACCOUNTS PAYABLE

	2022	2021
Accounts payable and accrued liabilities	\$ 695,585	\$ 318,687
Accrued salaries and employee benefits payable	7,277	7,830
Government remittance payable	4,847	2,067
Other accrued liabilities	3,000	1,538
	\$ 710,709	\$ 330,122

11. DEFERRED REVENUE

	March 31, 2021	Funding received, 2022	Revenue recognized, 2022	March 31, 2022
Federal government				
Indigenous Services Canada	\$ 488,686	\$ 383,157	\$ (234,125)	\$ 637,718
Government of Canada	-	100,000	(19,054)	80,946
Fisheries and Oceans Canada	52,243	468,216	(21,156)	499,303
	540,929	951,373	(274,335)	1,217,967
Provincial Government				
First Nations Health Authority	366,229	418,734	-	784,963
Other				
Property taxation	-	35,927	-	35,927
	\$ 907,158	\$ 1,406,034	\$ (274,335)	\$ 2,038,857

12. REPLACEMENT RESERVE FUND

The Replacement Reserve is established in accordance with the Operating Agreements with CMHC for on-reserve housing. Funds are required to be set aside annually and held for future replacements of capital items related to the homes.

	2022	2021
Balance, beginning of year	\$ 6,000	\$ 3,000
Appropriations from the Operating Fund	3,000	3,000
Special contributions	45,000	-
	\$ 54,000	\$ 6,000

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

13. LONG-TERM DEBT

	2022	2021
All Nations Trust - mortgage repayable at \$2,138 per month including interest at 2.21%, maturing February 1, 2024. Secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on three housing units.	\$ 268,721	\$ 288,235
Tale'awtxw Aboriginal Capital Corporation loan repaid in full during the year.	-	7,472
Tale'awtxw Aboriginal Capital Corporation loan, payments of \$395 per month including interest at 8.0% per annum, matures September 20, 2022, secured by a general security agreement.	2,387	7,091
Tale'awtxw Aboriginal Capital Corporation Covid emergency loan. The amount of \$30,000 represents the unforgivable balance of the \$40,000 interest-free loan received under the Government of Canada COVID response programs. 25% of the loan will be eligible for loan forgiveness. Payment of \$833.33 commencing one year from disbursement of the loan.	23,333	30,000
Bank of Nova Scotia - auto loan repaid in full during the year.	-	48,323
Tale'awtxw Aboriginal Capital Corporation Covid emergency loan. The amount of \$10,000 represents the unforgivable balance of the \$20,000 interest-free loan received under the Government of Canada COVID response programs. 50% of the loan will be eligible for loan forgiveness. Payment of \$277.78 per month.	7,778	-
Bank of Nova Scotia - auto loan repayable at \$362.46 biweekly including interest at 5.99% per annum. Secured by vehicle, maturing August 13, 2028.	49,644	-
	\$ 351,863	\$ 381,121

Principal portion of long-term debt due within the next five years:

2023	\$ 42,293
2024	40,760
2025	32,811
2026	29,243
2027 and thereafter	206,756
	\$ 351,863

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

14. ACCUMULATED SURPLUS

	2022	2021
Restricted		
Ottawa Trust Fund	\$ 2,025	\$ 1,934
First Nation Negotiation Support Agreement	20,146	22,489
Social Housing	(161,449)	(160,266)
	(139,278)	(135,843)
Unrestricted		
Operating Fund	4,570,776	501,538
Capital Fund	5,138,646	4,270,444
Enterprise Fund	2,232,421	626,509
	11,941,843	5,398,491
	\$ 11,802,565	\$ 5,262,648

15. FINANCIAL INSTRUMENTS

Ts'uubaa-asatx's financial instruments consist of cash, accounts receivable, accounts payable and accruals, and long-term debt. It is management's opinion that the First Nation is not exposed to significant currency or credit risk arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

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.

16. CONTINGENT LIABILITIES

Ts'uubaa-asatx has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

17. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Chief and Council.

18. COMPARATIVE AMOUNTS

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current period.

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

19. ECONOMIC DEPENDENCE

Ts'uubaa-asatx receives a significant portion of its revenue pursuant to an agreement referred to as "The Comprehensive Funding Agreement". This agreement has been entered into by the Ts'uubaa-asatx First Nation and Indigenous Services Canada. It is expected that the agreement will be renewed on an annual basis.

The First Nation also receives major funding pursuant to an agreement with First Nations Health Authority, and under which certain surpluses and deficits may be offset, but with the net balance repayable or refundable as the case may be.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

20. SEGMENTED INFORMATION

As previously discussed in note 1 (j) the First Nation conducts its business through reportable segments as follows:

The Government Development and Administration department is responsible for administering projects the First Nation is involved in annually and on an on-going basis relating to the overall objectives of the First Nation and the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, band government, economic development, community services and technical services.

Social Development provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

The Health department oversees the delivery of health programs and initiatives for the betterment of the lives of the members of the First Nation.

Education supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs, it also provides services for students at the elementary/secondary and post secondary level, including; instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

Public Works Operations and Maintenance manages capital projects within the community undertaken to support the growth and/or maintenance of the First Nation's infrastructure.

Lands and treaty is responsible for/provides oversight on treaty negotiations and lands, resource and consultation.

Economic Development Programs department provides for the development of economic opportunities to the Members.

Capital Projects manages capital projects within the community undertaken to support the growth and/or maintenance of the First Nation's infrastructure.

Band housing is responsible for the administration and management of Social Housing units that have been paid up and transferred to the band.

Social Housing is responsible for the administration and management of Social Housing units.

Other operations include Capital Fund, Ottawa Trust Fund, First nation negotiation support agreement, and Enterprise Fund transactions.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

20. SEGMENTED INFORMATION, continued

	Governance and Administration			Social Development			Health Services		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ 242,800	\$ 446,415	\$ 354,802	\$ 61,050	\$ 67,375	\$ 66,980	\$ -	\$ -	\$ -
New Relationship Trust	25,000	9,100	40,100	-	-	-	2,500	500	2,000
First Nations Health Authority	-	-	-	-	-	-	332,374	418,734	379,853
Claim settlement	-	4,638,491	-	-	-	-	-	-	-
Province of BC	100,000	105,124	209,100	-	-	-	-	-	-
Dept. of Fisheries	-	-	-	-	695,250	-	-	-	-
Other revenue	188,488	498,961	377,066	57,000	-	-	2,500	-	-
Total revenue	556,288	5,698,091	981,068	118,050	762,625	66,980	337,374	419,234	381,853
Expenses									
Wages and benefits	32,500	225,492	128,522	16,500	16,380	16,381	20,000	45,762	28,959
Professional fees	152,000	204,910	210,491	13,906	477,145	-	220,000	(27,500)	38,721
Materials and supplies	41,500	21,177	186,585	24,400	59,644	7,406	28,500	100,814	88,748
Social assistance	-	-	-	35,000	33,428	44,800	-	-	-
Insurance	17,000	30,738	40,542	-	-	-	-	-	-
Office and administrative	20,000	9,107	13,318	7,500	-	-	-	-	-
Equipment	23,300	6,456	13,248	-	-	-	-	-	-
Other expenses	48,000	962,670	36,842	-	-	(1)	6,500	2,742	5,235
Total expenses	334,300	1,460,550	629,548	97,306	586,597	68,586	275,000	121,818	161,663
Other income	221,988	4,237,541	351,520	20,744	176,028	(1,606)	62,374	297,416	220,190
	-	(51,031)	300,000	-	-	-	-	(418,734)	(188,065)
Annual surplus (deficit)	\$ 221,988	\$ 4,186,510	\$ 651,520	\$ 20,744	\$ 176,028	\$ (1,606)	\$ 62,374	\$ (121,318)	\$ 32,125

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

20. SEGMENTED INFORMATION, continued

	Education and Training			Public Works			Lands and Treaty		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ 12,543	\$ 25,640	\$ 13,047	\$ 47,389	\$ 101,257	\$ 65,638	-	\$ 280,508	\$ 277,730
New Relationship Trust	5,000	8,500	2,000	-	-	-	-	-	-
Federal Government	-	-	-	-	-	-	-	100,000	-
Province of BC	-	-	-	-	-	-	35,000	35,000	35,340
Dept. of Fisheries	-	-	-	-	-	-	30,000	468,216	80,000
Other revenue	104,500	79,429	146,387	-	11,848	-	280,508	203,306	38,242
Total revenue	122,043	113,569	161,434	47,389	113,105	65,638	345,508	1,087,030	431,312
Expenses									
Wages and benefits	37,500	29,850	-	32,500	18,690	-	90,000	152,214	57,451
Professional fees	19,000	23,102	69,129	-	26,868	38,774	172,500	92,925	53,500
Materials and supplies	29,500	37,521	19,722	30,000	4,571	7,069	9,000	34,720	(17,027)
Insurance	-	-	-	-	-	-	1,200	15,133	7,587
Office and administrative	-	-	-	-	-	-	-	-	300
Equipment	-	-	-	2,000	-	860	-	443	140
Other expenses	44,300	1,501	4,872	11,900	9,137	4,407	51,500	308	175
Total expenses	130,300	91,974	93,723	76,400	59,266	51,110	324,200	295,743	102,126
Other income	(8,257)	21,595	67,711	(29,011)	53,839	14,528	21,308	791,287	329,186
	-	-	-	-	-	-	-	(602,530)	(178,092)
Annual surplus (deficit)	\$ (8,257)	\$ 21,595	\$ 67,711	\$ (29,011)	\$ 53,839	\$ 14,528	\$ 21,308	\$ 188,757	\$ 151,094

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

20. SEGMENTED INFORMATION, continued

	Economic Development				Capital Project			Band Housing		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	
Revenues										
Indigenous Services Canada	\$ 15,000	\$ 42,649	\$ 342,000	-	\$ -	\$ -	\$ -	\$ -	\$ -	
First Nations Health Authority	-	-	-	-	600,000	-	-	-	-	
Other revenue	-	212,025	57,126	-	-	-	-	-	-	
Total revenue	15,000	254,674	399,126	-	600,000	-	-	-	-	
Expenses										
Wages and benefits	15,000	20,252	20,177	-	-	-	-	-	-	
Professional fees	-	(104,454)	(234,904)	-	-	30,695	-	-	-	
Materials and supplies	-	101,472	5,069	-	-	-	-	-	-	
Equipment	-	-	-	-	27,500	-	-	-	-	
Other expenses	-	2,780	9,103	-	-	-	-	-	-	
Total expenses	15,000	20,050	(200,555)	-	27,500	30,695	-	-	-	
Other income	-	234,624	599,681	-	572,500	(30,695)	-	-	-	
	-	(59,403)	-	-	-	30,695	-	-	-	
Annual surplus (deficit)	\$ -	\$ 175,221	\$ 599,681	-	\$ 572,500	\$ -	\$ -	\$ -	\$ -	

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

20. SEGMENTED INFORMATION, continued

	2022 Budget	Social Housing 2022 Actual	2021 Actual	2022 Budget	BC Gaming 2022 Actual	2021 Actual	First Nation Negotiation Support Agreement 2022 Budget	2022 Actual	2021 Actual
Revenues									
Other revenue	\$ 51,076	\$ 96,076	\$ 51,076	-	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ 150,000
Total revenue	51,076	96,076	51,076	-	-	-	150,000	150,000	150,000
Expenses									
Wages and benefits	2,500	-	-	-	-	-	50,000	41,001	58,597
Professional fees	7,500	3,920	1,115	-	-	-	16,500	60,221	30,342
Insurance	5,000	9,129	7,817	-	-	-	-	-	-
Office and administrative	-	-	-	-	-	-	5,000	5,989	4,776
Repairs and maintenance	5,000	3,758	22,028	-	-	-	-	-	-
Other expenses	33,350	80,452	36,165	-	-	-	51,905	45,132	31,681
Total expenses	53,350	97,259	67,125	-	-	-	123,405	152,343	125,396
Other income	(2,274)	(1,183)	(16,049)	-	-	-	26,595	(2,343)	24,604
Annual surplus (deficit)	\$ (2,274)	\$ (1,183)	\$ (16,049)	-	\$ -	\$ -	\$ 26,595	\$ (2,343)	\$ 24,604

	2022 Budget	Ottawa Trust Fund 2022 Actual	2021 Actual	2022 Budget	Capital Fund 2022 Actual	2021 Actual	2022 Budget	Enterprise Fund 2022 Actual	2021 Actual
Revenues									
Share of income (loss) from controlled entities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,605,912	\$ -
Other revenue	-	160	69	-	(7,642)	-	-	-	-
Total revenue	-	160	69	-	(7,642)	-	-	1,605,912	-
Expenses									
Other expenses	-	69	195	-	308,050	238,873	-	-	-
Total expenses	-	69	195	-	308,050	238,873	-	-	-
Other income	-	91	(126)	-	(315,692)	(238,873)	-	1,605,912	-
Annual surplus (deficit)	\$ -	\$ 91	\$ (126)	-	\$ (315,692)	\$ (238,873)	-	\$ 1,605,912	\$ -

TS'UUBAA-ASATX

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

20. SEGMENTED INFORMATION, continued

	2022 Budget	Consolidated totals 2022 Actual	2021 Actual
Revenues			
Indigenous Services Canada	\$ 378,782	\$ 963,844	\$ 1,120,197
Share of income (loss) from controlled entities	32,500	1,624,012	44,100
Federal Government	-	100,000	-
First Nations Health Authority	332,374	1,018,734	379,853
Claim settlement	-	4,638,491	-
Province of BC	135,000	140,124	244,440
Dept. of Fisheries	30,000	1,163,466	80,000
Other revenue	834,072	1,244,163	819,966
Total revenue	1,742,728	10,892,834	2,688,556
Expenses			
Wages and benefits	296,500	549,641	310,087
Professional fees	601,406	757,137	237,863
Materials and supplies	162,900	359,919	297,572
Social assistance	35,000	33,428	44,800
Insurance	23,200	55,000	55,946
Office and administrative	32,500	15,096	18,394
Repairs and maintenance	5,000	3,758	22,028
Equipment	25,300	34,399	14,248
Other expenses	247,455	1,412,841	367,547
Total expenses	1,429,261	3,221,219	1,368,485
Other income	313,467	7,671,615	1,320,071
	-	(1,131,698)	(35,462)
Annual surplus (deficit)	\$ 313,467	\$ 6,539,917	\$ 1,284,609