



Esquimalt Nation
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

Esquimalt Nation
CONSOLIDATED FINANCIAL STATEMENTS
INDEX TO STATEMENTS

For the year ended March 31, 2024

Management's Responsibility for Financial Reporting

Independent Auditor's Report

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position	Statement 1
Consolidated Statement of Operations	Statement 2
Consolidated Statement of Net Financial Assets	Statement 3
Consolidated Statement of Cash Flows	Statement 4
Notes to the Consolidated Financial Statements	

Esquimalt Nation
March 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated financial statements have been prepared in conformity with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants and where appropriate, include certain amounts based on management's best estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

Esquimalt Nation's Chief and Council maintains systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and Esquimalt Nation's assets are appropriately accounted for and adequately safeguarded.

Esquimalt Nation's Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the financial statements.

Chief and Council reviewed Esquimalt Nation's financial statements and recommends their approval. Management meets periodically with the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issued, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. Chief and Council also considers the engagement of the external auditors.

The financial information has been audited by Ribeyre Chang Haylock, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the members. Ribeyre Chang Haylock has full and free access to management.


Chief


Councilor

INDEPENDENT AUDITOR'S REPORT

To the Members of Esquimalt Nation:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Esquimalt Nation, which comprise the consolidated statement of financial position as at March 31, 2024 and March 31, 2023, and the consolidated statements of operations, net financial assets and cash flows for the years then ended, and notes to the consolidated 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 Esquimalt Nation as at March 31, 2024 and March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

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 Entity 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 these financial statements in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated 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 Entity's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If 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 Entity to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
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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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Katrina Russell, CPA.

Port Coquitlam, B.C.
September 11, 2024

Chartered Professional Accountants

Esquimalt Nation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

Statement 1

	Note	2024	2023
Financial assets			
Cash	3	\$ 27,670,168	\$ 18,077,326
Accounts receivable	4	1,630,637	3,930,836
Investment in Nation business entities	5	8,060,235	7,734,271
Investment in specific claims		88,013	14,078
Trust moneys	6	26,531	24,935
		37,475,584	29,781,446
Liabilities			
Accounts payable and accrued liabilities		619,773	407,456
Deferred revenue	7	6,214,320	4,120,766
Long-term debt	8	1,948,189	1,516,725
Capital lease	9	4,347	14,440
Specific claims loans	10	123,712	43,629
		8,910,341	6,103,016
Net financial assets		28,565,243	23,678,430
Non-financial assets			
Tangible capital assets	11	7,381,728	7,183,102
Prepaid expenses		162,890	143,561
Total non-financial assets		7,544,618	7,326,663
Accumulated surplus	12	\$ 36,109,861	\$ 31,005,093

See accompanying notes


Chief Councilor


Councilor

Esquimalt Nation

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended March 31, 2024

Statement 2

	2024 Budget	2024 Actual	2023
Revenue			
Indigenous Services Canada	\$ 2,333,019	\$ 2,444,817	\$ 2,128,412
Canada Mortgage and Housing Corporation	93,996	94,786	63,548
First Nations Health Authority	1,742,335	2,470,894	840,472
BC First Nations Gaming Revenue Sharing	300,000	412,761	445,483
James Bay Settlement	-	771,985	1,285,899
Province of British Columbia	1,591,869	614,955	513,648
Coast Salish Employment and Training Society	75,720	69,748	85,902
Fisheries and Oceans	1,632,756	1,380,106	626,923
Property tax	41,179	21,393	3,611
Other Federal	269,901	365,747	255,416
Other First Nations	223,690	441,448	217,766
Kosapsun Development Corporation	-	7,645	1,047
Earnings from First Nation business entities	-	325,964	189,451
Rental	204,481	177,968	212,881
Interest	372,110	1,267,676	598,281
Miscellaneous	2,550,496	1,422,663	742,412
	11,431,552	12,290,556	8,211,152
Expenses - Note 16			
Nation administration	1,774,682	889,025	766,057
Nation generated	489,600	377,475	368,726
Education	776,918	385,352	511,958
Social assistance	694,790	614,555	521,612
Health	1,584,416	1,464,467	579,024
Social housing	203,609	369,864	217,942
Land use & public works	178,921	176,171	164,622
Property taxes	19,827	19,757	66,108
Employment	216,337	175,664	177,293
Settlement trust	90,000	178,734	2,630,854
Economic development	4,289,539	1,813,183	1,842,278
Kosapsun Development Corporation	-	62,496	44,039
Other	826,300	659,045	1,039,569
	11,144,939	7,185,788	8,930,082
Annual surplus (deficit)		5,104,768	(718,930)
Accumulated surplus, beginning of year		31,005,093	31,724,023
Accumulated surplus, end of year		\$ 36,109,861	\$31,005,093

See accompanying notes

Esquimalt Nation

CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS

For the year ended March 31, 2024

Statement 3

	2024 Budget	2024 Actual	2023
Annual surplus (deficit)	\$ 286,613	\$ 5,104,768	\$ (718,930)
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	(568,620)	(161,915)
Amortization of tangible capital assets	-	369,994	385,261
	-	(198,626)	223,346
Changes in other non-financial assets			
Prepaid expenses and deposits	-	(19,329)	(41,164)
	-	(19,329)	(41,164)
Increase (decrease) in net financial assets		4,886,813	(536,748)
Net financial assets at beginning of year		23,678,430	24,215,178
Net financial assets at end of year		\$ 28,565,243	\$ 23,678,430

See accompanying notes

Esquimalt Nation

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

Statement 4

	2024	2023
OPERATING ACTIVITIES		
Revenue received	\$ 16,682,712	\$ 9,536,956
Expenses paid	(6,579,231)	(8,596,162)
Interest paid on capital leases	(462)	(923)
Interest paid on long-term debt	(43,113)	(7,981)
Cash provided by operating activities	10,059,906	931,890
INVESTING ACTIVITIES		
Advances to Nation business entities	(325,964)	(4,689,451)
Purchase and construction of capital assets	(568,620)	(161,915)
Investment in Specific Land Claims	(73,935)	(14,078)
Cash used in investing activities	(968,519)	(4,865,444)
FINANCING ACTIVITIES		
Advances from Specific Land Claims	80,083	43,629
Proceeds of long-term debt	493,101	30,292
Repayment of capital leases	(10,093)	(9,631)
Repayment of long-term debt	(61,636)	(50,394)
Cash provided by financing activities	501,455	13,896
Increase (decrease) in cash during the year	9,592,842	(3,919,658)
Cash, beginning of year	18,077,326	21,996,984
Cash, end of year	\$ 27,670,168	\$ 18,077,326

See accompanying notes

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

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

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These Consolidated Financial Statements have been prepared in accordance with Canadian public sector accounting standards for local government entities, as defined in the Canadian Institute of Chartered Professional Accountants Public Sector Accounting and Auditing Handbook, which encompasses the following principles.

a) Reporting entity

The Esquimalt First Nation reporting entity includes the Esquimalt First Nation and all related entities which are accountable to the Nation and are either owned or controlled by the Nation.

These financial statements consolidate the assets, liabilities, revenue and expenses of the following entities which are controlled by the First Nation:

- Nation government administration (Operating and Investment funds)
- Nation trust funds held in trust with Indigenous Services Canada (Trust fund)
- Kosapsun Development Corporation (100% interest)

Esquimalt Nation business entities, owned or controlled by the Esquimalt Nation's Council but not dependent on the Esquimalt Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Esquimalt Nation. Thus, the Esquimalt 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:

- 1161742 B.C. Ltd. (50.00% interest)
- Matullia Holdings Limited Partnership (50.00% interest)
- Matullia Holdings General Partner Corporation (50.00% interest)

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

a) Reporting entity (continued)

- Skungeenes Holdings Limited Liability Partnership (50.00% interest)
- Xhamasung Holdings General Partner Corporation (50.00% interest)
- Xhamasung Holdings Limited Partnership (50.00% interest)

b) Basis of presentation

Sources of revenue and expenses are recorded using 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.

c) Use of estimates

The preparation of schedules in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the schedules and reported amounts of revenues and expenditures during the reported period. Actual results could differ from the estimates.

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) Revenue recognition

Government funding

The Esquimalt Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria 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 Esquimalt Nation recognizes revenue as the liability is settled. Transfers of non-amortizable assets are recognized in revenue when received or receivable.

First Nations Capital and Revenue Trust Funds

The Esquimalt Nation recognizes revenues of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

e) Revenue recognition (continued)

Canada Mortgage and Housing Corporation ("CMHC")

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

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.

Own source revenue

Revenues are recognized in the period in which the transaction 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.

Investment income

Investment income is recognized by the Esquimalt Nation when the investment income is earned.

Other

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.

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 assets.

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 assets 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 the First Nation's incremental cost of borrowing.

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

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

f) Tangible capital assets (continued)

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. Land, assets under construction and not yet completed and assets not yet put into use are not amortized.

Buildings	declining balance	5 %
Deck, dock, roads, and subdivisions	declining balance	5 %
Equipment	declining balance	20 %
Movable equipment	declining balance	30 %
Vehicles	declining balance	30 %
Water and sewer systems	declining balance	5 %

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 prices for similar items. Any impairment is included in operations for the year.

The Nation does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

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

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

g) Financial instruments

Financial instruments are initially classified upon initial recognition as a fair value or an amortized cost instrument. The fair value category includes investments in equity instruments that are quoted in an active market, money held in trust, and any other items elected by the Nation to be recorded at fair value. All other financial instruments, including financial instruments with related parties for which fair value cannot be estimated, are recorded at amortized cost. Transaction costs directly attributable to the acquisition or issue of a financial instrument are added to the amortized cost or expensed if related to instruments recorded on a fair value basis. The effective interest rate method is used to measure interest for financial instruments recorded at amortized cost.

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

g) Financial instruments (continued)

All financial assets are assessed for impairment on an annual basis.

The Nation's financial instruments consist of cash and cash equivalents, accounts receivable, funds held in trust, accounts payable and accrued liabilities, long-term debt, capital lease, and Specific claims loans. Unless otherwise noted, it is management's opinion that the Nation is not exposed to significant interest, credit or currency risks arising from these financial instruments and the fair value of these financial instruments approximates their carrying values.

h) 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.

2. ECONOMIC DEPENDENCE

The Esquimalt Nation receives major portions of its revenue pursuant to funding arrangements with Indigenous Services Canada and First Nations Health Authority.

3. CASH

	2024	2023
Cash and cash equivalents	\$ 26,519,034	\$ 16,940,613
Restricted cash	1,151,134	1,136,713
	\$ 27,670,168	\$ 18,077,326

Restricted cash is comprised of three amounts:

An amount of \$835,898 (2023 - \$829,942) is held in a trust account at RBC for the payment of amounts due to minor members of the Nation (under the age of nineteen) from the Cadboro Bay Settlement agreement.

The Nation and one of its contractors jointly operate a bank account for payment of holdbacks. This account has a balance of \$12,410 (2023 - \$12,550).

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

3. CASH (CONTINUED)

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as otherwise approved by the Canada Mortgage and Housing Corporation, with any interest earned to be credited as revenue to the Operating and Replacement Reserve. The account balance is \$302,826 (2023 - \$294,221).

4. ACCOUNTS RECEIVABLE

	2024	2023
Due from members:		
Rent receivable	\$ 226,993	\$ 211,157
Other	327,524	316,086
	554,517	527,243
Due from Government and other Government Organizations:		
Indigenous Services Canada	-	1,256,040
Canada Mortgage and Housing Corporation	30,157	32,796
Crown-Indigenous Relations and Northern Affairs Canada	-	43,629
First Nation Education Steering Committee	39,691	-
First Nation Health Authority	140,302	-
Parks Canada	49,940	-
Province of BC	-	1,650,000
Transport Canada	39,961	142,503
	300,051	3,124,968
Due from others:		
First Peoples' Heritage, Language and Culture Council	67,107	95,040
Interest accrued on guaranteed investment certificates and cash	296,813	118,310
James Bay Settlement Trust	691,635	447,030
New Relationship Trust	150,000	-
Public Services and Procurement Canada	78,057	-
Other	47,038	144,560
	1,330,650	804,940
	2,185,218	4,457,151
Allowance for doubtful accounts	(554,581)	(526,315)
	\$ 1,630,637	\$ 3,930,836

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES AND PARTNERSHIPS

The Esquimalt Nation's investment in Government Business Enterprises and Partnerships consist of the following:

	2024	2023
1161742 B.C. Ltd. (50.00%)		
Shares	\$ 1	\$ 1
Accumulated equity	-	(3,660)
Advances	-	-
	1	(3,659)
Matullia Holdings General Partner Corporation (50.00%)		
Shares	1	1
Accumulated equity	(15,425)	(62,326)
Advances	-	-
	(15,424)	(62,325)
Matullia Holdings Limited Partnership (50.00%)		
Accumulated equity	7,409,594	7,402,305
Advances	-	-
	7,409,594	7,402,305
Skungeenes Holdings Limited Liability Partnership (50.00%)		
Accumulated equity	(4,440)	(4,111)
Advances	-	-
	(4,440)	(4,111)
Xhamasung Holdings General Partner Corporation (50.00%)		
Shares	1	1
Accumulated equity	(7,100)	(18,311)
Advances	-	-
	(7,099)	(18,310)

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES AND PARTNERSHIPS (CONTINUED)

Xhamasung Holdings Limited Partnership (50.00%)		
Accumulated equity	\$ 677,460	\$ 420,228
Advances	-	-
	677,460	420,228
Salish Sea Industrial Services Ltd. (33.33%)		
Shares	33	33
Advances	-	-
	33	33
BCFN GRS GP Ltd. (a nominal interest)		
Shares	10	10
BC First Nation Gaming Revenue Sharing Limited Partnership (a nominal interest)		
Shares	100	100
	\$ 8,060,235	\$ 7,734,271

The financial information for 1161742 B.C. Ltd., Matullia Holdings General Partner Corporation, Matullia Holdings Limited Partnership, Skungeenes Holdings Limited Liability Partnership, Xhamasung Holdings General Partner Corporation, and Xhamasung Holdings Limited Partnership, for the year ended March 31, 2024, are not audited. The financial results have been recorded in the consolidated financial statements using the modified equity method in accordance with Canadian public sector accounting standards.

Advances to related First Nation entities are unsecured, non-interest bearing and have no stated terms of repayment.

Financial information for the Government Business Enterprises and Partnerships for the year end is as follows:

	Assets	Liabilities	Revenue	Net Income (Loss)
1161742 B.C. Ltd.				
March 31, 2024	\$ 679	\$ 677	\$ 323,216	\$ 7,319
Matullia Holdings General Partner Corporation				
March 31, 2024	\$ 2	\$ 30,851	\$ 122,501	\$ 93,801

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES AND PARTNERSHIPS (CONTINUED)

	Assets		Liabilities		Revenue		Net Income (Loss)
Matullia Holdings Limited Partnership							
March 31, 2024	\$ 14,945,259	\$	156,924	\$	487,394	\$	14,580
Skungeenes Holdings Limited Liability Partnership							
March 31, 2024	\$ 436	\$	9,316	\$	-	\$	(657)
Xhamasung Holdings General Partner Corporation							
March 31, 2024	\$ 23	\$	14,220	\$	36,701	\$	22,422
Xhamasung Holdings Limited Partnership							
March 31, 2024	\$ 6,627,119	\$	5,286,419	\$	1,764,224	\$	514,516

6. TRUST MONEYS

	2024	2023
Ottawa Trust	\$ 26,531	\$ 24,935

The Ottawa Trust accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

Subsequent to March 31, 2024, the Government of Canada distributed \$26,531 of the funds in trust to the Nation.

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

7. DEFERRED REVENUE

	2024	2023
Indigenous Services Canada		
LEDSP targeted	\$ 24,226	\$ -
MTSA negotiations capacity	19,247	-
Seenupin road extension	900,295	-
Natoin rebuilding program	160,096	-
P&ID - plan/risk management	23,853	-
Additions to reserve	40,000	-
First Nation representative service	56,289	-
FNCFS on-reserve o&m	134,634	-
ICSF-4 - EMAP - COVID-19	-	61,504
ICSF-4	-	62,000
ICSF-5	-	53,479
Urban off-reserve	-	4,083
Community based initiative	212,817	213,245
Community based initiative retroactive	-	188,074
Asset management plan	8,173	21,131
Project administration	49,381	-
Renovation	52,897	10,987
Major renovations, extensions and repairs	-	49,849
Housing management and capacity funding	-	45,000
Major renovations, extensions and repairs	-	44,664
Compensation plan project	-	4,000
Waste diversion program	-	230,610
FNLM environment support	-	111,300
LEDSP targeted environment	-	14,283
CFS prevention - fixed	433,375	-
CFS prevention - flex	412,821	379,224
CFS - emergency	9,967	-
CFS - operations	54,819	-
CFS - poverty	4,996	-
First Nation representative service	54,902	54,902
FNCFS capital	261,250	79,350
Community based initiative retroactive - flex	3,300	3,300
Community based initiative retroactive - fixed	729,625	735,625
Province of B.C.	2,287,514	1,715,000
BC Aboriginal Child Care Society	163,143	-
First Peoples' Cultural Council	112,667	-
First Nation Education Steering Committee	-	14,203
Other	4,033	24,953
	\$ 6,214,320	\$ 4,120,766

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

8. LONG-TERM DEBT

	2024	2023
All Nations Trust - Mortgage payable for social housing with payments of \$2,479 per month including interest at 1.13% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on March 1, 2026 and renewal on March 1, 2026.	\$ 58,795	\$ 87,697
All Nations Trust - Mortgage payable with payments of \$2,776 per month including interest at 5.78% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on August 1, 2033 and renews on April 1, 2024. Subsequent to March 31, 2024, the loan was renewed with payments of \$2,574 per month including interest at 4.02% per annum and the next renewal date being March 1, 2029.	242,183	262,877
All Nations Trust - Mortgage payable with payments of \$9,332 per month including interest at 4.66% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on November 1, 2048 and renews on November 1, 2028.	1,647,211	1,166,151
	\$ 1,948,189	\$ 1,516,725

Future principal payments for the next five subsequent years are as follows:

2025	87,763
2026	90,516
2027	63,678
2028	66,355
2029	1,514,979
Subsequent	124,898
	\$ 1,948,189

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

9. CAPITAL LEASE

	2024	2023
Vehicle lease, bearing interest at 4.73% per annum, repayable in monthly payments of \$880 ending August 16, 2024 with a buyout option for \$1, secured by the vehicle.	\$ 4,347	\$ 14,440

Future minimum lease payments for the next five years are as follows:

2025	\$ 4,398
2026	-
2027	-
2028	-
2029	-
Subsequent	-
	\$ 4,398

10. SPECIFIC CLAIMS LOANS

The amounts below consist of various promissory notes signed on different dates. The promissory notes are due the earlier of four years from the signing date or the date on which the claim is settled. If the loan becomes due and payable under the terms of the promissory notes while the claim is still in negotiations, the loan repayment dates will be extended by the earlier of five years, or a period deemed appropriate to coincide with the anticipated claim settlement date, whichever is sooner.

	2024	2023
Esquimalt and Nanaimo Railway Trespass Claim	\$ 15,000	\$ 15,000
Lease to 7X Lumber Company and Plumper Bay Sawmill Ltd. Claim	36,055	9,543
Lease to J.H. Todd and Son Ltd. Claim	36,287	9,543
Lease to Songhees Timber Company Ltd. Claim	36,370	9,543
	\$ 123,712	\$ 43,629

Esquimalt Nation
CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS

March 31, 2024

See Auditor's Report

11. TANGIBLE CAPITAL ASSETS

2024	Beginning Cost	Additions	Disposal	Ending Cost	Beginning Accumulated Amortization	Amortization	Disposals	Ending Accumulated Amortization	Net Book Value
Buildings	\$ 10,326,694	\$ 419,891	\$ -	\$ 10,746,585	\$ 3,815,248	\$ 323,597	\$ -	\$ 4,138,845	\$ 6,607,740
Deck	46,800	-	-	46,800	8,681	1,906	-	10,587	36,213
Dock	165,000	-	-	165,000	55,535	5,473	-	61,008	103,992
Equipment	375,123	66,024	-	441,147	285,011	22,820	-	307,831	133,316
Moveable equipment	14,682	-	-	14,682	14,618	19	-	14,637	45
Roads	334,545	82,705	-	417,250	82,931	853	-	83,784	333,466
Sewer systems	59,954	-	-	59,954	45,399	728	-	46,127	13,827
Subdivision	458,045	-	-	458,045	320,485	6,878	-	327,363	130,682
Vehicles	139,876	-	-	139,876	115,031	7,454	-	122,485	17,391
Water systems	22,262	-	-	22,262	16,940	266	-	17,206	5,056
			-						
Total	\$ 11,942,981	\$ 568,620	\$ -	\$ 12,511,601	\$ 4,759,879	\$ 369,994	\$ -	\$ 5,129,873	\$ 7,381,728

Included in buildings is \$459,397 (2023 - \$234,545) of assets under construction. No amortization has been taken as the projects are not complete.

Included in roads is \$317,250 (2023 - \$39,506) of assets under construction. No amortization has been taken as the project is not complete.

Included in vehicles is \$63,512 (2023 - \$63,512) capitalized under leases. Related accumulated amortization is \$57,434 (2023 - \$54,829).

Esquimalt Nation
CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS

March 31, 2024

See Auditor's Report

11. TANGIBLE CAPITAL ASSETS (CONTINUED)

2023	Beginning Cost	Additions	Disposal	Ending Cost	Beginning Accumulated Amortization	Amortization	Disposals	Ending Accumulated Amortization	Net Book Value
Buildings	\$ 10,229,546	\$ 97,148	\$ -	\$ 10,326,694	\$ 3,476,019	\$ 339,229	\$ -	\$ 3,815,248	\$ 6,511,446
Deck	46,800	-	-	46,800	6,675	2,006	-	8,681	38,119
Dock	165,000	-	-	165,000	49,774	5,761	-	55,535	109,465
Equipment	347,521	27,602	-	375,123	266,544	18,467	-	285,011	90,112
Moveable equipment	14,682	-	-	14,682	14,591	27	-	14,618	64
Roads	312,380	22,165	-	334,545	82,033	898	-	82,931	251,614
Sewer systems	59,954	-	-	59,954	44,633	766	-	45,399	14,555
Subdivision	443,045	15,000	-	458,045	313,306	7,179	-	320,485	137,560
Vehicles	139,876	-	-	139,876	104,383	10,648	-	115,031	24,845
Water systems	22,262	-	-	22,262	16,660	280	-	16,940	5,322
			-						
Total	\$ 11,781,066	\$ 161,915	\$ -	\$ 11,942,981	\$ 4,374,618	\$ 385,261	\$ -	\$ 4,759,879	\$ 7,183,102

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

12. ACCUMULATED SURPLUS

	2024	2023
RESTRICTED		
Opening balance	\$ 24,935	\$ 23,482
Net changes		
Operating Fund	-	-
Trust Fund	1,596	1,453
Closing balance	26,531	24,935
UNRESTRICTED		
Opening balance	30,980,158	31,700,541
Net changes		
Operating Fund	4,777,208	(5,409,834)
Investment Fund	325,964	4,689,451
Closing balance	36,083,330	30,980,158
TOTAL RESTRICTED AND UNRESTRICTED	\$36,109,861	\$31,005,093
Represented by:		
Equity in tangible capital assets	\$ 5,429,192	\$ 5,651,937
Trust Fund	26,531	24,935
Investment Fund	8,060,235	7,734,271
Operating Fund	22,593,903	17,593,950
	\$36,109,861	\$31,005,093

13. BUDGET INFORMATION

Budgeted figures are unaudited and have been derived from the estimates approved by the Chief and Council for comparison purposes. Individual program operations not showing budget information does not mean budgets were not prepared but rather that their amounts were not readily determinable.

14. COMPARATIVE AMOUNTS

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

Esquimalt Nation

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

15. FINANCIAL INSTRUMENTS

Risk management policy

The Esquimalt Nation is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2024.

Credit risk

The carrying value of the Nation's main financial assets represents the maximum credit risk to which the Nation is exposed.

Liquidity risk

The Esquimalt Nation considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long-term financial needs, at a reasonable cost.

Market risk

The Esquimalt Nation is exposed to interest rate risk on its fixed-interest and variable-interest financial instruments. Fixed-interest instruments subject the Nation to a fair value risk while the variable-interest instruments subject it to a cash flow risk.

The following table summarizes the contractual maturities of the financial liabilities as at March 31, 2024.

	Carrying amount	Within 1 year	2 to 5 years	Subsequent
Accounts payable and accrued expenses	\$ 619,773	\$ 619,773	\$ -	\$ -
Long-term debt	1,948,189	87,763	1,735,528	124,898
Capital lease	4,347	4,347	-	-
	<u>\$ 2,572,309</u>	<u>\$ 711,883</u>	<u>\$ 1,735,528</u>	<u>\$ 124,898</u>

Esquimalt Nation
CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO STATEMENTS

March 31, 2024

See Auditor's Report

16. EXPENSES BY OBJECT

	Budget	2024	2023
Amortization	\$ -	\$ 369,993	\$ 385,261
Bad debts	-	28,266	17,605
Bank charges and interest	6,450	8,395	8,222
Community support and wellness	612,095	366,745	401,068
Contractors	695,762	179,799	598,991
Contributions to Settlement Trust	80,000	66,851	2,556,906
Dietary and food	318,885	126,058	65,286
Equipment rental	50,060	21,137	25,150
Honoraria	306,239	211,258	193,502
Insurance	142,285	119,900	121,848
Interest on long-term debt	34,132	79,550	42,306
Medical	25,000	18,568	22,130
Meetings	22,500	7,750	12,719
Office and other	160,060	49,861	35,885
Professional fees	2,362,322	1,531,827	958,193
Repairs and maintenance	329,400	31,101	29,523
Replacement reserve	-	20,656	8,349
Rent	-	19,191	7,482
Salaries and benefits	5,192,843	3,106,887	2,553,130
Social assistance	275,959	240,075	260,135
Supplies	164,754	123,088	96,325
Telecommunications	18,700	26,460	20,767
Tuition, training, and education	312,218	157,283	228,389
Travel	75,344	28,850	27,947
Utilities	224,759	246,239	252,963
	\$ 11,409,767	\$ 7,185,788	\$ 8,930,082

Esquimalt Nation
CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS

March 31, 2024 See Auditor's Report

17. SEGMENTS

2024

	Nation administration	Nation generated	Education	Social assistance	Health	Social housing	Land use & public works	Property taxes	Employment	Settlement trust	Economic development	Kosapsum Development Corporation	Other	Total
Revenue														
Indigenous Services Canada	\$ 296,556	\$ -	\$ 196,708	\$ 744,632	\$ 23,292	\$ -	\$ 380,934	\$ -	\$ 37,055	\$ -	\$ 522,584	\$ -	\$ 243,056	\$ 2,444,817
Canada Mortgage and Housing Corporation	-	-	-	-	-	94,786	-	-	-	-	-	-	-	94,786
First Nations Health Authority	-	-	-	-	2,470,894	-	-	-	-	-	-	-	-	2,470,894
BC First Nations Gaming Revenue Sharing	-	-	-	-	-	-	-	-	-	-	-	-	412,761	412,761
James Bay Settlement	-	-	-	-	-	-	-	-	-	771,985	-	-	-	771,985
Province of BC	-	-	8,522	-	-	49,458	-	-	-	-	150,000	-	406,975	614,955
Coast Salish Employment and Training Society	-	-	-	-	-	-	-	-	69,748	-	-	-	-	69,748
Fisheries and Oceans	-	-	-	-	-	-	-	-	-	-	1,380,106	-	-	1,380,106
Property tax	-	-	-	-	-	-	-	21,393	-	-	-	-	-	21,393
Earnings from First Nation business entities	-	325,964	-	-	-	-	-	-	-	-	-	-	-	325,964
Rental	-	24,825	-	-	-	153,143	-	-	-	-	-	-	-	177,968
Interest	832,326	389,170	-	-	-	8,627	-	-	-	-	-	7,645	37,553	1,275,321
Other	50,834	242,095	334,134	36,200	26,293	220	4,922	-	90,725	63,146	1,124,381	-	256,908	2,229,858
	1,179,716	982,054	539,364	780,832	2,520,479	306,234	385,856	21,393	197,528	835,131	3,177,071	7,645	1,357,253	\$ 12,290,556
Expenses														
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	369,993	369,993
Community support and wellness	-	78,493	28,954	79,689	29,040	-	-	-	4,722	75,000	2,591	-	59,821	358,310
Contractors	2,884	13,011	-	8,845	56,324	68,386	7,851	-	-	-	6,736	-	15,762	179,799
Contributions to Settlement Trust	-	-	-	-	-	-	-	-	-	66,851	-	-	-	66,851
Operations	91,333	252,084	207,690	43,665	164,505	243,542	159,069	19,757	1,202	-	75,013	12,679	35,029	1,305,568
Professional fees	240,692	-	22,900	60,068	10,104	57,936	9,106	-	40,650	32,483	973,385	49,817	34,686	1,531,827
Salaries and benefits	554,116	33,887	125,808	186,613	1,204,494	-	145	-	129,090	-	755,458	-	143,754	3,133,365
Social assistance	-	-	-	235,675	-	-	-	-	-	4,400	-	-	-	240,075
	\$ 889,025	\$ 377,475	\$ 385,352	\$ 614,555	\$ 1,464,467	\$ 369,864	\$ 176,171	\$ 19,757	\$ 175,664	\$ 178,734	\$ 1,813,183	\$ 62,496	\$ 659,045	\$ 7,185,788

Esquimalt Nation
CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS

March 31, 2024 See Auditor's Report

18. SEGMENTS (CONTINUED)

2023

	Nation administration	Nation generated	Education	Social assistance	Health	Social housing	Land use & public works	Property taxes	Employment	Settlement trust	Economic development	Kosapsum Development Corporation	Other	Total
Revenue														
Indigenous Services Canada	\$ 235,846	\$ -	\$ 222,784	\$ 619,992	\$ -	\$ -	\$ 360,042	\$ -	\$ 33,510	\$ -	\$ 567,858	\$ -	\$ 88,380	\$ 2,128,412
Canada Mortgage and Housing Corporation	-	-	-	-	-	63,548	-	-	-	-	-	-	-	63,548
First Nations Health Authority	-	-	-	-	840,472	-	-	-	-	-	-	-	-	840,472
BC First Nations Gaming Revenue Sharing	-	-	-	-	-	-	-	-	-	-	-	-	445,483	445,483
James Bay Settlement Province of BC	-	-	111,667	30,000	-	32,007	-	-	-	1,285,899	-	-	-	1,285,899
Coast Salish Employment and Training Society	-	-	-	-	-	-	-	-	-	-	60,000	-	279,974	513,648
Fisheries and Oceans	-	-	-	-	-	-	-	-	85,902	-	-	-	-	85,902
Property tax	-	-	-	-	-	-	-	3,611	-	-	626,923	-	-	626,923
Earnings from First Nation business entities	-	189,451	-	-	-	-	-	-	-	-	-	-	-	189,451
Rental	-	56,898	-	-	-	155,983	-	-	-	-	-	-	-	212,881
Interest	557,898	-	-	-	-	8,285	-	-	-	13,939	-	1,047	18,159	599,328
Other	33,895	22,037	289,249	35,000	-	-	-	-	77,735	81,453	525,364	-	150,861	1,215,594
	827,639	268,386	623,700	684,992	840,472	259,823	360,042	3,611	197,147	1,381,291	1,780,145	1,047	982,857	8,211,152
Expenses														
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	385,261	385,261
Community support and wellness	-	90,891	22,007	100,446	57,076	-	-	-	3,169	72,625	7,683	-	74,021	427,918
Contractors	54,945	272	350	10,226	16,531	44,019	3,448	-	-	-	401,453	-	67,747	598,991
Contributions to Settlement Trust	-	-	-	-	-	-	-	-	-	2,556,906	-	-	-	2,556,906
Operations	157,100	277,563	170,346	47,530	22,695	150,949	152,476	66,108	5,782	-	77,526	13,765	47,708	1,189,548
Professional fees	159,176	-	68,950	21,700	5,392	22,974	8,698	-	66,960	523	503,752	30,274	69,794	958,193
Salaries and benefits	394,836	-	250,305	82,375	477,330	-	-	-	101,382	-	851,864	-	395,038	2,553,130
Social assistance	-	-	-	259,335	-	-	-	-	-	800	-	-	-	260,135
	\$ 766,057	\$ 368,726	\$ 511,958	\$ 521,612	\$ 579,024	\$ 217,942	\$ 164,622	\$ 66,108	\$ 177,293	\$ 2,630,854	\$ 1,842,278	\$ 44,039	\$ 1,039,569	\$ 8,930,082