

TSARTLIP FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended MARCH 31, 2024

Brynjolfson & Company
Chartered Professional Accountant

**TSARTLIP FIRST NATION
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MARCH 31, 2024**

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TSARTLIP FIRST NATION

P.O. Box 70

Brentwood Bay, B.C.

V8M 1R3

Management's Statement of Responsibility

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the CPA Canada and as such include amounts that are the best estimates and judgments of management.

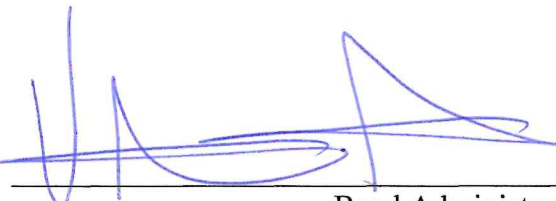
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meet periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Brynjolfson & Company, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Tsartlip First Nation and meet when required.

On behalf of Tsartlip First Nation:


A handwritten signature in blue ink, consisting of a large 'U' shape followed by a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

Band Administrator

Date: September 16/24



Peter Brynjolfson and Company Ltd.

Chartered Professional Accountant

797 Kona Crescent
Victoria, B.C. V8X 4N9
(Tel: 250-727-7169)
(E-mail: pbrynjolfson@aol.com)

INDEPENDENT AUDITOR'S REPORT

To the Members of Tsartlip First Nation:

Opinion

I have audited the consolidated financial statements of Tsartlip First Nation (the Entity), which comprise the statement of financial position as at March 31, 2024, and the statement of operations, the statement of changes in net financial assets, and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

In preparing the consolidated 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 Financial Statements

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

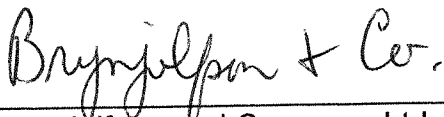
INDEPENDENT AUDITOR'S REPORT Cont'd

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

I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 consolidated 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 consolidated financial information of the entities or business activities within the Entity to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Entity's audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.



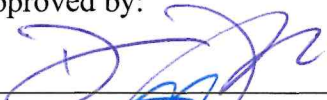
Peter Brynjolfson and Company Ltd.
Victoria, B.C.

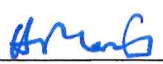
September 11, 2024

TSARTLIP FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
March 31, 2024

	2024	2023
	Actual	Actual
	\$	\$
Financial assets		
Cash, Note 3	9,710,543	6,393,879
Restricted Cash, Note 3	1,262,105	2,410,187
Trust funds held by federal government, Note 4	223,253	213,668
Accounts Receivable, Note 6	570,409	1,933,135
Investments and advances, Note 7	<u>428,164</u>	<u>-</u>
	<u>12,194,474</u>	<u>10,950,869</u>
Liabilities		
Accounts payable and accrued liabilities	677,067	356,581
Reserves	937,512	867,970
Debt, Note 9	<u>6,816,403</u>	<u>6,968,881</u>
	<u>8,430,982</u>	<u>8,193,432</u>
Net financial assets	3,763,492	2,757,437
Non-financial assets		
Tangible capital assets, Note 8	44,055,772	43,060,261
Prepaid Expenses	105,106	112,608
Inventory	<u>218,641</u>	<u>190,734</u>
	<u>44,379,519</u>	<u>43,363,603</u>
Accumulated surplus, Note 16	<u>48,143,011</u>	<u>46,121,040</u>

Approved by:


 _____ Chief

 _____ Councillor

 _____ Councillor


 _____ Councillor

 _____ Councillor

 _____ Councillor

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.

TSARTLIP FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended March 31, 2024

	<u>Budget</u>	<u>2024</u>	<u>2023</u>
Revenues			
Indigenous Services Canada (ISC)	\$ 19,870,056	\$ 19,870,056	\$ 18,980,791
FNHA	1,192,702	1,192,702	1,215,399
Canada Mortgage and Housing Corp.	146,137	146,137	347,043
CSETS	171,944	171,944	330,653
Ottawa Trust – interest/grants	9,500	9,585	8,592
Rental income	480,000	479,970	476,954
Other revenue	11,078,203	11,675,727	13,361,261
Deferred revenue	<u>-</u>	<u>-</u>	<u>7,099,698</u>
	<u>32,948,542</u>	<u>33,546,121</u>	<u>41,820,391</u>
Program expenses			
Administration	1,552,744	2,056,784	1,853,325
Operations and Maintenance	1,204,364	1,477,424	1,417,889
Health	1,813,480	1,774,108	1,465,540
Social Development	4,841,694	2,523,267	2,587,523
Capital Operations	792,710	2,092,607	6,050,203
Education	12,431,250	12,133,452	11,869,806
Economic Development and Jobs	2,114,144	2,586,232	1,791,582
CMHC Housing	438,337	438,337	648,768
Band Generated	<u>7,759,819</u>	<u>7,466,308</u>	<u>7,162,956</u>
	<u>32,948,542</u>	<u>32,548,519</u>	<u>34,847,592</u>
Annual surplus before adjustment	<u>-</u>	997,602	6,972,799
Adjustment for capital acquisitions, Note 14		<u>1,024,369</u>	<u>6,190,580</u>
Annual surplus		2,021,971	13,163,379
Accumulated surplus, beginning of year		<u>46,121,040</u>	<u>32,957,661</u>
Accumulated surplus, end of year		\$ <u>48,143,011</u>	\$ <u>46,121,040</u>

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.

TSARTLIP FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
For the year ended March 31, 2024

	2024 Actual \$	2023 Actual \$
Annual surplus	2,021,971	13,163,379
Acquisition of tangible capital assets	(2,038,293)	(6,820,216)
Amortization of tangible capital assets	<u>1,042,782</u>	<u>837,066</u>
	<u>1,026,460</u>	<u>7,180,229</u>
Net consumption (acquisition) of supplies inventory	(27,907)	98,552
Net use of prepaid expenses	<u>7,502</u>	<u>82,022</u>
	<u>(20,405)</u>	<u>180,574</u>
Increase in net financial assets	1,006,055	7,360,803
Net financial assets (debt), beginning of year	<u>2,757,437</u>	<u>(4,603,366)</u>
Net financial assets, end of year	<u>3,763,492</u>	<u>2,757,437</u>

Note: 2024 budget figures are not available.

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.

TSARTLIP FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended March 31, 2024

	2024	2023
	Actual	Actual
	\$	\$
Operating Activities		
Annual surplus	2,021,971	13,163,379
Changes in non-cash items:		
Amortization	1,042,782	837,066
Accounts receivable	1,362,726	(664,920)
Prepaid expenses	7,502	82,022
Accounts payable and accrued liabilities	320,486	(1,352,684)
Inventory	(27,907)	98,552
Reserve	69,542	295,107
Deferred revenue	-	(7,099,789)
Ottawa Trust	<u>(9,585)</u>	<u>(8,592)</u>
Cash provided by operating activities	<u>4,787,517</u>	<u>5,350,141</u>
Capital Activities		
Purchase of tangible capital assets	<u>(2,038,293)</u>	<u>(6,820,216)</u>
Investing Activities		
Related entities – investments and advances	<u>(428,164)</u>	<u>-</u>
Financing Activities		
First Nations debt increase	403,940	200,000
First Nations debt retirement	<u>(556,418)</u>	<u>(643,952)</u>
Cash provided by (applied to) financing activities	<u>(152,478)</u>	<u>(443,952)</u>
Increase (decrease) in cash and cash equivalents	2,168,582	(1,914,027)
Cash and equivalents – Beginning of year	<u>8,804,066</u>	<u>10,718,093</u>
Cash and equivalents – End of year	<u>10,972,648</u>	<u>8,804,066</u>
REPRESENTED BY:		
Cash	9,710,543	6,393,879
Cash – Restricted	<u>1,262,105</u>	<u>2,410,187</u>
	<u>10,972,648</u>	<u>8,804,066</u>

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

1. NATURE OF OPERATIONS

Tsartlip First Nation (the “First Nation”) is an Indian Band as defined by the Indian Act. The First Nation manages various programs offered by Indigenous Services Canada (ISC) and other funding agents to benefit its members. The First Nation also represents its members in the negotiation of treaty settlement and specific lands claims.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These Consolidated Financial Statements have been prepared in accordance with Canadian public sector accounting standards for government entities as recommended by the CPA Canada Public Sector Accounting Board.

a) Reporting Entity

The reporting entity includes the Tsartlip First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. The Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Operating Fund
- Trust Fund
- Social Housing Fund
- Capital Fund

b) Principles of Consolidation

These financial statements consolidate the assets, liabilities and results of operations for entities which are controlled by the First Nation. Controlled entities are consolidated, except for government business enterprises (GBE), and government business partnerships (GBP), which are accounted for by the modified equity method. All inter-fund and inter-organization transactions and balances have been eliminated on consolidation.

The First Nation records its investments in GBE and GBP on the modified equity basis. Under this basis, the GBE and GBP accounting policies are not adjusted to conform with those of the First Nation and inter-entity transactions and balances are not eliminated. The First Nation recognizes its equity interest in the annual earnings or loss of the GBE and GBP in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends or other cash distributions that the First Nation may receive from the GBE and GBP will be reflected as deductions in the investment asset account.

The commercial enterprises and business partnerships accounted for on a modified equity basis include:

- | | |
|--|----------------------------------|
| 1. Tsartlip Master GP Ltd. | 3. Tsartlip Construction GP Ltd. |
| 2. Tsartlip Master Limited Partnership | 4. TFN Meadows Development Ltd. |

**TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024**

c) Cash and Cash Equivalents

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

d) Inventory

Inventories are measured at the lower of cost and net realizable value, with cost being determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

e) Trust Funds

Trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds. The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

f) Tangible Capital Assets

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

Amortization is provided for over their estimated useful lives using the diminishing balance method, at the following rates:

Housing	5%
Buildings and improvements	4%
General equipment	20%
Infrastructure	4%

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation'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 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

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

capital assets from related parties are recorded at carrying value.

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

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

g) Revenue Recognition

Government Funding:

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as such. In these circumstances, the First Nation recognized revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

First Nation Capital and Revenue Trust Fund:

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

Housing Rental Income:

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

Own Source Revenue:

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

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

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

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

h) Financial Instruments

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

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss, calculated as in its carrying value, in excess of the net recoverable amount of the asset, is reported in the statement of operations and any unrealized gain is adjusted through the statement of re-measurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of re-measurement gains and losses are reversed and recognized in the statement of operations.

The First Nation's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and debt. It is management's opinion that the First Nation is not exposed to significant interest rate, market, currency, credit, or liquidity risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values.

i) Measurement Uncertainty

In preparing the consolidated financial statements for the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include allowance for doubtful accounts, estimated useful lives of tangible capital assets, impairment of tangible capital assets, recoverability of investments and advances, accrued liabilities and contingent liabilities. Actual results could differ from those estimates.

j) Employee Future Benefits

Tsartlip First Nation and its employees make contributions to a group Registered Retirement Savings Plan (RRSP). This plan is a defined contribution plan and contributions by Tsartlip First Nation to the plan are expensed as incurred.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

Sick leave benefits also accrue to Tsartlip First Nation employees. Unused benefits are carried forward into the following year.

k) Segmented disclosure

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard.

l) Deferred revenue

Under the terms of the contribution agreement between the First Nation, Indigenous Services Canada and certain other agencies, the First Nation may be liable to repay any contributed funds either not expended or not expended in accordance with the agreement. Also, any deficit, supported by claims eligible for reimbursement under the terms and conditions of the funding agreements, may be reimbursed by the contributor subject to the program's terms and conditions. The First Nation has recorded all known unexpended contribution funds as deferred revenue and/or accounts payable.

3. CASH AND CASH EQUIVALENTS

	2024	2023
	<u>\$</u>	<u>\$</u>
Externally restricted		
Mayne Island logging funds	-	324,947
Capital project school expansion	863,598	1,706,257
Reserve accounts – CMHC Housing	<u>398,507</u>	<u>378,983</u>
	<u>1,262,105</u>	<u>2,410,187</u>
Unrestricted		
Cash	<u>9,710,543</u>	<u>6,393,879</u>
Total Cash and Cash Equivalents	<u>10,972,648</u>	<u>8,804,066</u>

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

4. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

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

	Opening Balance	Additions	Withdraws	2024 Total	2023 Total
	\$	\$	\$	\$	\$
Revenue	50,519	9,585	-	60,104	50,519
Capital	<u>163,149</u>	<u>-</u>	<u>-</u>	<u>163,149</u>	<u>163,149</u>
	<u>213,668</u>	<u>9,585</u>	<u>-</u>	<u>223,253</u>	<u>213,668</u>

5. ECONOMIC DEPENDENCE

The government of Tsartlip First Nation receives a major portion of its revenue from Indigenous Services Canada. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

6. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
• Funding agencies	\$ 10,000	\$ 1,036,787
• Property taxation	78,808	78,808
• Meadows development	314,917	264,917
• Other	166,684	121,795
• Housing loan receivable	-	65,643
• CMHC Subsidy	-	207,000
• GST refund	<u>-</u>	<u>158,185</u>
	<u>\$ 570,409</u>	<u>\$1,933,135</u>

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

7. INVESTMENTS AND ADVANCES

(a) Investments and advances consist of the following:

	2024	2023
	\$	\$
Tsartlip Master GP Ltd., investment		
Units - at cost	1	-
Tsartlip Master Limited Partnership, investment		
9,999 LP Units @ \$1 each	9,999	-
Advance	18,162	-
Tsartlip Gas Bar Limited,		
Advance	400,000	-
Tsartlip Construction GP Ltd., investment		
Units - at cost	1	-
TFN Meadows Development Ltd., investment		
Units - at cost	<u>1</u>	<u>-</u>
	<u>428,164</u>	<u>-</u>

8. TANGIBLE CAPITAL ASSETS

	C O S T			A M O R T I Z A T I O N				
	Opening Balance	Additions	Closing Balance	Opening Balance	Amorti- zation	Closing Balance	2024 Balance	2023 Balance
Land	739,367	-	739,367	-	-	-	739,367	739,367
Land Development	8,802,229	-	8,802,229	-	-	-	8,802,229	8,802,229
Drainage Upgrade	6,567,485	-	6,567,485	386,051	247,257	633,308	5,934,177	6,181,434
Building - School	17,971,046	633,596	18,604,642	-	-	-	18,604,642	17,971,046
Equipment - School	751,943	256,336	1,008,279	-	-	-	1,008,279	751,943
Housing - CMHC	5,081,979	667,100	5,749,079	2,358,775	228,572	2,587,347	3,161,732	2,723,204
Housing - Band	2,007,624	398,941	2,406,565	591,259	134,404	725,663	1,680,902	1,416,365
Building - Admin	1,200,000	-	1,200,000	638,403	22,466	660,869	539,131	561,597
Equipment - Health	139,665	-	139,665	94,748	8,984	103,732	35,933	44,917
Building - Health	2,671,362	-	2,671,362	1,105,264	78,305	1,183,569	1,487,793	1,566,908
Equipment	752,205	-	752,205	472,364	55,969	528,333	223,872	279,841
Boat Launch Facility	636,486	-	636,486	-	127,297	127,297	509,189	636,468
Vessels	302,380	-	302,380	77,994	44,877	122,871	179,509	224,386
Vehicles	128,468	82,320	210,788	19,270	45,107	64,377	146,411	109,198
Building - Store	1,422,340	-	1,422,340	416,800	40,222	457,022	965,318	1,005,540
Equipment - Store	<u>252,970</u>	<u>-</u>	<u>252,970</u>	<u>206,360</u>	<u>9,322</u>	<u>215,682</u>	<u>37,288</u>	<u>46,610</u>
TOTALS	<u>\$49,427,549</u>	<u>2,038,293</u>	<u>51,465,842</u>	<u>6,367,288</u>	<u>1,042,782</u>	<u>7,410,070</u>	<u>44,055,772</u>	<u>43,060,261</u>

* There were no disposals during the year.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

9. DEBT

	<u>2024</u>	<u>2023</u>
All Nations Trust loan repayable at \$1,495 per month including interest at 4.74%. Secured by a mortgage on buildings	46,789	62,369
Bank of Montreal loan for the building of a new house to replace member's home destroyed by fire. Due on demand but is being amortized over 25 years. Repayable at \$542 per month including interest at prime plus 1.75%	58,665	61,390
Bank of Montreal demand loan used for building innovative housing, being amortized over 20 years repayable at \$1,642 per month including interest at prime plus 1.5%	119,992	131,892
Bank of Montreal demand loan non-revolving for the building of the community health centre, repayable at 2,353 per month plus interest at prime plus 1%	138,817	167,053
Bank of Montreal demand loan non-revolving to assist with the construction of the gas bar and convenience store, repayable at \$14,281 per month principal and interest at prime plus 1.25%	797,601	906,092
Bank of Montreal demand loan non-revolving to assist with construction of 3 single family dwellings, repayable at \$2,297 per month, principal and interest at prime plus 1.5%	329,987	-
Bank of Montreal demand loan non-revolving to assist with Phase 1 of the land development project, repayable at \$5,497 per month principal and interest, at prime plus 1.25%	837,410	841,239
Bank of Montreal demand loan non-revolving to assist with Phase 2 of the land development project, repayable at \$5,749 per month principal and interest, at prime plus 1.25%	837,341	850,803
Talw'awtxw Aboriginal Financing Group repayable at \$3,549 per month principal, with no interest rate charges	58,637	94,944
Talw'awtxw Aboriginal Financing Group repayable at \$5,556 per month principal, with no interest rate charges	-	27,777

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

9. Debt (continued)	<u>2024</u>	<u>2023</u>
Canada Mortgage and Housing Corporation Mortgages, secured by ministerial guarantees from ISC:		
- Loan #220-95475001 repayable at \$2,380 per month, including interest at 1.73%, matures Feb. 1/25	25,953	53,809
- Loan #220-95475002 repayable at \$2,362 per month, including interest at .74%, matures Jan. 1/26	51,600	79,453
- Loan #220-95475003 repayable at \$2,849 per month, including interest at 3.70%, matures Oct. 1/28	144,042	172,366
- Loan #220-95475004 repayable at \$6,143 per month, including interest at 1.72%, matures Mar. 1/35	738,605	799,072
- Loan #220-96475001 repayable at \$2,478 per month, including interest at 2.06%, matures Jan. 1/40	401,810	423,055
- Loan #220-95475001 repayable at \$2,329 per month, including interest at .74%, matures Feb. 1/41	444,305	468,865
- Loan #220-954-75008 repayable at \$3,781 per month, including interest at 2.52%, matures Sept 1/43	688,315	726,581
- Loan #3655-6998-931 repayable at \$6,117 per month, including interest at prime plus 1.75%	<u>1,091,534</u>	<u>1,102,121</u>
Total	\$ <u>6,811,403</u>	\$ <u>6,968,881</u>

Estimated principal repayments required over the next five years:

2025	\$ 619,916	2028	\$ 551,933
2026	\$ 571,026	2029	\$ 421,044
2027	\$ 556,389		

10. SOCIAL HOUSING RESERVES

a) Replacement Reserve

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$49,030 (2023 - \$43,030) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation (CDIC) or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, the replacement reserve was under funded by \$440,136 (2023 – underfunded by \$414,230).

**TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024**

b) Operating Reserve

Under the terms of the agreement with CMHC, excess revenues over expenditures for the Post 1996 phases may be retained in an operating reserve. These funds, along with accumulated interest, must be held in a separate bank and/or invested only in accounts or instruments insured by the CDIC or as may otherwise be approved by CMHC from time to time. At year end, the operating reserve was underfunded by \$348,555 (however adequate funds were held in a non-reserve operating bank account; 2023 under funded by \$360,988).

11. EXPENSES BY OBJECT

	<u>2024</u>	<u>2023</u>
Wages	\$ 2,221,100	\$ 1,661,012
Benefits	437,028	261,742
Amortization - operations	358,137	359,054
Amortization – equity in tangible capital assets	684,643	478,012
Contracts	3,003,359	7,033,217
Cost of sales	5,240,084	5,663,032
Government transfers to school	12,128,107	11,797,636
Materials and supplies	883,040	860,519
Other	4,481,167	4,376,760
Professional fees	1,177,843	331,061
Social Assistance	<u>1,934,011</u>	<u>2,025,547</u>
	<u>\$ 32,548,519</u>	<u>\$ 34,847,592</u>

The expenses by object are before the adjustment for capital acquisitions in the consolidated statement of operations.

12. CONTINGENT LIABILITIES

- a) Restricted unexpended surpluses can be recovered by the funding agency.
- b) The First Nation has outstanding letters of credit with BMO for the following:
 - (i) Corporate MasterCard guarantee authorizing to a maximum of \$20,000;
 - (ii) Non borrowing guarantee to facilitate on reserve housing loans to a maximum of \$2,845,000 secured by signed letter of agreement and a Band Council Resolution (BCR); individual guarantees of up to \$300,000 for each borrower;

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

- (iii) Non borrowing guarantee to facilitate on reserve housing loan home renovation loans to a maximum of \$100,000 including guarantees of up to \$25,000 per individual; guaranteed by supporting BCR and Chief Certificate;
- (iv) Non borrowing guarantee contingent liability to a maximum of \$750,000 representing the cap on the amount of Band guarantees for individual member loans which have the purpose of construction, purchase, renovation or refinancing for a residential unit; individual loans to members are capped at \$200,000 for new construction and purchase and from \$5,000 to \$60,000 for renovation of an existing residence; security includes a signed commitment letter and BCR.

13. GOVERNMENT TRANSFERS

	2024			2023		
	Operating	Capital	Total	Operating	Capital	Total
Federal Govt Transfers:						
Indigenous Services Canada	19,152,346	717,710	19,870,056	18,377,626	603,165	18,980,781
Federal Govt – other	1,926,477	-	1,926,477	1,098,909	-	1,098,909
FNHA	1,192,702	-	1,192,702	1,215,399	-	1,215,399
CMHC	<u>146,137</u>	<u>-</u>	<u>146,137</u>	<u>347,043</u>	<u>-</u>	<u>347,043</u>
Total	<u>22,417,662</u>	<u>717,710</u>	<u>23,135,372</u>	<u>21,038,977</u>	<u>603,165</u>	<u>21,642,132</u>
Provincial Govt (includes Gaming):	<u>826,279</u>	<u>-</u>	<u>826,279</u>	<u>874,095</u>	<u>1,000,000</u>	<u>1,874,095</u>

14. ADJUSTMENT FOR CAPITAL ACQUISITIONS

Capital acquisitions have been included as an expense item in the Statement of Operations in order to be consistent with the capital funding reports provided to Indigenous Services Canada. For the required presentation under public sector accounting standards, the expense is reversed and capitalized accordingly.

15. SUBSEQUENT EVENTS

As at April 1, 2024 Tsartlip First Nation entered into an agreement to sell the gasbar/ convenience store to a related entity entitled “ Tsartlip Gas Bar Limited Partnership” for the purchase price of \$339,973, subject to adjustment, to be paid by way of a non-interest bearing demand promissory note. The vendor agreed to advance a working capital loan in the amount of \$400,000, interest free, repayable over a period of ten (10) years commencing April 1, 2025. The tenant shall pay the band (landlord) basic monthly rent of \$20,000 for an initial period of five (5) years, and then subject to negotiation.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

16. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	<u>2024</u>	<u>2023</u>
Surplus in operating funds	10,231,143	7,507,134
Surplus in restricted capital fund	720,491	2,443,047
Equity in Ottawa Trust funds	223,253	213,668
Equity in tangible capital assets	36,620,570	35,596,203
Operating CMHC reserve fund	<u>347,554</u>	<u>360,988</u>
	<u>\$48,143,011</u>	<u>\$46,121,040</u>

17. BUDGET FIGURES

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

18. SEGMENTED INFORMATION

Tsartlip First Nation provides a wide range of services to its membership. For management reporting purpose, Tsartlip First Nation's operations and activities are organized and reported by department. These departments have been separately disclosed in the segmented information, along with the services they provide, as follows:

- (a) Administration – this function pertains to all the general and administrative functions of Tsartlip First Nation, including management, reception, accounting, human resource management, staff training, information technology and records.
- (b) Operations and Maintenance – responsibilities include the care and maintenance of Tsartlip First Nation infrastructure including government buildings, roads, water and sewer, and materials management.
- (c) Health – this department delivers health and prevention services to the community including community nursing services, in home care, drug and alcohol counseling, diabetes counseling, head start programs and patient travel.
- (d) Social Development and Training – this department delivers social assistance programs including basic needs, adult in home care and prevention programs.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

18. Segmented Information (continued)

- (e) Capital - this department is responsible for the planning and construction of new capital facilities and infrastructure, as well as overseeing new housing projects.
- (f) Education Support Services - the education department supports various education and parental / community engagement programs as well as providing for the flow-through of ISC education funds to the School Board.
- (g) Economic Development – this department assists the community in identifying and developing economic development initiatives, links training opportunities and job creation with community labour needs, and undertakes research and planning.
- (h) Housing – this department is engaged with the administration of band housing for members including the CMHC housing program.
- (i) Band Generated Programs – this department operates programs that normally have no specific outside funding sources; activities include band store operations, office building rentals and property taxation.

Tsartlip First Nation
Schedule of Segmented Operations
For the Year Ended March 31, 2024

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