

Tsideldel First Nation
Consolidated Financial Statements
March 31, 2025

Tsideldel First Nation

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For the year ended March 31, 2025

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To the Members of Tsideldel First Nation:

Opinion

We have audited the consolidated financial statements of Tsideldel First Nation (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations and accumulated surplus, remeasurement gains (losses), changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and related schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2025, and the results of its consolidated operations, its consolidated remeasurement gains (losses), and consolidated changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

MNP LLP

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Prince George, British Columbia

July 23, 2025

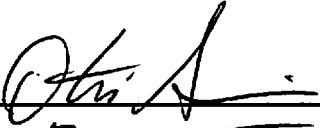

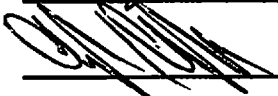
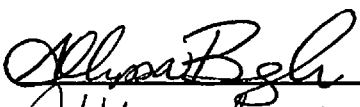
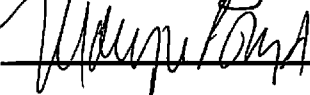
MNP LLP

Chartered Professional Accountants

Tsideldel First Nation
Consolidated Statement of Financial Position
As at March 31, 2025

| | 2025 | 2024 |
|--|-------------------|-------------------|
| Financial assets | | |
| Cash (Note 3) | 11,478,338 | 13,385,141 |
| Accounts receivable (Note 4) | 827,912 | 1,478,069 |
| Portfolio Investments (Note 5) | 1,546,741 | 1,386,718 |
| Funds held in trust (Note 6) | 372,573 | 380,287 |
| Investments in Nation business entities (Note 7) | 6,708,452 | 5,546,367 |
| Total financial assets | 20,934,016 | 22,176,582 |
| Liabilities | | |
| Accounts payable and accruals (Note 8) | 2,413,431 | 1,610,536 |
| Deferred revenue (Note 9) | 521,367 | 924,751 |
| Debt (Note 10) | 964,437 | 842,950 |
| Total liabilities | 3,899,235 | 3,378,237 |
| Net financial assets | 17,034,781 | 18,798,345 |
| Contingencies (Note 11) | | |
| Non-financial assets | | |
| Tangible capital assets (Note 12) (Schedule 1) | 26,815,008 | 23,602,589 |
| Prepaid expenses | 79,991 | 70,272 |
| Total non-financial assets | 26,894,999 | 23,672,861 |
| Accumulated surplus (Note 13) | 43,929,780 | 42,471,206 |
| Accumulated surplus is comprised of: | | |
| Accumulated operating surplus | 43,856,929 | 42,537,993 |
| Accumulated Remeasurement Gains (Losses) | 72,851 | (66,787) |
| | 43,929,780 | 42,471,206 |

Approved on behalf of Chief and Council:

| | | | |
|--|--|--|---|
|    | <p>Chief</p> <p>Councillor</p> <p>Councillor</p> |   | <p>Councillor</p> <p>Councillor</p> <p>Councillor</p> |
|--|--|--|---|

Tsitledel First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2025

| | <i>Schedules</i> | 2025 Budget (Note 16) | 2025 | 2024 |
|--|------------------|--------------------------------------|--------------------|-------------|
| Revenue | | | | |
| Indigenous Services Canada (Note 14) | | 4,937,078 | 5,993,741 | 10,927,043 |
| First Nations Health Authority | | 1,496,485 | 1,752,933 | 1,617,728 |
| Canada Mortgage and Housing Corporation | | 52,460 | 54,170 | 52,460 |
| Other revenue | | 526,598 | 1,954,026 | 1,835,776 |
| Tsilhqot'in National Government | | 105,815 | 1,896,474 | 4,376,945 |
| Interest income | | 200,000 | 741,500 | 632,755 |
| Earnings from investment in Nation partnerships (Note 7) | | - | 562,573 | 1,795,775 |
| Rental income | | 207,207 | 350,349 | 329,387 |
| First Nation Education Steering Committee | | 201,959 | 237,785 | 213,556 |
| Eniyud Community Forestry Ltd. | | - | 75,000 | 1,530,000 |
| Forest Range Agreement | | 570,270 | 28,600 | - |
| Rapid Housing Initiative | | - | - | 1,745,000 |
| | | 8,297,872 | 13,647,151 | 25,056,425 |
| Program expenses (Schedule 2) | | | | |
| Nation Support | 3 | 1,929,107 | 2,578,468 | 2,312,038 |
| Education | 4 | 2,514,568 | 2,871,023 | 2,201,032 |
| Social Assistance | 5 | 1,112,317 | 1,032,153 | 1,033,555 |
| Capital | 6 | 2,754,876 | 1,861,527 | 1,765,300 |
| Social Housing | 7 | 1,876,270 | 250,976 | 245,572 |
| Economic Development | 8 | 663,055 | 731,106 | 816,041 |
| Health | 9 | 1,813,113 | 1,932,279 | 1,733,507 |
| Total expenditures | | 12,663,306 | 11,257,532 | 10,107,045 |
| Surplus before other item | | (4,365,434) | 2,389,619 | 14,949,380 |
| Flowthrough funding to related parties | | - | (1,070,683) | - |
| Annual surplus | | (4,365,434) | 1,318,936 | 14,949,380 |
| Accumulated surplus, beginning of year | | 42,537,993 | 42,537,993 | 27,588,613 |
| Accumulated surplus, end of year | | 38,172,559 | 43,856,929 | 42,537,993 |

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

Tsideldel First Nation
Consolidated Statement of Remeasurement Gains (Losses)
For the year ended March 31, 2025

| | 2025 | 2024 |
|--|-----------------|-----------------|
| Accumulated remeasurement gains (losses), beginning of year | (66,787) | - |
| Unrealized gains (losses) attributable to: | | |
| Portfolio Investments | 139,638 | (66,787) |
| Change in remeasurement gains (losses) | 139,638 | (66,787) |
| Accumulated remeasurement gains (losses), end of year | 72,851 | (66,787) |

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

Tsidel First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2025

| | 2025 Budget (Note 16) | 2025 | 2024 |
|--|--------------------------------------|--------------------|-------------|
| Annual surplus | (4,365,434) | 1,318,936 | 14,949,380 |
| Purchases of tangible capital assets | - | (4,255,111) | (9,263,780) |
| Amortization of tangible capital assets | - | 1,042,692 | 696,245 |
| Use (acquisition of) prepaid expenses | - | (9,719) | 9,190 |
| Change in remeasurement gains (losses) | - | 139,638 | (66,787) |
| Increase (decrease) in net financial assets | (4,365,434) | (1,763,564) | 6,324,248 |
| Net financial assets, beginning of year | 18,798,345 | 18,798,345 | 12,474,097 |
| Net financial assets, end of year | 14,432,911 | 17,034,781 | 18,798,345 |

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

Tsideldel First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2025

| | 2025 | 2024 |
|--|-------------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Annual surplus | 1,318,936 | 14,949,380 |
| Non-cash items | | |
| Amortization | 1,042,692 | 696,245 |
| Bad debts | 96,458 | 96,458 |
| Earnings from Investments in Nation business entities (Note 7) | (562,575) | (1,795,775) |
| Trust fund interest revenue | (13,686) | (52,495) |
| Change in remeasurement gains (losses) for the year | 139,638 | (66,787) |
| | 2,021,463 | 13,827,026 |
| Changes in working capital accounts | | |
| Accounts receivable | 553,699 | (1,237,551) |
| Portfolio investments | (160,023) | (75,132) |
| Accounts payable and accruals | 802,895 | 740,239 |
| Deferred revenue | (403,384) | (4,502,526) |
| Prepaid expenses | (9,719) | 9,190 |
| | 2,804,931 | 8,761,246 |
| Financing activities | | |
| Repayment of debt | (71,633) | (85,535) |
| Advances of debt | 193,120 | 226,786 |
| Advances from related Nation entities and department | 471,173 | - |
| Advances to related Nation entities and departments | - | (53,402) |
| Flowthrough funding to related parties | (1,070,683) | - |
| Trust Fund Section 69 withdrawal | 21,400 | 787,811 |
| | (456,623) | 875,660 |
| Capital activities | | |
| Purchases of tangible capital assets | (4,255,111) | (9,263,780) |
| Increase (decrease) in cash | (1,906,803) | 373,126 |
| Cash, beginning of year | 13,385,141 | 13,012,015 |
| Cash, end of year | 11,478,338 | 13,385,141 |

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

1. Operations

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

2. Significant accounting policies

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

Reporting entity consolidated

The consolidated financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for government business entities.

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

- Social Housing
- Tsi'dedel Development Corporation

All inter-entity balances have been eliminated on consolidation.

Tsidedel First Nation business entities, owned or controlled by the Nation's Council but not dependent on the 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 Nation. Thus, the Nation's investment in this entity 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. The entity accounted for by the modified equity basis is:

- Tsi'dedel Development Limited Partnership (99.99%)

Entities that are not controlled or jointly controlled are accounted for at cost. These include:

- Tsi Del Del Enterprises Ltd. (50%)
- River West Forest Products Ltd. (22%)
- Eniyud Community Forests Ltd. (50%)
- Cariboo Indian Enterprises Ltd. (7%)
- Central Chilcotin Rehabilitation Ltd. (50%)
- Dandzen Development Limited Partnership (17%)

Basis of presentation

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

Net financial assets

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

Asset classification

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

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

Cash resources

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in cash as restricted cash (Note 3).

Funds held in Ottawa Trust Fund

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

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

Tangible capital assets

Capital expenditures are any significant expenditure incurred to acquire or improve land, buildings, engineering structures, machinery or equipment. The benefits last beyond one year and result in the acquisition of an asset or are an extension of the life of an asset. Tangible capital assets are initially recorded at cost less accumulated amortization. Contributed tangible assets are recorded at their fair value at the date of contribution. Assets under construction are not amortized until the asset is available for productive use.

Amortization

Tangible capital assets are amortized over the expected useful life of the assets using the declining balance method. In the year of acquisition, amortization is taken at one-half of the following rates:

| | Rate |
|----------------|-------------|
| Buildings | 4 % |
| Infrastructure | 4 % |
| Equipment | 20-30 % |

Revenue recognition

- i) Government Transfers
The Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.
- ii) First Nation Capital and Revenue Trust Funds
The Nation recognizes revenue of the Capital and Revenue trusts when earned.
- iii) Canada Mortgage and Housing Corporation ("CMHC")
CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreement. Funding received under the funding agreements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.
- iv) 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.
- v) Other Revenue
Other revenue is recognized when performance is achieved, amounts are reasonably estimated and collection is reasonably assured.
- vi) Investment Income
Investment income is recognized by the Nation when the investment income is earned.

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

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling cost.

Prepaid expenses

Prepaid expenses, included in non-financial assets, includes payment for services that have not been provided as of year end.

Measurement uncertainty

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

Accounts receivable, and amounts due from related Nation entities and departments, are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the operations of the period in which they become known.

Long-lived assets and discontinued operations

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

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when an asset's service potential is reduced. 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 value.

Segments

The Nation conducts its business through seven reportable segments as described in *Note 17*. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2025.

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

Liability for contaminated site *(Continued from previous page)*

At each financial reporting date, the Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2025, no liability exists (March 31, 2024 - no liability).

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2025. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

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

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

The Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2025, no asset retirement obligations exists.

Financial instruments

The Nation recognizes its financial instruments when the Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. The Nation has designated endowment and trustee funds to be subsequently measured at their fair value. Fair value is determined by quoted prices in active markets.

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

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost. The Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant market, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk to the Nation's earnings that arises from fluctuations in market interest rates and the degree of volatility of these rates. The Nation does not use derivative instruments to reduce its exposure to interest rate risk. During 2024, interest rate has risen significantly but management expects interest rates to remain relatively constant for the coming year and therefore considers the related risk to be low.

Tsitledel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

3. Cash and cash equivalents

Included in cash is restricted cash of \$1,310,708 (2024 - \$1,325,773) related to unexpended gaming funds.

4. Accounts receivable

| | 2025 | 2024 |
|---------------------------------|-----------|-----------|
| Trade receivables | 1,402,345 | 2,015,587 |
| Goods and Services Tax rebate | 18,679 | 10,833 |
| Social Housing | 41,020 | 43,733 |
| | 1,462,044 | 2,070,153 |
| Allowance for doubtful accounts | (634,132) | (592,084) |
| | 827,912 | 1,478,069 |

5. Portfolio investments

| | 2025 | 2024 |
|---|-----------|-----------|
| Guaranteed investment certificate bearing interest at 4.05% per annum, maturing March 2027, deposit is held as collateral against demand loans held by the Nation | 617,084 | 593,065 |
| Guaranteed investment certificate bearing interest at 5.00% per annum, maturing December 2025 | 2,370 | 2,370 |
| Guaranteed investment certificate bearing interest at 2.80% per annum, maturing May 2027 | 5,725 | 5,683 |
| BMO Nesbitt Burns - mixed portfolio of cash, fixed income, and equities | 921,562 | 785,600 |
| | 1,546,741 | 1,386,718 |

6. Funds held in trust

| | 2025 | 2024 |
|------------------------------------|----------|-----------|
| Capital Trust | | |
| Balance, beginning and end of year | 365,086 | 365,086 |
| Revenue Trust | | |
| Balance, beginning of year | 15,201 | 750,517 |
| Interest | 12,230 | 51,005 |
| BC Special | 1,456 | 1,490 |
| Section 69 withdrawal | (21,400) | (787,811) |
| | 7,487 | 15,201 |
| | 372,573 | 380,287 |

Capital and revenue trust monies are transferred to the Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the Nation's Council. The Ottawa Trust accounts 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 Section 63 to 69 of the *Indian Act*.

Tsidedel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

7. Investments in Nation business entities

The Nation has investments in the following entities:

| | | | | 2025 |
|---|-------------------------------------|-------------------------------------|---|-----------------------------|
| | <i>Investment opening value</i> | <i>Annual share of earnings</i> | <i>Advances to (from) related parties</i> | <i>Total investment</i> |
| Wholly-owned Businesses: | | | | |
| Tsidedel Limited Partnership (100%) | 6,062,878 | 562,573 | 81,734 | 6,707,185 |
| Nation Investments - Recorded at Cost: | | | | |
| Tsi Del Del Enterprises Ltd. (50%) | 1 | - | - | 1 |
| River West Forest Products Ltd. (22%) | 1 | - | - | 1 |
| Eniyud Community Forests Ltd. (50%) | 1,250 | - | - | 1,250 |
| Cariboo Indian Enterprises Ltd. (7%) | 1 | - | - | 1 |
| Central Chilcotin Rehabilitation Ltd. (50%) | 20 | - | - | 20 |
| Redstone Gas Bar Ltd. (100%) | 1 | - | (1) | - |
| Tsi Del Del Resources Ltd. (100%) | 1 | - | (11) | (10) |
| Bendziny Tourism Ventures Ltd. (100%) | 1 | - | - | 1 |
| Tsi Del Del Aggregate Ltd. (100%) | 1 | - | - | 1 |
| Tsi Del Del Holdings Ltd. (100%) | 1 | - | - | 1 |
| Jinadlin Ecotourism Ltd. (100%) | 1 | - | - | 1 |
| | 1,279 | - | (12) | 1,267 |
| | 6,064,157 | 562,573 | 81,722 | 6,708,452 |
| | | | | |
| | | | | 2024 |
| | <i>Investment opening value</i> | <i>Annual share of earnings</i> | <i>Advances to (from) related parties</i> | <i>Total investment</i> |
| Wholly-owned Businesses: | | | | |
| Tsidedel Limited Partnership (100%) | 3,783,833 | 1,795,775 | (34,506) | 5,545,102 |
| Nation Investments - Recorded at Cost: | | | | |
| Tsi Del Del Enterprises Ltd. (50%) | 1 | - | - | 1 |
| River West Forest Products Ltd. (22%) | 1 | - | - | 1 |
| Eniyud Community Forests Ltd. (50%) | 1,250 | - | - | 1,250 |
| Cariboo Indian Enterprises Ltd. (7%) | 1 | - | - | 1 |
| Central Chilcotin Rehabilitation Ltd. (50%) | 20 | - | - | 20 |
| Redstone Gas Bar Ltd. (100%) | 1 | - | (1) | - |
| Tsi Del Del Resources Ltd. (100%) | 1 | - | (11) | (10) |
| Bendziny Tourism Ventures Ltd. (100%) | 1 | - | - | 1 |
| Jinadlin Ecotourism Ltd. (100%) | 1 | - | - | 1 |
| | 1,277 | - | (12) | 1,265 |
| | 3,785,110 | 1,795,775 | (34,518) | 5,546,367 |

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Tsidedel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

7. Investments in Nation business entities *(Continued from previous page)*

The advances made to the Nation partnerships and business entities are recorded net of allowances, have no set terms of repayments, are non-interest bearing and are unsecured.

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

| | <i>Tsidedel Limited Partnership As at December 31, 2023</i> |
|-------------------------------|---|
| Assets | |
| Cash | 775,014 |
| Accounts receivable | 76,000 |
| Prepaid expenses | 6,346 |
| Advances to related party | 42,486 |
| Investment in partnerships | 5,909,033 |
| Total assets | 6,808,879 |
| Liabilities | |
| Accounts payable and accruals | 19,630 |
| Advances from related parties | 163,798 |
| Total liabilities | 183,428 |
| Partners' capital | 6,625,451 |
| Total revenue | 968,116 |
| Total expenses | 405,543 |
| Net income | 562,573 |

The Nation owns 22% of the issued common shares in River West Forest Products Ltd. (the "Company") which is a Canadian controlled private corporation incorporated under the laws of the Province of British Columbia. The Company was inactive and had no operations as at March 31, 2025.

The Nation is a limited partner that has 17% shared interests for Dandzen Development Limited Partnership (the "Partnership"). The Partnership operates a solar farm, a one Megawatt (1.25 MWdc) solar photovoltaic (PV) plant on the site of the River West sawmill. The Government does not have control over the Partnership. As a result, the Partnership is recorded at cost as at March 31, 2025. In addition, no contributions have been made by the Nation and no distributions from the partnership were received during the year.

8. Accounts payable and accruals

| | 2025 | 2024 |
|--|------------------|------------------|
| Accounts payable and accruals | 2,306,107 | 1,434,730 |
| Wages payable and government remittances | 96,197 | 171,271 |
| Social Housing | 8,627 | 1,153 |
| Economic development | 2,500 | 3,382 |
| | 2,413,431 | 1,610,536 |

Tsitledel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

9. Deferred revenue

The Nation has recorded the following externally restricted funding as deferred revenue to be used in the completion of ongoing projects:

| | 2025 | 2024 |
|---|----------------|----------------|
| Solid Waste Management Upgrade - ICMS#9-00131483 | 124,476 | 328,416 |
| ACRS - ICMS#9-00130775 | 153,765 | 218,750 |
| Child and Family Services Housing Funding - ICMS#9-00131758 | - | 137,037 |
| Community building - ICMS#9-00131026 | - | 104,355 |
| Redstone and Michel Garden Sanitary Infrastructure Upgrades - ICMS#9-00131128 | 10,728 | 84,681 |
| Housing and Management Capacity - ICMS#9-00131445 | - | 49,381 |
| Prepaid rent | 1,726 | 2,131 |
| Road Improvements - ICMS #9-00126206 | 230,672 | - |
| | 521,367 | 924,751 |

10. Debt

| | 2025 | 2024 |
|---|----------------|----------------|
| All Nations Trust - loan repayable in monthly blended payments of \$2,848, bearing interest at 2.04% per annum, maturing March 2039, secured by building with a net book value of \$298,329 (2024 - \$310,759). | 404,945 | 425,619 |
| Puntzi Lake Fishing Camp Claim - loan is repayable on the earlier of March 31, 2028, or a date on which the claim is settled, as determined by the agreement. | 257,749 | 118,549 |
| Alexis Creek (Lot 224) Claim - loan is repayable on the earlier of March 31, 2028, or a date on which the claim is settled, as determined by the agreement. | 151,200 | 97,280 |
| Bank of Montreal - loan repayable in monthly blended payments of \$858, bearing interest at prime plus 0.5% per annum, maturing October 2029, secured by Tsitledel First Nation general security agreement. | 42,058 | 51,116 |
| Bank of Montreal - loan repayable in monthly blended payments of \$1,797, bearing interest at prime plus 0.5% per annum, maturing March 2026, secured by Tsitledel First Nation general security agreement. | 22,308 | 45,651 |
| Bank of Montreal - loan repayable in monthly blended payments of \$563, bearing interest at prime plus 0.5% per annum, maturing October 2029, secured by Tsitledel First Nation general security agreement. | 28,723 | 34,908 |
| Bank of Montreal - loan repayable in monthly blended payments of \$775, bearing interest at prime plus 0.5% per annum, maturing October 2027, secured by Tsitledel First Nation general security agreement. | 27,362 | 33,254 |
| Bank of Montreal - loan repayable in monthly blended payments of \$448, bearing interest at prime plus 0.5% per annum, maturing October 2029, secured by Tsitledel First Nation general security agreement. | 23,402 | 28,442 |
| Bank of Montreal - loan bearing interest at prime plus 0.5% per annum, repayable in monthly blended payments of \$510 guaranteed by Tsitledel First Nation general security agreement, maturing October 2025 | 6,691 | 8,131 |
| | 964,437 | 842,950 |

Tsidedel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

10. Debt (Continued from previous page)

Prime rate at March 31, 2025 was 4.95% (2024 - 7.20%).

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

| | |
|------------|---------|
| 2026 | 77,377 |
| 2027 | 52,228 |
| 2028 | 53,745 |
| 2029 | 457,675 |
| 2030 | 41,945 |
| | <hr/> |
| | 682,970 |
| Thereafter | 281,467 |
| | <hr/> |
| | 964,437 |
| | <hr/> |

11. Contingencies

(a) The financial results of the CMHC Social Housing program are subject to review by CMHC. It is possible that adjustments could be made based on the results of their review.

(b) The Nation is subject to funding recoveries according to their agreements with federal government agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2025 might be recovered.

12. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Included in tangible capital assets are infrastructure with a carrying value of \$2,101,654 (2024 - \$2,635,226) and buildings with a carrying value of \$348,105 (2024 - \$Nil). No amortization of these assets has been recorded during the year because they are currently under construction.

13. Accumulated surplus

Accumulated surplus consists of the following:

| | 2025 | 2024 |
|--|------------|------------|
| Ottawa Trust Funds | 372,573 | 380,287 |
| Operating fund | 10,874,689 | 13,797,671 |
| Enterprise fund | 6,708,452 | 5,546,367 |
| Equity in tangible capital assets | 25,850,571 | 22,759,639 |
| CMHC Replacement and operating reserve | 50,644 | 54,029 |
| Remeasurement gains (losses) | 72,851 | (66,787) |
| | <hr/> | |
| | 43,929,780 | 42,471,206 |
| | <hr/> | |

Tsideldel First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

14. Indigenous Services Canada funding reconciliation

| | 2025 | 2024 |
|---|------------------|-------------------|
| Indigenous Services Canada funding per confirmation | 5,590,762 | 6,422,484 |
| Prior year deferred revenue recognized as revenue | 1,289,742 | 5,104,074 |
| Current year deferred revenue | (886,763) | (599,515) |
| | 5,993,741 | 10,927,043 |

15. Economic dependence

Tsideldel First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

16. Budget information

The disclosed budget information has been approved by the Chief and Council of the Tsideldel First Nation. The original budget was approved at the Chief and Council meeting held on April 3, 2024.

Budgets were not prepared for all segments and all departments in 2025. As such, the budget figures in the Consolidated Statement of Operations are not presented for the same scope of activities as the actual results.

17. Segments

The Nation receives revenue from many different projects and sources. For management and reporting purposes, the revenue, expenses, and surplus or deficits are organized by the following segments:

Nation Support:

Includes general operations, support, and financial management of Tsideldel First Nation.

Education:

Includes revenue and expenses related to primary, secondary and post secondary education of the members of Tsideldel First Nation.

Social Assistance:

Includes revenue and expenses relating to the delivery of social assistance to members of Tsideldel First Nation.

Capital:

Includes revenue and expenditures of capital projects.

Social Housing:

Includes revenue and expenditures relating to the operation of Tsideldel First Nation's social housing program.

Economic Development:

Includes activities related to the growth of revenue producing projects within Tsideldel First Nation.

Health:

Includes activities related to the provision of health services for Tsideldel First Nation.

18. Comparative figures

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