

Tl'etinqox Government

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED March 31, 2024

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Tl'etinqox Government 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, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies are described in Note 2 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Chief and Council. The Chief and Council reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Chief and Council also discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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

The external auditors, FBB Chartered Professional Accountants LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of the Tl'etinqox Government and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Chief and Council,
Tl'etinqox Government

Opinion

We have audited the consolidated financial statements of Tl'etinqox Government, which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Tl'etinqox Government as at March 31, 2024, and its financial performance and 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 ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 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 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



CHARTERED
PROFESSIONAL
ACCOUNTANTS LLP

Ryan Broughton, CPA, CA*
Partner

Quan Cheng, CPA, CA*
Partner

*Denotes incorporated professional

INDEPENDENT AUDITOR'S REPORT (continued)

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.

*FBB Chartered Professional
Accountants LLP*

February 19, 2025
Quesnel, British Columbia

FBB Chartered Professional Accountants LLP

TI'etinqox Government

Consolidated Statement of Financial Position

As at March 31, 2024

	2024	2023
Financial assets		
Cash and investments	\$ 10,578,914	\$ 6,832,793
Restricted Cash (Note 2)	7,216,248	6,852,875
Accounts receivable (Note 3)	1,747,218	2,462,709
Inventory	73,500	98,750
Investments in government business entities (Note 4)	2,946,130	1,671,826
Due from related parties (Note 5)	2,268,597	1,990,647
	<u>24,830,607</u>	<u>19,909,600</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 6)	2,636,504	2,201,570
Deferred revenue (Note 7)	5,354,998	6,373,988
Long-term debt (Note 8)	923,654	1,068,697
	<u>8,915,156</u>	<u>9,644,255</u>
Net financial assets	<u>15,915,451</u>	<u>10,265,345</u>
Non-financial assets		
Prepaid expenses	352,229	128,740
Tangible capital assets (Note 10)	34,567,546	28,684,451
	<u>34,919,775</u>	<u>28,813,191</u>
Accumulated Surplus (Note 11)	<u>\$ 50,835,226</u>	<u>\$ 39,078,536</u>

Contingent Liabilities (Note 9)

Approved by Chief and Council:

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

Tl'etinqox Government
Consolidated Statement of Operations
For the year ended March 31, 2024

	2024	2024	2023
	(Budget - Unaudited)		
Revenue			
Indigenous Services Canada	\$ 7,993,992	\$ 12,195,679	\$ 10,011,198
First Nations Health Authority	1,834,102	2,043,608	2,094,633
Province of British Columbia	862,660	1,465,910	2,308,980
First Nations Education Steering Committee	477,691	622,580	722,814
Cariboo Chilcotin Aboriginal Training Employment Centre	30,000	26,683	98,867
Government of Canada	769,200	916,049	1,214,165
Tsilhqot'in National Government	322,013	4,367,270	2,313,162
Denisiqi Services Society	-	-	200,000
Rental and maintenance	205,873	176,516	305,092
Other	267,000	177,961	338,069
Interest and investment earnings	152,000	845,682	377,229
Administration fees	45,203	-	42,235
Government of Canada - Drinking water settlement	-	4,000	500,000
BC First Nation Gaming Revenue Sharing LP	726,951	846,638	916,290
(Loss) earnings from government business entities	-	1,274,304	(858,439)
Change in deferred revenue	2,492,526	1,518,990	(1,930,933)
	<u>16,179,211</u>	<u>26,481,870</u>	<u>18,653,362</u>
Expenses			
Administration	1,891,329	1,887,970	1,666,180
Education and training	3,920,970	3,822,962	3,551,949
Social development	2,777,461	4,246,069	2,733,827
Operations and maintenance	691,619	690,309	747,112
Capital	3,309,533	6,330,874	6,561,292
Own source	315,700	535,973	716,882
Health and wellness	2,136,688	2,079,882	1,976,507
Housing	1,836,734	2,490,610	267,623
Tangible capital asset additions	-	(7,359,469)	(5,442,705)
	<u>16,880,034</u>	<u>14,725,180</u>	<u>12,778,667</u>
Annual surplus	(700,823)	11,756,690	5,874,695
Accumulated surplus, beginning of year	<u>39,078,536</u>	<u>39,078,536</u>	<u>33,203,841</u>
Accumulated surplus, end of year (Note 12)	<u>\$ 38,377,713</u>	<u>\$ 50,835,226</u>	<u>\$ 39,078,536</u>

Tl'etinqox Government

Consolidated Statement of Changes in Net Financial Assets

For the year ended March 31, 2024

	2024	2024	2023
	Budget (unaudited)		
Annual surplus	\$ (700,823)	\$ 11,756,690	\$ 5,874,695
Amortization	1,500,000	1,490,311	1,295,964
Change in prepaid expenses	-	(223,489)	(13,892)
Transfers budgeted	-	-	-
Gain/loss on disposal of tangible capital assets	-	-	-
Proceeds on disposal of tangible capital assets	-	-	-
Acquisition of tangible capital assets	-	(7,373,406)	(5,442,705)
Increase in net financial assets	799,177	5,650,106	1,714,062
Net financial assets, beginning of year	15,915,451	10,265,345	8,551,283
Net financial assets, end of year	<u>\$ 16,714,628</u>	<u>\$ 15,915,451</u>	<u>\$ 10,265,345</u>

Tl'etinqox Government
Consolidated Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
NET INFLOW (OUTFLOW) OF CASH:		
Operating activities		
Annual surplus	\$ 11,756,690	\$ 5,874,695
Non-cash charges to operations		
Amortization	1,490,311	1,295,964
Earnings on investment in Nation business entities	(1,274,304)	858,439
Gain on disposal of tangible capital assets	-	-
Earnings on Ottawa trust funds	(8,831)	(7,209)
Changes in non-cash operating balances:		
Increase in accounts receivable	715,491	(205,641)
Increase in accounts payable and accrued liabilities	434,934	1,149,328
Change in inventory	25,250	(74,000)
Increase in deferred revenue	(1,018,990)	1,930,933
Increase in prepaid expenses	(223,489)	(13,892)
	<u>11,897,062</u>	<u>10,808,617</u>
Capital activities		
Acquisition of tangible capital assets	<u>(7,373,406)</u>	<u>(5,442,705)</u>
Investing activities		
Transfers from (to) restricted cash	(354,542)	(876,072)
Advances from (to) related parties	<u>(277,950)</u>	<u>(33,015)</u>
	<u>(632,492)</u>	<u>(909,087)</u>
Financing activities		
Repayment of long-term debt	(145,043)	(160,155)
Proceeds of long-term debt	-	-
	<u>(145,043)</u>	<u>(160,155)</u>
Increase in cash and investments	3,746,121	4,296,670
Cash and investments, beginning of year	<u>6,832,793</u>	<u>2,536,123</u>
Cash and investments, end of year	<u><u>\$ 10,578,914</u></u>	<u><u>\$ 6,832,793</u></u>

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

General

The Tl'etinqox Government (the "Nation") is a first nation located in the province of British Columbia, and provides various services to its members. Tl'etinqox Government 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.

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation

These consolidated financial statements reflect all revenues, expenses, assets and liabilities of Tl'etinqox Government. It is the Nation's policy to follow Canadian public sector accounting standards and apply such principles consistently. The consolidated financial statements have been prepared incorporating guidelines issued by the Public Sector Accounting Board (PSAB) of CPA Canada as required by Indigenous Services Canada.

The focus of Canadian public sector accounting standards is on the financial position of the Nation and the changes thereto. The Consolidated Statement of Financial Position reflects the combined results and activities of the Nation's Operating, Capital and Business Entities Funds. The purposes of these funds are:

i. **Operating Funds**

Operating Funds are to be used to record the costs associated with providing services.

ii. **Capital Funds**

Capital Funds are used to account for the acquisition costs of the Nation's Tangible Capital Assets, the accumulated amortization thereon, and the funding thereof including related long-term debt.

iii. **Government Business Entities**

The Nation has investments in various business entities through direct ownership of share equity and limited partnerships through which the entities carry out business ventures with the prospect of providing returns to the Nation.

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

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

b. Cash and cash equivalents

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

c. Revenue recognition

Ottawa trust funds

The Nation recognizes revenue 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.

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.

Canada Mortgage and Housing Corporation

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

Housing 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, if necessary, for those amounts designated as unlikely to be collected.

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Revenue recognition (continued)

Other Revenue

Other revenue is recognized when goods are sold, amounts are reasonably estimated and collection is reasonably assured.

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. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable, and are presented as non-financial assets in the statement of financial position.

d. Investment in government business entities

Tl'etinqox Government business entities, owned or controlled by the Nation but not dependent on the Nation for their continuing operations, are included in the 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 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. The Nation uses the modified equity basis for the following entities:

- Tl'etinqox Government Economic Development
- Tl'etinqox Government Government Economic Development Corporation LLP
 - Chilcotin River Trading Company LLP
 - Dechen Ventures LP
- Dechen Ventures Ltd.
- Chilcotin River Trading Company Ltd.

Long-term investments in entities that are not owned, controlled or influenced by the Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment. Cost method investments include the B.C. First Nation Gaming Revenue Sharing Limited Partnership in which the Nation's share of revenues are recorded as received or receivable.

TI'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Inventory for resale

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 costs.

f. Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, excluding all interest costs. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Assets under development or construction are not amortized until put into use.

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

Buildings and infrastructure	4%
Automotive equipment	30%
Computers and software	100%
Office and furnishings	20-30%
Equipment	20-30%

g. Impairment of tangible capital assets

The Nation performs impairment testing on tangible capital assets 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 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 surplus (deficit) for the year.

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Use of Estimates

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, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of management estimates include: inventory provision for obsolete items, amortization and useful life of tangible capital assets and these areas represent the best estimates of management based on information available. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

i. Segments

The Nation conducts its business through its reportable segments as described in Note 14. 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 and the accounting policies used in these segment is consistent with those used in the preparation of the consolidated financial statements.

j. Liability for Contaminated Sites

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, 2023.

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, 2024, no liability for contaminated sites exists.

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

2. RESTRICTED CASH

	<u>2024</u>	<u>2023</u>
Internally restricted		
Capital account	\$ 4,868,098	\$ 4,624,587
B.C. FN Gaming Revenue Sharing funds	2,219,630	2,108,600
Ottawa Trust Funds		
Capital trust	79,330	78,387
Revenue trust	49,190	41,301
	<u>\$ 7,216,248</u>	<u>\$ 6,852,875</u>

During the year, investment returns on Ottawa Trust Funds were \$8,831 (2023 - \$7,209).

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 Sections 63 to 69 of the Indian Act.

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 Chief and Council.

3. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Government	\$ 1,634,034	\$ 2,145,171
Other	46,335	289,579
GST receivable	66,849	27,959
	<u>\$ 1,747,218</u>	<u>\$ 2,462,709</u>

TI'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

4. INVESTMENT IN GOVERNMENT BUSINESS ENTITIES

	<u>2024</u>	<u>2023</u>
Wholly Owned Businesses, Investments:		
TI'etinqox Government Economic Development LLP - 99%	\$ 2,799,209	\$ 1,526,078
TI'etinqox Government Economic Development Corp - 100%	144,141	142,867
Dechen Ventures Ltd. - 100%	5,207	4,753
Chilcotin River Trading Company Ltd. - 100%	(2,537)	(1,982)
Portfolio Investments - At Cost		
BC First Nations Gaming Limited Partnership	<u>110</u>	<u>110</u>
	<u><u>\$ 2,946,130</u></u>	<u><u>\$ 1,671,826</u></u>

Unaudited financial statement excerpts for the government business enterprises are as follows:

	<u>2024</u>	<u>2023</u>
ASSETS	<u>\$ 7,662,008</u>	<u>\$ 5,710,086</u>
LIABILITIES	4,713,255	4,036,911
EQUITY	<u>2,948,753</u>	<u>1,673,175</u>
	<u><u>\$ 7,662,008</u></u>	<u><u>\$ 5,710,086</u></u>
TOTAL REVENUE	\$ 7,299,879	\$ (516,996)
TOTAL EXPENSES	<u>6,024,301</u>	<u>347,686</u>
NET EARNINGS	<u><u>\$ 1,275,578</u></u>	<u><u>\$ (864,682)</u></u>

TI'etinqox Government Economic Development LLP is a limited liability partnership between the Nation and TI'etinqox Government Economic Development Corporation and is registered under the Companies Act of British Columbia. The partnership operates primarily as an equipment rental business.

TI'etinqox Government Economic Development Corporation is a wholly owned subsidiary of the Nation and is incorporated under the Business Corporations Act of British Columbia. The company was established to act as the general partner of the above mentioned partnership.

Chilcotin River Trading Company Ltd. is a wholly owned subsidiary of the Nation and was incorporated under the Business Corporations Act of British Columbia. The company was established to act as the general partner for the Chilcotin River Trading Company LLP, (the limited partner of Chilcotin River Trading Company LLP is TI'etinqox Government Economic Development LLP).

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

4. INVESTMENT IN GOVERNMENT BUSINESS ENTITIES (continued)

Dechen Ventures Ltd. is a wholly owned subsidiary of the Nation and was incorporated under the Business Corporations Act of British Columbia. The company was established to act as the general partner for the Dechen Ventures LLP, (the limited partner of Dechen Ventures LLP is Tl'etinqox Government Economic Development LLP).

5. DUE FROM (TO) RELATED PARTIES

	<u>2024</u>	<u>2023</u>
Dechen Ventures Limited Partnership	\$ 158,047	\$ 159,826
Dechen Ventures Ltd.	(100)	(100)
Chilcotin River Trading Company Ltd.	(100)	(100)
Chilcotin River Trading Company LLP	623,090	615,454
Tl'etinqox Government Economic Development Corp.	(100)	(100)
Tl'etinqox Government Economic Development LLP	979,620	979,620
Guzun Ch'ah	508,140	236,047
	<u>\$ 2,268,597</u>	<u>\$ 1,990,647</u>

The above related parties are related to the Nation as disclosed in Note 4. The balances are unsecured, non-interest bearing and have no specific terms of repayment.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade payables and accrued liabilities	\$ 2,307,367	\$ 1,824,450
Wages payable	289,712	230,686
Payroll and withholding taxes	39,425	50,388
Funding recoverable	-	96,046
	<u>\$ 2,636,504</u>	<u>\$ 2,201,570</u>

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

7. DEFERRED REVENUE

	2024	2023
Other deferred revenue		
Indigenous Services Canada	\$ 3,922,435	\$ 4,822,177
Province of British Columbia	575,000	105,000
FNHA - Harm reduction funding	-	50,000
TNG Housing Renovations	857,563	1,396,811
	<u>\$ 5,354,998</u>	<u>\$ 6,373,988</u>

8. LONG-TERM DEBT

BMO mortgage term loan repayable in monthly instalments of \$2,566, including interest at 3.95% per annum, secured by a ministerial guarantee from Canada, maturing November 2026	\$ 182,307	\$ 205,964
Peace Hills mortgage term loan repayable in monthly instalments of \$3,575, including interest at 4.25% per annum, secured by a ministerial guarantee from Canada, maturing December 2024	31,847	72,446
BMO demand loan repayable in monthly instalments of \$2,451, including interest at prime plus 0.5% per annum (March 31, 2024 - 7.7%), secured by a general security agreement	123,345	147,208
BMO fixed term loan repayable in monthly instalments of \$4,182, including interest at 3.2% per annum, secured by a general security agreement, maturing February 2027	513,183	537,791
Ford Credit conditional sales contract repayable in monthly instalments of \$1,878, including interest at 5.93% per annum, secured by specific equipment, due March 2025	14,476	28,281
Ford Credit conditional sales contract repayable in monthly instalments of \$1,278, including interest at 5.9% per annum, secured by specific equipment, due January 2027	58,496	77,007
	<u>\$ 923,654</u>	<u>\$ 1,068,697</u>

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

8. LONG-TERM DEBT (continued)

Estimated principal repayments over the next 5 years are as follows:

2024	\$	154,303
2025		114,642
2026		114,053
2027		540,656
2028		-
		<hr/>
	\$	923,654
		<hr/>

9. CONTINGENT LIABILITIES

The Nation may be subject to funding recoveries according to their agreements with federal government and other funding agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2024 might be recovered until funding agencies conduct their final reviews. The amounts will be recorded as reductions to revenue as they are incurred.

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

10. TANGIBLE CAPITAL ASSETS

			2024	2023
	Cost	Accumulated Amortization	Net Carrying Amount	
Automotive	\$ 1,755,370	\$ 1,044,314	\$ 711,056	\$ 229,030
Buildings	21,519,452	8,612,541	12,906,911	13,167,550
Computers and software	112,181	71,566	40,615	18,028
Infrastructure	22,118,510	6,231,751	15,886,759	10,481,297
Equipment and furnishings	2,938,046	1,534,805	1,403,241	1,521,856
Assets under construction	3,618,964	-	3,618,964	3,266,690
	<u>\$ 52,062,523</u>	<u>\$ 17,494,977</u>	<u>\$ 34,567,546</u>	<u>\$ 28,684,451</u>

Tangible Capital Asset Additions for the year are as follows:

	Cost April 1, 2023	Additions/ Disposals	Cost March 31, 2024
Automotive	\$ 1,195,358	\$ 560,012	\$ 1,755,370
Buildings	21,225,690	293,762	21,519,452
Computers and software	84,441	27,740	112,181
Infrastructure	16,215,608	5,902,902	22,118,510
Equipment and furnishings	2,701,330	236,716	2,938,046
Assets under construction	3,266,690	352,274	3,618,964
	<u>\$ 44,689,117</u>	<u>\$ 7,373,406</u>	<u>\$ 52,062,523</u>

Amortization for the year is as follows:

	Balance April 1, 2023	Amortization	Balance March 31, 2024
Automotive	\$ 966,328	\$ 77,986	\$ 1,044,314
Buildings	8,058,140	554,401	8,612,541
Computers and software	66,413	5,153	71,566
Infrastructure	5,734,311	497,440	6,231,751
Equipment and furnishings	1,179,474	355,331	1,534,805
Assets under construction	-	-	-
	<u>\$ 16,004,666</u>	<u>\$ 1,490,311</u>	<u>\$ 17,494,977</u>

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

10. TANGIBLE CAPITAL ASSETS (continued)

Detailed tangible capital asset additions for the year ended March 31, 2024 are as follows:

Office furnishings and other equipment

Computer equipment	\$ 43,560
Desk, chairs and other furniture	82,584
Health Centre furniture	19,580

Infrastructure and buildings

Rapid Start Housing	1,020,934
Housing major renovations	2,277,080
Anaham Dam	1,779,021
Water system upgrades	17,502
Solid waste system	82,498
Waste water project	8,548
ACRS ISC	31,589
Highway commercial development	5,528
911 service	5,292
Capital needs assessment	47,000
Cultural centre feasibility	17,000
Biomass project	576,164

Equipment

2022 Ford Transit Van	93,316
Kawasaki Mule ATV	35,459
Tents	5,190
Camera	14,544
2023 Ford Bronco x 2	167,995
2023 F350	114,200
2023 F150 x2	149,042

Equine Facility

Heating system and ongoing construction	352,274
Stock trailer and shoeing tools	35,725

School

HVAC upgrades and appliances	23,782
Electrical upgrades	11,114
Insulation and drywall garages	25,250
Desks and tables	26,408
Misc. School computer & camera equipment	32,960

Greenhouse

220,843

Culture and Healing/Arena in progress

42,471

Daycare furniture

8,953

\$ 7,373,406

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

11. ACCUMULATED SURPLUS

	<u>2024</u>	<u>2023</u>
General and capital funds	\$ 17,062,814	\$ 11,343,094
Net assets invested in tangible capital assets*	33,643,892	27,615,754
Ottawa trust funds	128,520	119,688
	<u>\$ 50,835,226</u>	<u>\$ 39,078,536</u>
*Net assets invested in tangible capital assets consists of:		
Tangible capital assets (Note 10)	\$ 34,567,546	\$ 28,684,451
Long-term debt (Note 8)	(923,654)	(1,068,697)
	<u>\$ 33,643,892</u>	<u>\$ 27,615,754</u>

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Nation's financial instruments consist of cash and investments, Ottawa trust funds, accounts receivable, accounts payable and accrued liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The Nation is exposed to financial risk that arises from the credit quality of the entities to which it provides services. Credit risk arises from the possibility that the entities to which the Nation provides services may experience financial difficulty and be unable to fulfill their obligations. The Nation mitigates this risk by dealing with counterparties management considers to be of high integrity.

The Nation is exposed to interest rate risk arising from fluctuations in interest rates on its cash and investments and interest on long-term debt for the variable rate demand loan. Interest-bearing cash savings are held that mitigate the risk of increasing interest rates on the Nation's variable interest rate

13. COMMITMENTS

The Nation is committed to the following future minimum lease payments on operating leases over the next 2 years:

2025	\$ 5,696
2026	474
	<u>\$ 6,170</u>

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

14. SEGMENT REPORTING

The Nation is a diversified first nation government that provides a wide variety of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information in Schedule 1. The Nation's reporting segments are as follows:

Administration

Includes general operations, support and financial management of the Nation and any areas that cannot be attributed to another segment.

Education and Training

Includes educational services and training through the operations of the on-reserve school, post-secondary education support and various other education and training programs.

Social Development

Includes revenue and expenditures relating to the delivery of social assistance, community and other services to members of the Nation.

Health and Wellness

Includes activities related to the provision of health and wellness services for the Nation.

Own Source

Includes activities related to the growth of non-funded revenue producing projects, forest and resource opportunities and investments in government business enterprises.

Social Housing

Includes revenue and expenditures relating to the Nation's housing for members.

Operations and Maintenance and Emergency Management

Includes revenue and expenditures relating to the development, maintenance and emergency management of the Nation's assets, infrastructure and common property.

Capital Projects

Includes revenue and expenditures of capital projects.

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

15. BUDGET

Canadian public sector accounting (PSA) standards require the disclosure of budget information for comparison to the Nation's actual revenue and expenses. The budgeted revenue and expenses reported in these consolidated financial statements is based on the 2022/2023 prepared by management and approved by Chief and Council. The budgeted figures are unaudited.

16. ECONOMIC DEPENDENCE

The 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 Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these funding agreements.

17. INDIGENOUS SERVICES CANADA (ISC) FUNDING RECONCILIATION

	<u>2024</u>	<u>2023</u>
ISC revenue per confirmation	<u>\$ 12,195,679</u>	<u>\$ 10,011,198</u>
ISC Revenue as per statement of operations	<u>\$ 12,195,679</u>	<u>\$ 10,011,198</u>

18. PENSION PLAN

The Nation provides its members with a defined contribution plan providing pension benefits to eligible employees. During the year, the Nation paid total employer contributions of \$148,357, matching its employee contributions of \$148,357 (2023 - \$123,667).

Tl'etinqox Government

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

19. EXPENSES BY OBJECT

	2024 Budget (unaudited)	2024 Actual	2023 Actual
Bad debt	\$ -	\$ 8,400	\$ 49,346
Recoveries	(190,442)	706,205	-
Amortization	1,500,000	1,490,311	1,295,964
Contracted services	2,596,882	526,332	745,884
Honouraria and donations	500,235	409,404	519,556
Insurance, licences and dues	220,427	314,540	239,927
Interest and bank charges	46,000	78,692	77,386
Office	20,200	8,741	2,942
Repairs, maintenance, rent and utilities	2,841,655	1,243,220	1,036,929
Service delivery	2,368,494	3,233,192	3,175,721
Supplies	672,454	744,944	816,709
Travel	460,305	951,334	529,144
Vehicle	122,650	96,723	131,132
Wages and benefits	5,721,174	4,913,142	4,158,027
	<u>\$ 16,880,034</u>	<u>\$ 14,725,180</u>	<u>\$ 12,778,667</u>

*Inter-departmental administration fees are eliminated on consolidation.

20. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the presentation used the current year. There were no changes in overall assets, liabilities, revenue or expenses.

Tl'etinqox Government

Consolidated Statement of Operations by Segment **For the year ended March 31, 2024**

Schedule 1

Page 1 of 2

Reporting Segment	ISC Revenue	FNHA	Other Revenue	Expenses	Net Revenue for the Year	Surplus (Deficit), beginning	Transfers	Surplus (Deficit), ending
Administration	\$ 817,743	\$ -	\$ 2,922,516	\$ 1,963,791	\$ 1,776,468	\$ 576,667	\$ -	\$ 2,353,135
Education	3,440,245	-	1,115,078	4,392,863	162,460	1,938,486	-	2,100,946
Social Development	4,473,893	636	1,253,977	5,197,269	531,237	2,667,849	-	3,199,086
Public Works	1,229,952	-	1,173	1,008,506	222,619	384,675	-	607,294
Capital Projects	1,884,442	-	8,133,394	4,637,697	5,380,139	26,366,659	-	31,746,798
Housing	349,404	-	1,830,856	3,652,690	(1,472,430)	(242,706)	-	(1,715,136)
Health and Wellness	-	2,042,973	510,540	2,107,071	446,442	3,002,310	-	3,448,752
Own Source	-	-	5,562,382	852,627	4,709,755	4,384,596	-	9,094,351
	\$ 12,195,679	\$ 2,043,609	\$ 21,329,916	\$ 23,812,514	\$ 11,756,690	\$ 39,078,536	\$ -	\$ 50,835,226

Tl'etinqox Government

Consolidated Statement of Operations by Segment **For the year ended March 31, 2023**

Schedule 1

Page 2 of 2

Reporting Segment	ISC Revenue	FNHA	Other Revenue	Expenses	Net Revenue for the Year	Surplus (Deficit), beginning	Transfers	Surplus (Deficit), ending
Administration	\$ 739,800	\$ -	\$ 1,320,343	\$ 1,670,429	\$ 389,714	\$ 186,953	\$ -	\$ 576,667
Education	3,426,273	-	738,869	4,234,781	(69,639)	2,118,222	(110,097)	1,938,486
Social Development	3,615,371	50,000	522,090	2,845,392	1,342,069	1,234,258	91,522	2,667,849
Public Works	1,121,390	-	(39,528)	747,112	334,750	24,460	25,465	384,675
Capital Projects	813,508	-	2,683,958	423,489	3,073,977	23,292,682	-	26,366,659
Housing	116,957	-	228,849	267,623	78,183	(476,889)	156,000	(242,706)
Health and Wellness	-	2,044,633	565,936	2,079,353	531,216	2,461,184	9,910	3,002,310
Own Source	177,899	-	876,658	860,132	194,425	4,362,971	(172,800)	4,384,596
	\$ 10,011,198	\$ 2,094,633	\$ 6,897,175	\$ 13,128,311	\$ 5,874,695	\$ 33,203,841	\$ -	\$ 39,078,536