

**T'SOU-KE FIRST NATION**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2021**

**T'SOU-KE FIRST NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 18
Segment Disclosure ( <i>Schedule 1</i> )	19
Segment Disclosure ( <i>Schedule 1 continued</i> )	20

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The accompanying consolidated financial statements of T'Sou-ke First Nation and all the information in this report are the responsibility of management and have been approved by the Chief and Council of T'Sou-ke First Nation.

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

The T'Sou-ke First Nation Council maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The T'Sou-ke First Nation Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The 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 auditors' report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also appoint the engagement of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Uvision Professional Corporation, in accordance with Canadian public sector accounting standards. Uvision Professional Corporation have full access to the Chief and Council.

  
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Chief

  
\_\_\_\_\_  
Councillor

  
\_\_\_\_\_  
Councillor

\_\_\_\_\_  
Councillor

Sooke, BC  
October 07, 2021

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of T'SOU-KE FIRST NATION

*Report on the Consolidated Financial Statements*

*Qualified Opinion*

We have audited the consolidated financial statements of T'SOU-KE FIRST NATION (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2021, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Qualified Opinion*

T'Sou-ke First Nation holds investments in business enterprises and limited partnership. We were unable to satisfy ourselves as to the carrying value of one of these investments because the 2021 financial information had not made available during the audit process. Consequently, we were not able to determine whether any adjustments might be necessary to the recording of this investment, the net income or loss derived from this enterprise for the year ended March 31, 2021.

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 First 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 audit 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 PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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Independent Auditor's Report to the Members of T'SOU-KE FIRST NATION (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 judgment and maintain professional skepticism throughout the audit. We also:

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

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.



Victoria, British Columbia  
October 7, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

**T'SOU-KE FIRST NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2021**

**FINANCIAL ASSETS**

Cash (Note 3)	\$ 5,947,660	\$ 4,419,213
Ottawa Trust (Note 6)	2,726	2,689
Accounts receivable (Note 4)	1,800,202	1,772,443
Investment in First Nation business enterprises (Note 5)	2,399,841	1,924,694
	<u>10,150,429</u>	<u>8,119,039</u>

**LIABILITIES**

Accounts payable (Note 8)	359,045	738,215
Long term debt (Note 9)	455,088	565,463
	<u>814,133</u>	<u>1,303,678</u>

**NET FINANCIAL ASSETS**

<u>9,336,296</u>	<u>6,815,361</u>
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**NON-FINANCIAL ASSETS**

Prepaid expenses	34,456	20,297
Tangible capital assets (Note 7)	2,529,315	1,901,926
	<u>2,563,771</u>	<u>1,922,223</u>

**ACCUMULATED SURPLUS (NOTE 10)**

<u>\$ 11,900,066</u>	<u>\$ 8,737,583</u>
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**CONTINGENT LIABILITIES (Note 11)**

**APPROVED BY THE CHIEF AND COUNCIL**

 Chief

 Councillor

 Councillor

 Councillor

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

**T'SOU-KE FIRST NATION**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**Year Ended March 31, 2021**

	Budget (Unaudited)	2021	2020
<b>REVENUES</b>			
Total ISC Revenue	\$ 1,465,273	\$ 2,011,377	\$ 1,548,501
Canada Mortgage and Housing Corporation	179,300	190,589	108,365
Federal - Other	1,241,034	1,251,024	1,485,457
Provincial	10,000	12,585	41,517
Ottawa Trust	630	648	635
Rental	168,690	193,504	191,775
Other	4,701,642	5,039,237	3,652,535
Equity in earnings (loss) of business enterprises	-	475,147	(5,219)
	7,766,569	9,174,111	7,023,566
<b>EXPENSES</b>			
Band	4,989,462	3,166,071	2,663,477
Health and social services	1,692,434	983,734	1,117,166
Education and training	802,463	691,075	509,702
Public works	960,155	739,367	439,552
Capital projects	35,808	35,808	172,608
Housing	143,111	395,573	330,660
	8,623,433	6,011,628	5,233,165
<b>ANNUAL SURPLUS (DEFICIT)</b>	(856,864)	3,162,483	1,790,401
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	8,737,583	8,737,583	6,947,182
<b>ACCUMULATED SURPLUS - END OF YEAR (Note 10)</b>	\$ 7,880,719	\$ 11,900,066	\$ 8,737,583

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

**T'SOU-KE FIRST NATION**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended March 31, 2021**

	Budget (unaudited)	2021	2020
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (856,864)</b>	<b>\$ 3,162,483</b>	<b>\$ 1,790,401</b>
Purchase of tangible capital assets	-	(928,437)	-
Proceeds on disposal of tangible capital assets	-	-	1,311,128
Net(acquisition) use of prepaid expenses and deposits	-	(14,160)	618
Amortization of tangible capital assets	296,000	301,048	291,579
Advances to related First Nation entities	-	-	-
Demand loans	-	-	-
	296,000	(641,549)	1,603,325
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>(560,864)</b>	<b>2,520,935</b>	<b>3,393,726</b>
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<b>6,815,361</b>	<b>6,815,361</b>	<b>3,421,635</b>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<b>\$ 6,254,497</b>	<b>\$ 9,336,296</b>	<b>\$ 6,815,361</b>

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

**T'SOU-KE FIRST NATION**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 3,162,483	\$ 1,790,401
Item not affecting cash:		
Amortization of tangible capital assets	301,048	291,579
	<u>3,463,531</u>	<u>2,081,980</u>
Changes in non-cash working capital:		
Ottawa Trust	(37)	54
Accounts receivable	(27,759)	(1,233,087)
Prepaid expenses	(14,159)	618
Accounts payable	(379,169)	559,650
	<u>(421,124)</u>	<u>(672,765)</u>
Cash flow from operating activities	<u>3,042,407</u>	<u>1,409,215</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(928,437)	-
Proceeds on disposal of tangible capital assets	-	1,311,128
Assets under construction	-	-
Cash flow from (used by) investing activities	<u>(928,437)</u>	<u>1,311,128</u>
<b>FINANCING ACTIVITIES</b>		
Investment in First Nation business enterprise	(475,147)	1,168,687
Repayment of long term debt	(110,374)	(108,954)
Demand loans	-	(3,093,381)
Cash flow used by financing activities	<u>(585,521)</u>	<u>(2,033,648)</u>
<b>INCREASE IN CASH FLOW</b>	<b>1,528,449</b>	<b>686,695</b>
Cash - beginning of year	<u>4,419,211</u>	<u>3,732,518</u>
<b>CASH - END OF YEAR (Note 3)</b>	<u><b>\$ 5,947,660</b></u>	<u><b>\$ 4,419,213</b></u>

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

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**1. NATURE OF OPERATIONS**

T'Sou-ke First Nation (the "First Nation") is located in the province of British Columbia, and its principal purpose is to provide for the well-being of its band member. T'Sou-ke First Nation includes the First Nation's members, government and all the related entities that are accountable to and are controlled by the First Nation.

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**2. SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The consolidated financial statements are the representation of management, prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Canada and including the following significant accounting policies.

Reporting entity and basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of entities which are controlled by the First Nation. Controlled entities are consolidated, except for government business enterprises and government business partnerships, which are accounted for by the modified equity method. All inter-fund and inter-organization transactions and balances have been eliminated on consolidation.

(a) Consolidated entities:

The First Nation has consolidated the assets, liabilities, and results of operations for the following entities:

- T'Sou-ke First Nation Government Administration
- T'Sou-ke First Nation Trusts Fund
- T'Sou-ke First Nation CMHC Housing Program Fund

(b) Investment in government business enterprises and partnerships:

The First Nation records its investments in government business enterprises (GBE) and government business partnerships (GBP) on a modified equity basis. Under the modified equity basis, the GBE's and GBP's accounting policies are not adjusted to conform with those of the First Nation and inter-organizational transactions and balances are not eliminated. The First Nation recognizes its equity interest in the annual earnings or loss of the GBE's and GBP's 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's and GBP's will be reflected as deductions in the investment asset account.

The First Nation's government business enterprise investment consists of the following, with a 100% interest:

- Daxet Development Corporation (Original T'Sou-ke Development Corporation)

The First Nation's government business enterprise investment consists of the following, with a 20% interest:

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**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**2. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

- Salish Strait Seafoods Ltd.

The First Nation's government business partnership investment consists of the following, with a 99.99% interest:

- T'Sou-ke Economic Development Limited Partnership (Inactive)

As at for the years ended March 31, 2021 and 2020, T'Sou-ke Economic Development Limited Partnership had not commenced operations. Accordingly, these consolidated financial statements do not include any assets or transactions related to this entity.

**(c) Investments:**

Investments in entities in which the First Nation does not control individually or jointly are recorded at acquisition cost. If there has been an other than temporary decline in the value of an investment, the investment is written down to its net realizable value. Investments in entities in which the First Nation does not control but has joint control or significant influence in operations are accounted for, similar to government business partnerships, using the modified equity method.

**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.

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**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**2. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**Tangible capital assets**

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

Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Infrastructure	20 years	straight-line method
Band/Social housing	20 years	straight-line method
Boats	10 years	straight-line method
Motor vehicles	5 years	straight-line method
Computer equipment	5 years	straight-line method
Playground	10 years	straight-line method
Photovolt systems	15 years	straight-line method
Housing betterments	10 years	straight-line method

The First Nation regularly reviews its tangible capital assets to eliminate obsolete items. Tangible capital assets are written down when conditions indicate that they no longer contribute to T'Sou-ke 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 capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

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

**Reserve Funds**

Reserve funds represent the replacement and operating reserve funds required under the terms of the agreement with Canada Mortgage and Housing Corporation.

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**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**2. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Revenue recognition

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

Government transfers and grant revenue are recognized as the First Nation becomes entitled to the funding under the terms of applicable funding agreements and is recorded in the period in which the resources are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which has stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

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

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

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.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

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

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure through its normal operating and financing activities. The First Nation is exposed to interest rate price risk on its loans with fixed interest rates and on its investment portfolio consisting partially of fixed income securities.

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**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Segments:

The First Nation conducts its business through a number of operating segments. These operating segments are established by senior management to facilitate the achievement of the First 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. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

**3. CASH AND CASH EQUIVALENTS**

	2021	2020
Unrestricted - Operating	\$ 5,389,539	\$ 3,757,051
Restricted - CMHC Operating	162,616	264,650
Restricted - CMHC Replacement reserve	253,274	234,681
Restricted - CMHC Operating reserve	142,231	162,831
	<u>\$ 5,947,660</u>	<u>\$ 4,419,213</u>

Under the terms of an agreement with Canada Mortgage and Housing Corporation, T'Sou-ke First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Operating Fund.

**4. ACCOUNTS RECEIVABLE**

	2021	2020
<u>Federal government</u>		
Indigenous Services Canada	\$ 41,431	\$ 181,934
Accounts Receivable Fisheries	1,250,428	1,449,989
Accounts Receivable CSETS	21,224	19,252
Accounts Receivable - FNESC	82,477	1,350
Canada Mortgage and Housing Corporation	98,055	7,057
Subtotal	1,493,615	1,659,582
<u>Other</u>		
Members	7,625	8,681
Accounts Receivable	293,662	57,000
Accounts Receivable Health	-	40,000
A/R Social Development Clients	5,300	7,180
	<u>-</u>	<u>-</u>
	<u>\$ 1,800,202</u>	<u>\$ 1,772,443</u>

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

**5. INVESTMENT IN FIRST NATION BUSINESS ENTERPRISES**

The First Nation has investments in the following enterprises:

	Investment Cost	Advances	Accumulative share of earnings	2021 Total Investment
Daxet Development Corporation	\$ 1	\$ 1,947,995	\$ 18,331	\$ 1,966,326
Salish Strait Seafoods Ltd.	\$ 2		\$ 433,513	\$ 433,515
				<u>\$ 2,399,841</u>

As of the date of the Independent Auditor's Report, the 2021 financial information for Salish Strait Seafoods Ltd. is not available. The financial information of Salish Strait Seafoods Ltd. is based on the financial statement for the year ended March 31, 2020.

	Daxet Development Corporation	
	As at March 31, 2021	As at March 31, 2020
Total assets	5,448,819	5,668,166
Total Liabilities	5,430,487	5,688,466
	<u>18,332</u>	<u>(20,300)</u>
Total revenue	7,095,516	4,673,035
Total expenses	7,053,884	4,678,254
Net income (loss)	<u>41,632</u>	<u>(5,219)</u>

**6. OTTAWA TRUST FUNDS**

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

	2021	2020
<u>Capital Trust</u>		
Balance, beginning and end of year	\$ 2,077	\$ 2,077
<u>Revenue Trust</u>		
Balance, beginning of year	612	665
Interest	648	635
Distribution	<u>(611)</u>	<u>(688)</u>
Balance, end of year	<u>649</u>	<u>612</u>
	<u>\$ 2,726</u>	<u>\$ 2,689</u>

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

**7. TANGIBLE CAPITAL ASSETS**

<u>Cost</u>	2020 Balance	Additions	Disposals	2021 Balance
Photo- voltaic Systems	\$ 780,000	\$ -	\$ -	\$ 780,000
Fish Boat	211,725	-	-	211,725
Health Building	108,190	187,746	-	295,936
Automotive	109,681	115,072	-	224,753
Office Equipment	9,158	13,604	-	22,762
Band Hall	42,502	-	-	42,502
Fish Loft	59,906	-	-	59,906
Sum Sha Thut Lellum	94,089	-	-	94,089
Playground Equipment	58,950	-	-	58,950
Wasabi Greenhouse	648,000	-	-	648,000
Band Housing	1,018,600	-	-	1,018,600
Social Housing	2,472,918	-	-	2,472,918
Housing Betterments	170,776	-	-	170,776
Health Equipment	-	12,274	-	12,274
Salish Sea Initiative	-	599,742	-	599,742
	<u>\$ 5,784,495</u>	<u>\$ 928,438</u>	<u>\$ -</u>	<u>\$ 6,712,933</u>

<u>Accumulated Amortization</u>	2020 Balance	Amortization	Accumulated Amortization on Disposals	2021 Balance
Photo- voltaic Systems	\$ 572,000	\$ 52,000	\$ -	\$ 624,000
Fish Boat	162,675	21,173	-	183,848
Health Building	81,150	10,103	-	91,253
Automotive	109,681	5,820	-	115,501
Office Equipment	9,158	1,360	-	10,518
Band Hall	42,502	-	-	42,502
Fish Loft	59,906	-	-	59,906
Sum Sha Thut Lellum	89,394	4,694	-	94,088
Playground Equipment	50,765	5,895	-	56,660
Wasabi Greenhouse	194,400	32,400	-	226,800
Band Housing	962,868	10,658	-	973,526
Social Housing	1,496,837	123,646	-	1,620,483
Housing Betterments	51,233	17,078	-	68,311
Health Equipment	-	1,227	-	1,227
Salish Sea Initiative	-	14,994	-	14,994
	<u>\$ 3,882,569</u>	<u>\$ 301,048</u>	<u>\$ -</u>	<u>\$ 4,183,617</u>

(continues)

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

**7. TANGIBLE CAPITAL ASSETS (continued)**

<u>Net book value</u>	<u>2021</u>	<u>2020</u>
Photo- voltaic Systems	\$ 156,000	\$ 208,000
Fish Boat	27,877	49,050
Health Building	204,683	27,040
Automotive	109,252	-
Office Equipment	12,244	-
Sum Sha Thut Lellum	-	4,695
Playground Equipment	2,290	8,185
Wasabi Greenhouse	421,200	453,600
Band Housing	45,074	55,732
Social Housing	852,435	976,081
Housing Betterments	102,465	119,543
Health Equipment	11,047	-
Salish Sea Initiative	584,748	-
	<u>\$ 2,529,315</u>	<u>\$ 1,901,926</u>

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2021</u>	<u>2020</u>
Indigenous Services Canada	\$ -	\$ 15,000
Accrued salaries and benefits payable	55,543	32,703
Other accrued liabilities	303,502	690,512
	<u>\$ 359,045</u>	<u>\$ 738,215</u>

**9. LONG TERM DEBT**

	<u>2021</u>	<u>2020</u>
CMHC (#19360056001) loan bearing interest at 0.98% per annum, repayable in monthly blended payments of \$1,945. The loan matures on February 1, 2025,	\$ 89,643	\$ 111,986
CMHC (#19360056002) loan bearing interest at 1.14% per annum, repayable in monthly blended payments of \$785. The loan matures on May 1, 2026.	47,253	56,084
CMHC (#19360056003) loan bearing interest at 1.3% per annum, repayable in monthly blended payments of \$1,694. The loan matures on June 1, 2027.	122,004	140,628
CMHC (#19360056004) loan bearing interest at 2.52% per annum, repayable in monthly blended payments of \$1,595. The loan matures on August 1, 2023.	44,821	62,593

(continues)

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

9. LONG TERM DEBT (continued)

	2021 \$	2020 \$
CMHC (#19360056005) loan bearing interest at 1.86% per annum, repayable in monthly blended payments of \$3,002. The loan matures on January 1, 2023.	64,867	99,340
CMHC (#19360056006) loan bearing interest at 0.76% per annum, repayable in monthly blended payments of \$767. The loan matures on December 1, 2030.	86,500	94,832
	<u>\$ 455,088</u>	<u>\$ 565,463</u>

Principal repayment terms are approximately:

2022	\$ 112,057
2023	107,856
2024	68,035
2025	58,852
2026	38,038
Thereafter	70,250
	<u>\$ 455,088</u>

10. Accumulated Surplus (Deficit)

	Operating	Trust	Housing	2021	2020 Total
Accumulated Surplus at the beginning of the year	\$ 7,630,424	\$ 2,690	\$ 1,104,469	\$ 8,737,583	\$ 6,947,182
Annual Surplus (Deficit)	3,202,039	648	(40,204)	3,162,483	1,790,401
Distribution	612	(612)	-	-	-
	<u>\$ 10,833,075</u>	<u>\$ 2,726</u>	<u>\$ 1,064,265</u>	<u>\$ 11,900,066</u>	<u>\$ 8,737,583</u>

11. CONTINGENT LIABILITIES

The First Nation has a contingent liability of \$2,922,288 for various on-reserve housing loan guarantees.

The First Nation is contingently liable for \$3,703,747 with respect to loans from Bank of Montreal should Daxet Development Corporation (borrower) default on the loans.

Four lawsuits have been filed against the First Nation arising from one project. The project is the Petro Canada C-Store/Gas Station and Tim Horton's Food Partner Project (the "Project"). The Nation is the owner of the Project. Management cannot determine whether the claims will be successful and cannot estimate the potential loss, if any, no provision for losses has been made in the financial statements.

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

**12. ECONOMIC DEPENDENCE**

T'Sou-ke First Nation receives a majority portion of its revenue pursuant to funding arrangements with Government of Canada.

**13. EXPENSES BY OBJECT**

The following is a summary of expenses by object

	2021	2020
<u>Section heading</u>		
Wages and benefits	\$ 1,046,796	\$ 926,408
Consultants and professional fees	604,091	1,128,517
Interest and bank charges	8,448	9,886
Material and program expenses	724,103	706,516
Depreciation	301,048	291,578
Travel	31,073	19,007
Telephone and utilities	45,173	44,510
Repairs and maintenance	252,196	378,245
Insurance	81,867	72,322
Other	2,916,833	1,656,176
	<u>\$ 6,011,628</u>	<u>\$ 5,233,165</u>

**14. COVID - 19**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The First Nation has amended its operations in order to continue to deliver services during this pandemic. Management is actively monitoring the effect on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the First Nation is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

**15. BUDGET FIGURES**

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

**16. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**17. SEGMENTS**

T'Sou-ke First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations.

**Band** - Includes government activities of Chief and Council and band support and membership. It oversees the delivery of all government services including ensuring that adequate policies and procedures are in place to safeguard assets and to properly report financial activities.

**Health services** - Contains activities that provide medical services to the First Nation members.

**Education and training** - Includes activities that provide education to the First Nation members for primary, secondary schooling and reimbursement of tuition costs and living and other allowances to students who are attending post-secondary institutions.

**Public works** - Contains all activities that relate to the maintenance of buildings, road, infrastructure, and land of the First Nation.

**Capital projects** - Includes major capital projects and activities occurring in the First Nation during the year.

**Housing** - Includes activities related to the provision of Band owned housing to the members of the Nation and CMHC program housing to the members of the Nation

Schedule 1 discloses the details of the First Nation's Revenue and expenses by segment.

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**T'SOU-KE FIRST NATION**  
**Segment Disclosure**  
**Year Ended March 31, 2021**

(Schedule 1)

	Band 2021	Band 2020	Health 2021	Health 2020	Education and Training 2021	Education and Training 2020
<b>REVENUES</b>						
Indigenous Services Canada	\$ 570,553	\$ 278,803	\$ 504,891	\$ 256,795	\$ 455,808	\$ 470,137
Federal - Other	97,001	459,472	923,485	844,826	230,538	181,159
Rental	32,328	32,590	-	-	-	-
Other	3,928,323	2,735,780	25,440	36,450	267,465	245,789
	<u>4,628,205</u>	<u>3,506,645</u>	<u>1,453,816</u>	<u>1,138,071</u>	<u>953,811</u>	<u>897,085</u>
<b>EXPENSES</b>						
Wages and benefits	439,060	393,012	247,321	183,783	272,950	253,492
Consultants and professional fees	(32,165)	767,590	-	-	1,949	2,970
Interest and bank charges	1,369	1,518	-	-	-	-
Material and program expenses	58,648	223,817	387,444	373,630	62,632	75,315
Depreciation	127,746	105,576	16,025	10,114	5,895	5,895
Other	2,003,076	964,899	539,596	623,271	457,632	264,480
	<u>2,597,734</u>	<u>2,456,412</u>	<u>1,190,386</u>	<u>1,190,798</u>	<u>801,058</u>	<u>602,152</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 2,030,471</u>	<u>\$ 1,050,233</u>	<u>\$ 263,430</u>	<u>\$ (52,727)</u>	<u>\$ 152,753</u>	<u>\$ 294,933</u>

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

**T'SOU-KE FIRST NATION**  
**Segment Disclosure**  
**Year Ended March 31, 2021**

(Schedule 1 continued)

	Public Works 2021	Public Works 2020	Capital Projects 2021	Capital Projects 2020	Housing 2021	Housing 2020
<b>REVENUES</b>						
Indigenous Services Canada	\$ 458,738	\$ 370,158	\$ 35,808	\$ 172,608	\$ -	\$ -
Canada Mortgage and Housing Corporation	15,000	24,000	-	-	175,589	84,365
Rental	-	-	-	-	161,176	159,185
Indigenous Services Canada	952,878	164,481	-	-	339,090	506,968
	<u>1,426,616</u>	<u>558,639</u>	<u>35,808</u>	<u>172,608</u>	<u>675,855</u>	<u>750,518</u>
<b>EXPENSES</b>						
Wages and benefits	87,465	96,121	-	-	-	-
Consultants and professional fees	162,465	133,027	-	-	240,508	45,187
Interest and bank charges	-	-	-	-	7,080	8,368
Material and program expenses	215,379	33,753	-	-	-	-
Depreciation	-	-	-	-	151,382	169,993
Other	312,715	215,034	-	-	245,456	282,320
	<u>778,024</u>	<u>477,935</u>	<u>-</u>	<u>-</u>	<u>644,426</u>	<u>505,868</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 648,592</u>	<u>\$ 80,704</u>	<u>\$ 35,808</u>	<u>\$ 172,608</u>	<u>\$ 31,429</u>	<u>\$ 244,650</u>

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