

**T'SOU-KE FIRST NATION**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2023**

**T'SOU-KE FIRST NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

---

	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	5
Consolidated Statement of Changes in Annual Surplus (Deficit)	6
Consolidated Statement of Changes in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 22
Segment Disclosure ( <i>Schedule 1</i> )	23
Segment Disclosure ( <i>Schedule 1 continued</i> )	24

---

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

---

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 (PSAS). Uvision Professional Corporation has full access to, and meet with the management to discuss audit findings.



Chief

Councilor



Councilor



Councilor

Sooke, BC  
November 09, 2023

---

## INDEPENDENT AUDITOR'S REPORT

---

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, 2023, and the consolidated statements of operations, changes in annual surplus (deficit), 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, 2023, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS)

*Basis for Qualified Opinion*

T'SOU-KE First Nation holds investments in two entities, Qemqomet Development Limited Partnership (Operating as CEK SNANET CENTER) and Daxet Development Corporation. The audited financial statements for these two entities were not available at the audit report date. We were unable to satisfy ourselves by alternative means concerning the financial information as we do not have full access to the financial information of these two entities. Therefore, we are unable to determine whether adjustments are required to investment in First Nation business entities, earnings(loss) from investment in First Nation business entities, surplus(deficit) and accumulated surplus.

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.

(continues)

Independent Auditor's Report to the Members of T'SOU-KE FIRST NATION (*continued*)

Those charged with governance are responsible for overseeing the First 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.

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.

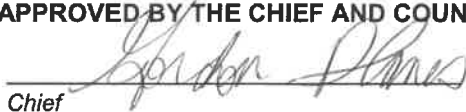
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**T'SOU-KE FIRST NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2023**

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 15,435,268	\$ 6,068,861
Investments (Note 4)	1,644,781	1,625,414
Ottawa Trust (Note 7)	2,792	2,776
Accounts receivable (Note 5)	1,365,921	2,270,749
Due from related parties (Note 14)	200,000	200,000
Investment in First Nation business enterprise (Note 6)	2,677,211	2,551,200
	<u>21,325,973</u>	<u>12,719,000</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 9)	311,555	934,654
Deferred revenue (Note 10)	8,734,901	6,868
Long term debt (Note 11)	235,335	342,821
	<u>9,281,791</u>	<u>1,284,343</u>
<b>NET FINANCIAL ASSETS</b>	<u>12,044,182</u>	<u>11,434,657</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	19,244	19,257
Tangible capital assets (Note 8)	4,382,048	3,432,042
	<u>4,401,292</u>	<u>3,451,299</u>
<b>ACCUMULATED SURPLUS (NOTE 12)</b>	<u>\$ 16,445,474</u>	<u>\$ 14,885,956</u>

CONTINGENT LIABILITIES (Note 13)

**APPROVED BY THE CHIEF AND COUNCIL**

  
 Chief

\_\_\_\_\_  
 Councilor

  
 Councilor

  
 Councilor

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

**T'SOU-KE FIRST NATION**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2023**

	2023 <i>Budget</i>	2023	2022
<b>REVENUES</b>			
Indigenous Services Canada (Note 15)	\$ 10,932,683	\$ 2,726,749	\$ 2,677,134
Canada Mortgage and Housing Corporation	84,398	79,198	85,051
Other Federal	3,014,197	3,882,332	3,479,083
Province of British Columbia	2,870,886	243,755	533,288
Ottawa Trust	-	714	698
Rental	175,080	178,938	193,689
Other	3,170,441	2,283,373	2,981,748
Equity in earnings (loss) of business enterprise	-	148,511	171,250
	20,247,685	9,543,570	10,121,941
<b>EXPENSES</b>			
Band administration	9,816,313	4,954,831	3,978,788
Health and social services	1,554,739	1,090,950	1,292,660
Education and training	1,340,001	837,440	827,127
Public works	9,628,899	488,331	628,907
Capital projects	295,567	107,752	45,100
Housing	279,177	281,311	363,510
	22,914,696	7,760,615	7,136,092
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (2,667,011)</b>	<b>\$ 1,782,955</b>	<b>\$ 2,985,849</b>

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

**T'SOU-KE FIRST NATION**  
**Consolidated Statement of Changes in Annual Surplus (Deficit)**  
**Year Ended March 31, 2023**

	2023	2022
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>		
As previously reported	\$ 14,885,956	\$ 11,900,107
Prior Year Adjustment ( <i>Note 19</i> )	<u>(223,437)</u>	<u>-</u>
As restated	14,662,519	11,900,107
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>1,782,955</u>	<u>2,985,849</u>
<b>ACCUMULATED SURPLUS (DEFICIT) - END OF YEAR</b>	<u>\$ 16,445,474</u>	<u>\$ 14,885,956</u>

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



**T'SOU-KE FIRST NATION**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended March 31, 2023**

	Budget 2023	2023	2022
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (2,667,011)</b>	<b>\$ 1,782,955</b>	<b>\$ 2,985,849</b>
Amortization of tangible capital assets <i>(Note 8)</i>	437,215	<b>437,215</b>	359,416
Purchase of tangible capital assets <i>(Note 8)</i>	(1,350,000)	<b>(1,387,221)</b>	(1,227,175)
Decrease in prepaid expenses	-	<b>13</b>	15,199
Prior year adjustment	-	<b>(223,437)</b>	-
Adjustment to tangible capital assets	-	-	(34,925)
	<b>(912,785)</b>	<b>(1,173,430)</b>	<b>(887,485)</b>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>(3,579,796)</b>	<b>609,525</b>	<b>2,098,365</b>
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<b>11,434,655</b>	<b>11,434,657</b>	<b>9,336,292</b>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<b>\$ 7,854,859</b>	<b>\$ 12,044,182</b>	<b>\$ 11,434,657</b>

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

**T'SOU-KE FIRST NATION**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 1,782,955	\$ 2,985,849
Items not affecting cash:		
Amortization of tangible capital assets	437,215	359,416
Adjustment to tangible capital assets	-	(34,925)
Accrued interest on long term loans	-	359
Prior year adjustment	(223,437)	-
	<u>1,996,733</u>	<u>3,310,699</u>
Changes in non-cash working capital:		
Accounts receivable	904,828	(470,547)
Accounts payable and accrued liabilities	(595,029)	561,950
Deferred revenue	8,728,033	656
Prepaid expenses	13	15,199
Ottawa Trust	(16)	50
Employee deductions payable	(28,071)	19,873
	<u>9,009,758</u>	<u>127,181</u>
Cash flow from operating activities	<u>11,006,491</u>	<u>3,437,880</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(1,387,221)	(1,227,175)
Investment in First Nation business enterprise	(126,011)	(171,241)
Investments	(19,367)	-
Cash flow used by investing activities	<u>(1,532,599)</u>	<u>(1,398,416)</u>
<b>FINANCING ACTIVITIES</b>		
Advances from related parties	-	(200,000)
Repayment of long term debt	(107,485)	(112,270)
Cash flow used by financing activities	<u>(107,485)</u>	<u>(312,270)</u>
<b>INCREASE IN CASH FLOW</b>	<u>9,366,407</u>	<u>1,727,194</u>
Cash - beginning of year	<u>6,068,861</u>	<u>4,341,667</u>
<b>CASH - END OF YEAR (Note 3)</b>	<u>\$ 15,435,268</u>	<u>\$ 6,068,861</u>

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

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

---

**1. NATURE OF OPERATIONS**

T'Sou-ke First Nation (the "First Nation") is located in the province of British Columbia, and provides various services to its band members. T'Sou-ke First Nation includes the First Nation's members, government and all the related entities that are accountable to the First Nation and are controlled by the First Nation.

---

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) 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.

**(b) 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 Social Housing Program

**(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 (Originally T'Sou-ke Development Corporation)
- Slikel Environmental Corporation

*(continues)*

---

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

---

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

- Thuna Meh Mun-Ah Holdings Inc.
- Xa'xe Temexw Holdings Ltd. (This company is a bare trustee holding lands on behalf of the First Nation.)

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

- Salish Strait Seafoods Ltd.

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

- Qemqomet Development Limited Partnership (Operating as CEK SNANET CENTER)
- Neka Sol Woodlot Limited Partnership

(c) Investments that are accounted for using the cost basis of accounting:

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.

- BC First Nations Gaming Revenue Sharing Limited Partnership

(c) 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.

(d) Investments

Investments are recorded at cost, unless the market value of temporary investments has declined below cost, in which case they are written down to market value. Investments consist of guaranteed investment certificates.

(e) Tangible capital assets

Tangible capital assets are stated at acquisition cost or deemed cost less accumulated amortization and 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

*(continues)*

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

---

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Playground	10 years	straight-line method
Photovolt systems	15 years	straight-line method
Housing betterments	10 years	straight-line method
Equipment	5 years	straight-line method

Tangible capital assets are written down when associated output indicate that they are no longer contribute to the band'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.

Tangible capital assets under construction, development or acquired during the year but not placed into use are not amortized until they are available to be put into service.

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

(f) Funds held in trust

Funds held in trust on behalf of First 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 the land or other First Nation capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

(g) Reserve Funds

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

*(continues)*

---

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

---

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Revenue recognition

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

The First 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.

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

Rental revenue 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.

Other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.

*(continues)*

---

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

---

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

(i) 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.

(j) 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.

(k) 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.

(l) 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.

---

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

**3. CASH AND CASH EQUIVALENTS**

	<b>2023</b>	<b>2022</b>
Unrestricted - Operating	<b>\$ 14,736,343</b>	\$ 5,388,668
Restricted - CMHC Operating	<b>299,672</b>	283,897
Restricted - CMHC Replacement reserve	<b>255,811</b>	253,781
Restricted - CMHC Operating reserve	<b>143,442</b>	142,515
	<b>\$ 15,435,268</b>	\$ 6,068,861

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$22,500 (2022 - \$24,000) annually. 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.

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), excess revenues over expenditures for the Post 1996 phases may be retained in an operating reserve. These funds along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At year end, the operating reserve was adequately funded.

**4. INVESTMENTS**

Investments consist of the following Guaranteed Investment Certificates (GIC).

	<b>2023</b>	<b>2022</b>
GIC with maturity date on April 10, 2023 and earning interest at 1.5% per annum. This GIC is non-redeemable.	<b>\$ 1,122,381</b>	\$ 1,105,613
GIC with maturity date on January 08, 2024 and earning interest at 2.5% per annum. This GIC is redeemable.	<b>522,400</b>	519,801
	<b>\$ 1,644,781</b>	\$ 1,625,414



**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

**5. ACCOUNTS RECEIVABLE**

	<b>2023</b>	<b>2022</b>
<u>Federal government</u>		
Indigenous Services Canada	\$ 204,404	\$ 188,706
Fisheries and Oceans Canada (DFO)	299,071	1,911,089
Parks Canada	28,100	-
Transport Canada	405,995	-
Environment and Climate Change Canada (ECCC)	175,000	-
Canada Mortgage and Housing Corporation	5,126	7,033
Subtotal	<u>1,117,696</u>	<u>2,106,828</u>
<u>Other</u>		
Members	-	250
Accounts Receivable	153,533	140,426
Coast Salish Employment and Training Society	64,385	16,124
Social development clients	2,814	4,005
First Nation Education Steering Committee	27,493	3,116
	<u>\$ 1,365,921</u>	<u>\$ 2,270,749</u>

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

The First Nation has investments in the following enterprises:

	<b>2023</b>			
	Investment Cost	Advances	Accumulative share of earnings	Total Investment
Daxet Development Corporation	\$ 1	\$ 1,947,994	\$ 86,788	\$ 2,034,782
Salish Strait Seafoods Ltd.	\$ 2		\$ 642,316	\$ 642,316
BC First Nations Gaming Revenue Sharing LP				\$ 110
				<u>\$ 2,677,211</u>

	Daxet Development Corporation	Salish Strait Seafoods Ltd.	<b>2023</b>	<b>2022</b>
Total assets	5,624,366	3,670,514	9,294,880	8,753,084
Total Liabilities	5,537,575	443,928	5,981,503	6,052,264
	<u>86,791</u>	<u>3,226,586</u>	<u>3,313,377</u>	<u>2,700,820</u>
Total revenue	7,732,498	1,880,776	9,613,274	9,260,319
Total expenses	7,664,039	1,138,219	8,802,258	8,762,244
Net income (loss)	<u>68,459</u>	<u>742,557</u>	<u>811,016</u>	<u>498,075</u>

*(continues)*

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

**6. INVESTMENT IN FIRST NATION BUSINESS ENTERPRISES** *(continued)*

Starting January 01, 2022, the business operation under Daxet Development Corporation was moved to Qemqomet Development Limited Partnership. As of the date of the Independent Auditor's Report, the audited financial statements from January 01, 2022 to March 31, 2023 for Daxet Development Corporation and Qemqomet Development LP, were not available. Therefore a qualified opinion has been issued in relation to these two business entities.

There have been no significant events or transactions in the current fiscal year for the following business entities:

- Slikel Enviromental Corporation
- Thuna Meh Mun-Ah Holdings Inc
- Xa'xe Temexw Holdings Ltd.
- Neka Sol Woodlot Limited Partnership

**7. 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.

	<u>2023</u>	<u>2022</u>
<u>Capital Trust</u>		
Balance, beginning and end of year	\$ 2,077	\$ 2,077
<u>Revenue Trust</u>		
Balance, beginning of year	699	613
Interest and B.C. Special	715	698
Transfer	(699)	(612)
Balance, end of year	<u>715</u>	<u>699</u>
	<u>\$ 2,792</u>	<u>\$ 2,776</u>

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

**8. TANGIBLE CAPITAL ASSETS**

<u>Cost</u>	<u>2022</u> <u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>2023</u> <u>Balance</u>
Photo- voltaic Systems	\$ 780,000	\$ -	\$ -	\$ 780,000
Fish Boat	553,266	181,249	-	734,515
Health Building	295,936	-	-	295,936
Automotive	272,446	109,438	-	381,884
Office Equipment	22,762	9,364	-	32,126
Band Hall	42,502	-	-	42,502
Wasabi Greenhouse	648,000	-	-	648,000
Social Housing	2,472,918	-	-	2,472,918
Housing Betterments	170,776	-	-	170,776
Construction Development - health building	570,228	201,426	-	771,654
Construction Development - Gravel pit	200,000	-	-	200,000
Construction Development (Sewer Line)	147,754	212,402	-	360,156
Health Equipment	12,274	-	-	12,274
Fishing Equipment - Salish Sea Initiative	599,742	600,802	-	1,200,544
Fish Loft	59,906	-	-	59,906
Sum Sha Thut Lellum	94,089	-	-	94,089
Playground Equipment	58,950	-	-	58,950
Construction Development - Fisheries Building	-	72,540	-	72,540
	<b>\$ 7,001,549</b>	<b>\$ 1,387,221</b>	<b>\$ -</b>	<b>\$ 8,388,770</b>

<u>Accumulated Amortization</u>	<u>2022</u> <u>Balance</u>	<u>Amortization</u>	<u>Accumulated</u> <u>Amortization</u> <u>on Disposals</u>	<u>2023</u> <u>Balance</u>
Photo- voltaic Systems	\$ 676,000	\$ 52,000	\$ -	\$ 728,000
Fish Boat	238,106	58,983	-	297,089
Health Building	106,050	14,797	-	120,847
Automotive	143,285	54,441	-	197,726
Office Equipment	13,239	4,594	-	17,833
Band Hall	42,502	-	-	42,502
Wasabi Greenhouse	259,200	32,400	-	291,600
Social Housing	1,744,129	123,646	-	1,867,775
Housing Betterments	85,388	17,078	-	102,466
Construction Development - health building	-	-	-	-
Construction Development - Gravel pit	-	-	-	-
Construction Development (Sewer Line)	-	-	-	-
Health Equipment	3,682	2,455	-	6,137

(continues)

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

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

<u>Accumulated Amortization</u>	<u>2022 Balance</u>	<u>Amortization</u>	<u>Amortization on Disposals</u>	<u>2023 Balance</u>
Fishing Equipment - Salish Sea Initiative	44,981	76,821	-	<b>121,802</b>
Fish Loft	59,906	-	-	<b>59,906</b>
Sum Sha Thut Lellum	94,089	-	-	<b>94,089</b>
Playground Equipment	58,950	-	-	<b>58,950</b>
Construction Development - Fisheries Building	-	-	-	-
	<b>\$ 3,569,507</b>	<b>\$ 437,213</b>	<b>\$ -</b>	<b>\$ 4,006,720</b>

<u>Net book value</u>	<u>2023</u>	<u>2022</u>
Photo- voltaic Systems	<b>\$ 52,000</b>	<b>\$ 104,000</b>
Fish Boat	<b>437,426</b>	<b>315,160</b>
Health Building	<b>175,089</b>	<b>189,886</b>
Automotive	<b>184,158</b>	<b>129,161</b>
Office Equipment	<b>14,293</b>	<b>9,523</b>
Wasabi Greenhouse	<b>356,400</b>	<b>388,800</b>
Social Housing	<b>605,143</b>	<b>728,789</b>
Housing Betterments	<b>68,310</b>	<b>85,388</b>
Construction Development - health building	<b>771,654</b>	<b>570,228</b>
Construction Development - Gravel pit	<b>200,000</b>	<b>200,000</b>
Construction Development (Sewer Line)	<b>360,156</b>	<b>147,754</b>
Health Equipment	<b>6,137</b>	<b>8,592</b>
Fishing Equipment - Salish Sea Initiative	<b>1,078,742</b>	<b>554,761</b>
Construction Development - Fisheries Building	<b>72,540</b>	<b>-</b>
	<b>\$ 4,382,048</b>	<b>\$ 3,432,042</b>

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2023</u>	<u>2022</u>
Accounts payable and accrued liabilities	<b>\$ 308,678</b>	<b>\$ 903,706</b>
Employee deductions payable	<b>2,877</b>	<b>30,948</b>
	<b>\$ 311,555</b>	<b>\$ 934,654</b>

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

**10. DEFERRED REVENUE**

	<u>2023</u>	<u>2022</u>
Opening Balance	\$ 6,868	\$ 6,212
Contribution received/Deferred revenue	8,729,616	1,583
Amount spent/revenue recognized	(1,583)	(927)
	<u>\$ 8,734,901</u>	<u>\$ 6,868</u>

**11. LONG TERM DEBT**

	<u>2023</u>	<u>2022</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.	\$ 44,296	\$ 67,081
CMHC (#19360056002) loan bearing interest at 1.13% per annum, repayable in monthly blended payments of \$785. The loan matures on May 1, 2026.	29,287	38,321
CMHC (#19360056003) loan bearing interest at 3.04% per annum, repayable in monthly blended payments of \$1,769. The loan matures on June 1, 2027.	84,557	103,142
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.	7,921	26,602
CMHC (#19360056005) loan bearing interest at 1.86% per annum, repayable in monthly blended payments of \$2,995. The loan matured on January 1, 2023.	-	29,755
CMHC (#19360056006) loan bearing interest at 0.76% per annum, repayable in monthly blended payments of \$767. The loan matures on December 1, 2030.	69,274	77,920
	<u>\$ 235,335</u>	<u>\$ 342,821</u>

Principal repayment terms are approximately:

2024	\$ 68,035
2025	58,852
2026	38,038
2027	30,639
2028	14,152
Thereafter	25,619
	<u>\$ 235,335</u>

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

**12. ACCUMULATED SURPLUS (DEFICIT)**

	Operating	Ottawa Trust	Housing	2023	2022
<u>Accumulated Surplus (Deficit)</u>					
Beginning balance	\$ 13,860,788	\$ 2,776	\$ 1,022,393	\$ 14,885,956	\$ 11,900,107
Annual Surplus (Deficit)	1,538,367	16	244,572	1,782,955	2,985,849
Adjustment	(223,437)	-	-	(223,437)	-
	<u>\$ 15,175,718</u>	<u>\$ 2,792</u>	<u>\$ 1,266,965</u>	<u>\$ 16,445,474</u>	<u>\$ 14,885,956</u>

**13. CONTINGENT LIABILITIES**

The First Nation may be contingently liable with respect to Ministerial guarantees for On Reserve Housing Loans to various financial institutions in the amount of \$2,744,753.

The First Nation is contingently liable for \$3,182,122 with respect to loans from Bank of Montreal should Daxet Development Corporation (borrower) default on the loans.

Various lawsuits have been filed against the Band which arose in the ordinary course of business. In the opinion of management and legal counsel, the outcome of the lawsuits, is not determinable. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

**14. DUE FROM RELATED PARTIES**

	2023	2022
Qemqomet Development Limited Partnership	<u>\$ 200,000</u>	<u>\$ 200,000</u>

Advances to a related entity are unsecured, bear no interest, and have no fixed repayment terms.

**15. INDIGENOUS SERVICES CANADA FUNDING RECONCILIATION**

	2023	2022
Revenue per confirmation	\$ 11,452,942	\$ 2,677,134
Funding deferred	<u>(8,726,193)</u>	<u>-</u>
	<u>\$ 2,726,749</u>	<u>\$ 2,677,134</u>

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

**16. EXPENSES BY OBJECT**

The following is a summary of expenses by object

	<u>2023</u>	<u>2022</u>
<u>Section heading</u>		
Administration (recovery)	\$ (329,873)	\$ (286,817)
Amortization	437,215	359,414
Consultants and professional services	3,007,724	2,259,911
Honoraria	38,310	37,260
Insurance	119,954	89,236
Interest and bank charges	6,342	5,705
Material and program expenses	1,571,518	1,418,389
Members distribution	256,866	235,834
Other expenses	978,510	1,064,948
Repairs and maintenance	125,831	654,892
Telephone and utilities	155,111	124,188
Wages and benefits	1,393,107	1,173,132
	<u>\$ 7,760,615</u>	<u>\$ 7,136,092</u>

**17. BUDGET FIGURES**

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

**18. COMPARATIVE FIGURES**

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

**19. PRIOR YEAR ADJUSTMENT**

Beginning accumulated surplus as of April 01, 2022 was restated for prior period adjustments. The adjustments principally relate to unrecorded expenses for 2022 fiscal year. Accumulated surplus as of April 01, 2022 have been restated from \$14,885,956 to \$14,662,519.

**T'SOU-KE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2023**

---

**20. 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.

---



**T'SOU-KE FIRST NATION**  
**Segment Disclosure**  
**Year Ended March 31, 2023**

(Schedule 1)

	Band 2023	Band 2022	Health 2023	Health 2022	Education and Training 2023	Education and Training 2022
<b>REVENUES</b>						
Indigenous Services Canada	\$ 387,352	\$ 768,526	\$ 500,771	\$ 588,732	\$ 1,024,593	\$ 682,401
Other Federal	2,766,897	2,323,616	746,045	922,732	299,357	232,735
Rental	10,243	39,168	-	-	-	-
Province of British Columbia	221,966	533,288	-	-	21,789	-
Other	2,319,729	2,802,808	640	41,160	69,652	140,223
	<u>5,706,187</u>	<u>6,467,406</u>	<u>1,247,456</u>	<u>1,552,624</u>	<u>1,415,391</u>	<u>1,055,359</u>
<b>EXPENSES</b>						
Administration (recovery)	(479,181)	(294,723)	61,079	2,039	36,241	5,866
Amortization	313,569	235,768	-	-	-	-
Consultants and professional services	2,730,544	1,731,624	-	-	29,785	3,794
Honoraria	36,000	36,500	-	-	100	-
Insurance	45,295	18,737	1,666	-	4,852	-
Interest and bank charges	1,730	668	-	-	-	-
Material and program expenses	840,090	437,992	349,387	353,328	450,871	531,437
Members distribution	165,424	206,150	-	-	-	-
Other expenses	695,961	393,299	253,497	567,716	29,485	59,866
Repairs and maintenance	-	608,556	26,249	2,979	20,376	15,682
Telephone and utilities	25,210	20,629	4,331	3,646	10,101	7,097
Wages and benefits	580,629	522,973	394,741	362,952	255,629	203,386
	<u>4,955,271</u>	<u>3,918,173</u>	<u>1,090,950</u>	<u>1,292,660</u>	<u>837,440</u>	<u>827,128</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 750,916</u>	<u>\$ 2,549,233</u>	<u>\$ 156,506</u>	<u>\$ 259,964</u>	<u>\$ 577,951</u>	<u>\$ 228,231</u>

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

**T'SOU-KE FIRST NATION**  
**Segment Disclosure**  
**Year Ended March 31, 2023**

(Schedule 1 continued)

	Public Works 2023	Public Works 2022	Capital Projects 2023	Capital Projects 2022	Housing 2023	Housing 2022
<b>REVENUES</b>						
Indigenous Services Canada	\$ 437,443	\$ 530,858	\$ -	\$ -	\$ 376,590	\$ 106,617
Canada Mortgage and Housing Corporation	-	-	-	-	79,198	85,051
Other Federal	70,033	-	-	-	-	-
Rental	-	-	-	-	168,695	154,521
Other	39,621	168,714	-	-	2,956	791
	<u>547,097</u>	<u>699,572</u>	<u>-</u>	<u>-</u>	<u>627,439</u>	<u>346,980</u>
<b>EXPENSES</b>						
Administration	35,831	-	-	-	16,157	-
Amortization	-	-	-	-	123,646	123,646
Consultants and professional services	241,392	348,093	-	-	6,000	176,399
Honoraria	2,210	760	-	-	-	-
Insurance	-	-	-	-	68,141	70,499
Interest and bank charges	-	-	-	-	4,612	5,037
Material and program expenses	(176,582)	49,377	-	-	107,752	46,255
Members distribution	91,443	29,684	-	-	-	-
Other expenses	(9,271)	30,101	-	-	7,881	13,967
Repairs and maintenance	44,927	17,156	-	-	35,239	10,520
Telephone and utilities	95,834	71,670	-	-	19,635	21,146
Wages and benefits	162,107	83,822	-	-	-	-
	<u>487,891</u>	<u>630,663</u>	<u>-</u>	<u>-</u>	<u>389,063</u>	<u>467,469</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 59,206</u>	<u>\$ 68,909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,376</u>	<u>\$ (120,489)</u>

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