

Tseshah First Nation
Consolidated Financial Statements
March 31, 2024

Tseshah First Nation
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For the year ended March 31, 2024

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To the Members of Tseshaht First Nation:

Opinion

We have audited the consolidated financial statements of Tseshaht First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2024, the consolidated statements of operations and accumulated surplus, changes in net financial assets, cash flows, and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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.

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.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Nanaimo, British Columbia

January 29, 2025

MNP LLP

Chartered Professional Accountants

Tseshaht First Nation
Consolidated Statement of Financial Position

As at March 31, 2024

	2024	2023
Financial assets		
Cash and cash equivalents	23,277,164	5,878,202
Accounts receivable (Note 4)	9,524,919	4,160,386
Term investments (Note 5)	490,266	487,512
Inventory for resale (Note 6)	298,920	223,241
Restricted cash (Note 7)	16,385,133	16,619,623
Funds held in trust (Note 8)	200,922	191,603
Investment in First Nation business enterprises (Note 9)	12,699,590	11,434,897
Investment in First Nation business partnerships (Note 9)	509,456	703,549
Portfolio investments (Note 9)	5,276	-
Total financial assets	63,391,646	39,699,013
Financial liabilities		
Accounts payable and accruals	1,865,516	1,632,613
Deferred revenue (Note 10)	23,277,728	3,485,007
Debt (Note 12)	5,299,049	5,608,734
Total financial liabilities	30,442,293	10,726,354
Net financial assets	32,949,353	28,972,659
Contingencies (Note 13)		
Subsequent events (Note 20)		
Non-financial assets		
Tangible capital assets (Schedule 1)	20,661,307	19,021,832
Prepaid expenses	105,433	31,230
Total non-financial assets	20,766,740	19,053,062
Accumulated surplus (Note 14)	53,716,093	48,025,721

Approved on behalf of the Chief and Council:



Chief
Councillor



Councillor

The accompanying notes are an integral part of these financial statements

Tseshaht First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2024

	Schedules	2024 Budget (Note 19)	2024	2023
Revenue				
Sales		35,000	9,611,294	9,007,399
Nuu-chah-nulth Tribal Council - CFNFA (Note 15)		3,957,716	5,425,049	4,586,895
Nuu-chah-nulth Tribal Council - non CFNFA (Note 15)		963,826	4,263,572	3,875,191
Province of British Columbia		146,000	2,379,843	673,377
Interest income		10,000	1,496,730	769,201
Other revenue		112,000	1,364,120	1,692,724
Government of Canada		310,621	1,240,672	22,135,462
BC First Nation Gaming Revenue Sharing		-	826,753	570,914
Earnings from investment in Nation business entities (Note 9)		-	760,074	1,467,895
Rental income		86,400	572,460	564,961
Administration recoveries		208,061	457,054	20,215
First Nations Health Authority		125,186	312,941	361,993
First Nation Education Steering Committee		-	231,199	235,034
Canada Mortgage and Housing Corporation		-	228,833	228,493
Earnings from investment in Nation partnerships (Note 9)		-	205,906	182,857
Fish license fees		174,790	137,756	273,905
Fees (Note 16)		39,000	132,774	161,682
Nuu-chah-nulth Economic Development Corporation (Note 12)		-	112,200	65,000
Lease income		19,400	80,281	76,487
Nuu-chah-nulth Employment & Training Board (Note 15)		52,000	64,035	59,500
Other grants		4,000	46,457	5,422
BC Special		-	2,703	2,700
		6,244,000	29,952,706	47,017,307
Program expenses (Schedule 2)				
Operating	3	6,973,287	13,409,548	12,250,114
Trust	4	-	24,963	21,178
CMHC Housing	5	-	703,589	739,677
Enterprise	6	-	9,706,964	9,028,644
Claims, Negotiations & Reconciliation	7	-	322,743	5,555,065
		6,973,287	24,167,807	27,594,678
Annual surplus (deficit) before other expenses		(729,287)	5,784,899	19,422,629
Other expenses				
Loss on impairment of investment		-	-	(25,000)
Loss on disposal of tangible capital assets		-	(63,051)	-
Loss on write-down of Orange Bridge Cannabis tangible capital assets		-	(31,476)	-
		-	(94,527)	(25,000)
Annual surplus (deficit)		(729,287)	5,690,372	19,397,629
Accumulated surplus, beginning of year		48,025,721	48,025,721	28,628,092
Accumulated surplus, end of year (Note 14)		47,296,434	53,716,093	48,025,721

The accompanying notes are an integral part of these financial statements

Tseshaht First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2024

	2024 <i>Budget</i> <i>(Note 19)</i>	2024	2023
Annual surplus (deficit)	(729,287)	5,690,372	19,397,629
Purchases of tangible capital assets	(351,725)	(3,192,211)	(3,122,757)
Amortization of tangible capital assets	-	1,414,210	1,503,867
Loss on disposal of tangible capital assets	-	63,051	-
Proceeds of disposal of tangible capital assets	-	43,999	-
Loss on write-down of Orange Bridge Cannabis tangible capital assets	-	31,476	-
Acquisition of prepaid expenses	-	(105,433)	(31,230)
Use of prepaid expenses	-	31,230	23,865
Increase (decrease) in net financial assets	(1,081,012)	3,976,694	17,771,374
Net financial assets, beginning of year	28,972,659	28,972,659	11,201,285
Net financial assets, end of year	27,891,647	32,949,353	28,972,659

The accompanying notes are an integral part of these financial statements