Tseshaht First Nation
Consolidated Financial Statements
March 31, 2025

Tseshaht First Nation
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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, 2025, and the consolidated statements of operations and accumulated surplus, remeasurement gains, 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, 2025, and the results of its consolidated operations, consolidated remeasurement gains, changes in consolidated net financial assets and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the First Nation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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

July 29, 2025

MNP LLP

Chartered Professional Accountants

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

	2025	2024
Financial assets		
Cash and cash equivalents	**26,069,624**	23,277,164
Accounts receivable *(Note 3)*	**3,953,841**	9,524,919
Term investments *(Note 4)*	**13,504,083**	490,266
Inventory for resale	**-**	298,920
Restricted cash *(Note 6)*	**3,325,410**	16,385,133
Funds held in trust *(Note 7)*	**210,345**	200,922
Investment in First Nation business enterprises *(Note 8)*	**15,649,582**	12,699,590
Investment in First Nation business partnerships *(Note 8)*	**690,623**	509,456
Portfolio investments *(Note 8)*	**85,404**	5,276
Total financial assets	**63,488,912**	63,391,646
Liabilities		
Accounts payable and accruals	**4,264,195**	1,865,516
Deferred revenue *(Note 9)*	**19,167,748**	23,277,728
Asset retirement obligation *(Note 10)*	**315,147**	-
Debt *(Note 12)*	**4,572,711**	5,299,049
Total liabilities	**28,319,801**	30,442,293
Net financial assets	**35,169,111**	32,949,353
Contingencies *(Note 13)*		
Non-financial assets		
Tangible capital assets *(Schedule 1)*	**30,843,711**	20,661,307
Prepaid expenses	**113,580**	105,433
Total non-financial assets	**30,957,291**	20,766,740
Accumulated surplus *(Note 14)*	**66,126,402**	53,716,093
Accumulated surplus is comprised of:		
Accumulated surplus *(Note 14)*	**65,550,541**	53,716,093
Accumulated remeasurement gains *(Note 14)*	**575,861**	-
	66,126,402	53,716,093

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, 2025

	Schedules	2025 Budget (Note 19)	2025	2024
Revenue				
Nuu-chah-nulth Tribal Council - ARFA *(Note 15)*		**6,650,708**	**15,789,849**	9,688,621
Province of British Columbia		**695,000**	**7,874,900**	2,379,843
Other revenue		**1,068,657**	**2,237,524**	1,364,120
Interest income		**380,600**	**1,624,312**	1,496,730
Government of Canada		**1,054,730**	**978,912**	1,240,672
BC First Nation Gaming Revenue Sharing		**561,040**	**636,542**	826,753
Rental income		**85,200**	**568,690**	572,460
Canada Mortgage and Housing Corporation		**-**	**328,098**	228,833
Other grants		**4,000**	**290,419**	46,457
First Nations Health Authority		**-**	**247,792**	312,941
Administration recoveries		**-**	**268,283**	502,569
Fish license fees		**215,000**	**194,818**	137,756
First Nation Education Steering Committee		**-**	**128,410**	231,199
Fees *(Note 16)*		**20,000**	**87,615**	132,774
Earnings from investment in Nation business partnerships *(Note 8)*		**-**	**81,232**	205,906
Lease income		**19,400**	**68,601**	80,281
Nuu-chah-nulth Employment & Training Board *(Note 15)*		**52,000**	**52,000**	64,035
Sales		**35,000**	**14,155**	9,611,294
Nuu-chah-nulth Economic Development Corporation		**-**	**10,800**	112,200
BC Special		**-**	**2,630**	2,703
Earnings (loss) from investment in Nation business enterprises *(Note 8)*		**-**	**(9,259)**	760,074
		10,841,335	**31,476,323**	29,998,221
Program expenses *(Schedule 2)*				
Operating	*3*	**11,128,820**	**13,479,757**	13,455,063
Trust	*4*	**-**	**13,693**	24,963
CMHC Housing	*5*	**-**	**871,990**	703,589
Enterprise	*6*	**-**	**581,827**	9,706,964
Claims, Negotiations & Reconciliation	*7*	**-**	**2,521,059**	322,743
		11,128,820	**17,468,326**	24,213,322
Annual surplus (deficit) before other items		**(287,485)**	**14,007,997**	5,784,899
Other items				
Loss on disposal of tangible capital assets		**-**	**-**	(63,051)
Loss on write-down of Orange Bridge Cannabis tangible capital assets		**-**	**-**	(31,476)
		-	**-**	(94,527)
Annual surplus (deficit)		**(287,485)**	**14,007,997**	5,690,372
Accumulated surplus, beginning of year		**53,716,093**	**53,716,093**	48,025,721
Contribution on restructuring *(Note 5)*		**-**	**(2,173,549)**	**-**
Accumulated surplus, end of year *(Note 14)*		**53,428,608**	**65,550,541**	53,716,093

The accompanying notes are an integral part of these financial statements

Tseshaht First Nation
Consolidated Statement of Remeasurement Gains
For the year ended March 31, 2025

	2025	*2024*
Accumulated remeasurement gains, beginning of year	**-**	-
Unrealized gains attributable to:		
Designated fair value financial instruments	**575,861**	**-**
Accumulated remeasurement gains, end of year	**575,861**	**-**

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, 2025

	2025 ***Budget*** ***(Note 19)***	***2025***	*2024*
Annual surplus (deficit)	**(287,485)**	**14,007,997**	5,690,372
Purchases of tangible capital assets	**(14,301,702)**	**(11,811,578)**	(3,192,211)
Amortization of tangible capital assets	**-**	**1,604,458**	1,414,210
Loss on disposal of tangible capital assets	**-**	**-**	63,051
Proceeds of disposal of tangible capital assets	**-**	**24,716**	43,999
Loss on write-down of Orange Bridge Cannabis tangible capital assets	**-**	**-**	31,476
Contribution on restructuring	**-**	**(2,173,549)**	-
Acquisition of prepaid expenses	**-**	**(113,580)**	(105,433)
Use of prepaid expenses	**-**	**105,433**	31,230
Change in remeasurement gains for the year	**-**	**575,861**	-
Increase (decrease) in net financial assets	**(14,589,187)**	**2,219,758**	3,976,694
Net financial assets, beginning of year	**32,949,353**	**32,949,353**	28,972,659
Net financial assets, end of year	**18,360,166**	**35,169,111**	32,949,353

The accompanying notes are an integral part of these financial statements

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

	2025	*2024*
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	**14,007,997**	5,690,372
Non-cash items		
Amortization	**1,604,458**	1,414,210
Bad debts	**5,468**	31,690
Loss on disposal of tangible capital assets	**-**	63,051
Earnings from investment in First Nation business partnerships	**(81,232)**	(205,906)
Loss (earnings) from investment in First Nation business enterprises	**9,259**	(760,074)
Forgiveness of debt	**-**	(15,000)
Loss on write-down of Orange Bridge Cannabis tangible capital assets	**-**	31,476
Asset retirement obligation	**315,147**	-
Remeasurement gains	**575,861**	-
Transfer of inventory	**298,920**	-
Contribution on restructuring	**(2,173,549)**	-
	14,562,329	6,249,819
Changes in working capital accounts		
Accounts receivable	**5,576,546**	(5,332,843)
Prepaid expenses	**(8,147)**	(74,203)
Funds held in trust	**(9,423)**	(9,319)
Inventory	**-**	(75,679)
Accounts payable and accruals	**2,398,679**	232,903
Deferred revenue	**(4,109,980)**	19,792,721
	18,410,004	20,783,399
Financing activities		
Advances of debt	**72,662**	199,310
Repayment of debt	**(799,000)**	(508,995)
	(726,338)	(309,685)
Capital activities		
Purchases of tangible capital assets	**(11,811,578)**	(3,192,211)
Proceeds of disposal of tangible capital assets	**24,716**	43,999
	(11,786,862)	(3,148,212)
Investing activities		
Decrease in restricted cash	**13,059,723**	234,490
Advances to related parties - net	**(3,150,250)**	(158,276)
Change in term investments	**(13,013,817)**	(2,754)
	(3,104,344)	73,460
Increase in cash and cash equivalents	**2,792,460**	17,398,962
Cash and cash equivalents, beginning of year	**23,277,164**	5,878,202
Cash and cash equivalents, end of year	**26,069,624**	23,277,164

The accompanying notes are an integral part of these financial statements