

Consolidated Financial Statements of

TLA'AMIN NATION

And Independent Auditor's Report thereon
Year ended March 31, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Tla'amin Nation (the "Nation") and all the information in this report are the responsibility of management and have been approved by the Tla'amin Government.

The consolidated 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, including the consolidated financial position of the Nation and the results of its consolidated operations and its consolidated cash flows.

The Nation 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 Nation's financial information is relevant, reliable and accurate and the Nation's assets are appropriately accounted for and adequately safeguarded.

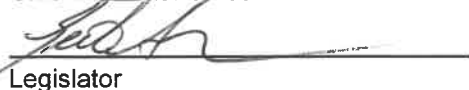
The Tla'amin Government, represented by the elected Hegus and Legislators, are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Hegus and Legislators meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, 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. Hegus and Legislators take this information into consideration when approving the consolidated financial statements for issuance to the Nation's citizens. In addition, Hegus and Legislators also consider the engagement of the Nation's external auditors.

The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the Nation's citizens. KPMG LLP have full access to Hegus and Legislators.


Hegus


Chair, Finance Committee


Chief Financial Officer


Legislator


Legislator


Legislator


Legislator


Legislator

April 5, 2023



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INDEPENDENT AUDITORS' REPORT

To the Tla'amin Government and Tla'amin Nation Citizens

Opinion

We have audited the consolidated financial statements of Tla'amin Nation, which comprise:

- the consolidated statement of financial position as at March 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of remeasurement gains and losses for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Tla'amin Nation as at March 31, 2022, and its consolidated results of operations, its consolidated changes in net financial assets, its consolidated remeasurement gains and losses and its 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 “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of Tla'amin Nation in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Tla'amin 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 or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing Tla'amin Nation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the 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 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 Tla'amin 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 a significant doubt on Tla'amin 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Tla'amin Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion of the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



Chartered Professional Accountants

Kelowna, Canada

April 5, 2023

TLA'AMIN NATION








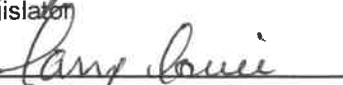
Consolidated Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Financial Assets		
Cash and cash equivalents	\$ 13,263,565	\$ 10,000,944
Restricted cash, cash equivalents and investments (note 2)	48,542,654	45,990,240
Accounts receivable (note 3)	11,702,558	5,871,017
Investments (note 4)	1,912,765	1,608,879
Investments in business enterprises (note 5)	11,457,142	9,072,335
	<u>86,878,684</u>	<u>72,543,415</u>
Liabilities		
Accounts payable and accrued liabilities	2,900,066	2,189,280
Deferred revenue (note 6)	14,068,182	3,925,672
Term debt (note 7)	7,488,948	7,761,858
	<u>24,457,196</u>	<u>13,876,810</u>
Net financial assets	62,421,488	58,666,605
Non-Financial Assets		
Tangible capital assets (schedule 2)	29,343,973	20,966,534
Prepaid expenses and deposits	626,111	239,831
	<u>29,970,084</u>	<u>21,206,365</u>
Accumulated surplus	\$ 92,391,572	\$ 79,872,970
Accumulated surplus is comprised of:		
Accumulated surplus (note 8)	\$ 91,909,313	\$ 79,289,269
Accumulated remeasurement gain	482,259	583,701
	<u>\$ 92,391,572</u>	<u>\$ 79,872,970</u>

Contingencies (note 11)

On behalf of the Tla'amin Government:

 _____ Hegus	 _____ Legislator
 _____ Chair, Finance Committee	 _____ Legislator
 _____ Chief Financial Officer	 _____ Legislator
 _____ Legislator	 _____ Legislator

TLA'AMIN NATION

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2022, with comparative information for 2021

	2022 Budget (note 1(j))	2022	2021
Revenue:			
Transfers from (to) other governments:			
Indigenous Services Canada	\$ 24,251,851	\$ 21,663,711	\$ 21,559,384
Transfer to Qames ?ems Tala Settlement Trust (note 1(e))	(4,923,170)	(4,922,137)	(4,912,763)
Province of British Columbia	2,199,137	8,098,096	2,043,747
Other government	11,698,086	1,696,514	951,144
Logging	64,000	-	2,275,360
Interest	502,300	531,342	540,218
Rental	312,000	346,620	305,767
Property and other taxes	433,600	454,205	469,045
Fishing licenses	70,000	121,178	77,563
Other	777,311	2,453,592	1,973,455
Equity in earnings of business enterprises (note 5)	4,600,000	3,398,676	4,432,445
	39,985,115	33,841,797	29,715,365
Expenses (schedule 1):			
Administration	5,785,529	6,170,463	5,341,928
Education	2,856,832	2,835,418	2,344,103
Health	4,055,208	3,623,575	4,161,983
Housing	1,504,961	1,765,283	1,179,704
Infrastructure	3,144,388	2,786,924	1,106,492
Land and resources	2,356,587	1,937,864	2,222,871
Social development	3,024,729	1,893,705	1,192,895
Taxation	276,064	208,521	212,986
	23,004,298	21,221,753	17,762,962
Surplus	\$ 16,980,817	12,620,044	11,952,403
Accumulated surplus, beginning of the year		79,289,269	67,336,866
Accumulated surplus, end of year		\$ 91,909,313	\$ 79,289,269

See accompanying notes to consolidated financial statements.

TLA'AMIN NATION

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2022, with comparative information for 2021

	2022 Budget (note 1(j))	2022	2021
Surplus	\$ 16,980,817	\$ 12,620,044	\$ 11,952,403
Changes to non-financial assets:			
Acquisition of tangible capital assets	(19,847,815)	(9,393,544)	(1,771,688)
Amortization of tangible capital assets	1,391,095	1,016,105	1,032,584
Net book value of tangible capital assets disposed	-	-	15,894
	(18,456,720)	(8,377,439)	(723,210)
Net acquisition of prepaid expenses and deposits	-	(386,280)	(32,309)
	(1,475,903)	3,856,325	11,196,884
Net remeasurement gains (losses)	-	(101,442)	611,603
Increase in net financial assets	\$ (1,475,903)	3,754,883	11,808,487
Net financial assets, beginning of year		58,666,605	46,858,118
Net financial assets, end of year		\$ 62,421,488	\$ 58,666,605

See accompanying notes to consolidated financial statements.

TLA'AMIN NATION

Consolidated Statement of Remeasurement Gains and Losses

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Portfolio investments:		
Accumulated remeasurement gain (loss), beginning of year	\$ 583,701	\$ (27,902)
Net unrealized gain (loss)	(101,442)	611,603
Accumulated measurement gain, end of year	\$ 482,259	\$ 583,701

See accompanying notes to consolidated financial statements.

TLA'AMIN NATION

Consolidated Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Net cash received from Indigenous Services Canada	\$ 18,269,979	\$ 18,398,425
Cash received from grants, property taxes, user fees, rent and other revenue	15,557,293	9,752,049
Cash paid to employees and suppliers	(19,432,441)	(15,416,715)
Interest received	531,342	540,218
Interest paid	(372,388)	(299,575)
	14,553,785	12,974,402
Financing activities:		
Repayment of term debt	(272,910)	(267,059)
	(272,910)	(267,059)
Capital activities:		
Acquisition of tangible capital assets	(9,393,544)	(1,771,688)
Proceeds on disposal of tangible capital assets	-	75,722
	(9,393,544)	(1,695,966)
Investing activities:		
Net increase in restricted cash and investments	(2,653,856)	(8,430,572)
Net distribution from investments	15,277	16,776
Net advances from business enterprises	1,013,869	1,140,501
	(1,624,710)	(7,273,295)
Increase in cash and cash equivalents	3,262,621	3,738,082
Cash and cash equivalents, beginning of year	10,000,944	6,262,862
Cash and cash equivalents, end of year	\$ 13,263,565	\$ 10,000,944
Non-cash investing, financing and capital activities:		
Equity in earnings of business enterprises (note 5)	\$ 3,398,676	\$ 4,432,445
Net partnership earnings (note 4)	319,163	199,259
Net remeasurement gain (loss) on portfolio investments	(101,442)	611,603

See accompanying notes to consolidated financial statements.

TLA'AMIN NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

Tla'amin Nation (the "Nation") is an indigenous Coast Salish Nation located along the northern part of British Columbia's Sunshine Coast. The Nation is self-governing through a treaty settlement (the "Tla'amin Final Agreement") between the Nation and the Governments of Canada and British Columbia. The Tla'amin Government is represented by an elected Hegus and Legislators and is the governing and taxation authority for the Nation.

The Tla'amin Final Agreement, a treaty and land claims agreement between the Nation and the Governments of Canada and British Columbia, became effective April 5, 2016. The Tla'amin Final Agreement constituted a full and final settlement with respect to the Tla'amin Nation's aboriginal rights, including aboriginal title, in Canada.

1. Basis of presentation and significant accounting policies:

These consolidated financial statements include the assets, liabilities, and results of operations of the Nation and all related entities and organizations subject to its control. No inclusion has been made of assets, liabilities, revenue or expenses of the Nation's citizens, individually or collectively, incorporated or unincorporated, that are not controlled by or are the responsibility of the Nation.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for governments, as established by the Canadian Public Sector Accounting Board ("PSAB"), which encompasses the following significant accounting principles:

(a) Fund accounting:

The Nation uses fund accounting procedures, which results in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been consolidated for presentation in the consolidated financial statements.

(b) Reporting entity and basis of consolidation and partnerships:

The Nation's reporting entity includes the Tla'amin Nation and all related entities, which are accountable for the administration of their financial affairs and resources to the Nation and are either owned or controlled by the Nation. The Games ?ems Tala Settlement Trust is not owned or controlled by the Nation and is not consolidated in these financial statements.

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Basis of presentation and significant accounting policies (continued):

(b) Reporting entity and basis of consolidation and partnerships (continued):

i) Investment in government business enterprises and partnerships:

The 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 Nation and inter-organizational transactions and balances are not eliminated. The 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 Nation may receive from the GBE's and GBP's will be reflected as deductions in the investment asset account.

The Nation's government business enterprises investments consist of the following:

Tla'amin Holdings Inc. - 100% interest

The Nation's government business partnerships investments consist of following:

Tla'amin Holdings Limited Partnership - 99.99% interest

During the year ended March 31, 2022, the Nation restructured its government business enterprises interests, involving transferring ownership of entities previously owned directly by the Nation (Tla'amin Capital Assets Inc., Tla'amin Timber Products Ltd. and Thichum Forest Products Limited Partnership) to Tla'amin Holdings Limited Partnership. As the transactions did not result in a change in control of these entities shares, net assets and operations, the transactions were recorded on a continuity of interests basis. Comparative figures in these financial statements and financial statement note disclosures, reflect the amalgamated investment of the Nation's government business enterprises in Tla'amin Holdings Limited Partnership.

ii) Investments:

Investments in entities in which the 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 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.

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Basis of presentation and significant accounting policies (continued):

(c) Cash and cash equivalents:

Cash and cash equivalents includes cash and investments in highly liquid money market funds, readily convertible to cash.

(d) Tangible capital assets:

Tangible capital assets are recorded at cost, less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation with a corresponding amount recorded as revenue. Tangible capital assets under construction are not amortized until the asset is available for use.

Tangible capital assets are amortized annually over their expected useful lives using the declining balance or the straight-line method at the following rates:

Asset	Method	Amount
Buildings and improvements	Declining balance and straight-line	4 - 20%
Infrastructure	Declining balance	4%
Equipment	Declining balance and straight-line	10 - 100%

When management determines that a tangible capital asset no longer contributes to the Nation's ability to provide goods and services or that the value of future benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is written down to its net recoverable amount.

All intangible assets and items inherited by right of the Nation, such as land, forests, water, natural resources and cultural and historic assets, are not recognized in the Nation's consolidated financial statements.

Settlement lands to which no acquisition costs is attributable have not been assigned any value in the consolidated financial statements.

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Basis of presentation and significant accounting policies (continued):

(e) Revenue recognition:

Government transfers and grant revenue are recognized as the 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 for which eligibility criteria have not been met 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.

In connection with the Tla'amin Final Agreement, the Nation receives an annual capital transfer over a 10 year period. The annual capital transfer payment is transferred to the Qames ?ems Tala Settlement Trust.

Rental, lease and interest revenue is recognized on a monthly basis as income is earned and when collection is reasonable assured. Property and other tax revenues are recognized, net of applicable homeowner grants, at the time the taxes are levied.

Revenue from logging, sales of goods and provision of service, fishing licenses and other sources are recognized in the period the goods or services are provided and the related proceeds are received or receivable.

The Nation accounts for revenue received from contractual agreements, such as resource royalties, certain grants and other government transfers in the year the proceeds are received or the proceeds are considered receivable, any prescribed services are performed and the amount can be reasonably estimated.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of financial and non-financial assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Areas requiring management estimates include the recoverable amount of accounts receivable, the recoverable amount of investments and investments in government business enterprises and partnerships and the useful lives of and net future economic benefits associated with tangible capital assets. Management reviews these estimates on a periodic basis and at least annually. Where necessary, management makes adjustments to these benefits prospectively.

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Basis of presentation and significant accounting policies (continued):

(g) Segmented disclosure:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The Nation has determined the most appropriate basis for classifying segments is by program. Segmented disclosures are provided in note 14 and schedule 3 to the consolidated financial statements.

(h) Contaminated site liabilities:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when an environmental standard exists, contamination exceeds the environmental standard, the Band is directly responsible and accepts responsibility, future economic benefits will be given up and a reasonable estimate can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. An expected recoveries from other parties, including other governments, are recorded as a reduction of the liability. As at March 31, 2022, the Nation did not have any significant or measurable contaminated site liabilities.

(i) Financial instruments:

Financial instruments are initially classified upon initial recognition as a fair value or an amortized cost instrument. The fair value category includes investments in equity instruments that are quoted in an active market, and any other items elected by the Nation to be recorded at fair value. All other financial instruments, including financial instruments with related parties, are recorded at amortized cost. Transaction costs directly attributable to the acquisition or issue of a financial instrument are added to the amortized cost or expensed if related to instruments recorded on a fair value basis. The effective interest rate method is used to measure interest for financial instruments recorded at amortized cost.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss, calculated as the excess of the net recoverable amount of the asset and its carrying value, is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Basis of presentation and significant accounting policies (continued):

(j) Budget data:

The budget data presented in these consolidated financial statements have been derived from the budget approved by Hegus and Legislators on March 29, 2021.

(k) Asset retirement obligations:

Commencing with the year ending March 31, 2023, an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the transaction giving rise to the obligation has occurred, cash or other economic benefits are expected to be given up in the future and a reasonable estimate of the obligation can be made. The Nation is assessing the impact of the new accounting standard on its tangible capital assets and will record any impact to financial liabilities, tangible capital assets or accumulated surplus in the March 31, 2023 consolidated financial statements.

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

2. Restricted cash, cash equivalents and investments:

The Nation maintains its cash balances in several financial institutions in British Columbia. The Canada Deposit Insurance Corporation (CDIC) insures each of these accounts up to \$100,000. The aggregate funds held in each institution may exceed the CDIC insured limit from time to time and specific funds held by each institution may not be covered by CDIC insurance. Management does not anticipate any material effect on the consolidated financial position of the Nation as a result of these concentrations.

Certain cash, cash equivalents and investments have been internally restricted by the Nation for the following specific purposes. Restricted cash, cash equivalents and investments includes bank accounts with interest rates at prime and investments in Canadian and Provincial government bonds and corporate bonds (with stated interest rates of 0.35% - 4.65%), investment trusts, mutual funds, and equity investments that are quoted in an active market.

	2022	2021
Cash and cash equivalents	\$ 24,719,676	\$ 22,339,855
Portfolio investments	16,322,070	16,200,022
Term deposits	7,500,908	7,450,363
	\$ 48,542,654	\$ 45,990,240

	2022	2021
Internally restricted:		
Capital	\$ 15,594,293	\$ 11,167,870
Community improvement	24,331,338	25,127,768
Culture and language	927,439	927,439
Forestry	-	1,044,531
Lands and resources	2,637,456	2,637,456
Minors trust	1,966,144	2,021,967
Mortgage guarantee (note 11(b))	2,000,000	2,000,000
Sand replacement	-	121,352
Taxation	1,085,984	941,857
	\$ 48,542,654	\$ 45,990,240

As at March 31, 2022, the total fair value of the Nation's portfolio investments exceeded the cost by \$482,259 (2021 - \$583,701), which has been reflected in the Nation's statement of remeasurement gains and losses.

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

3. Accounts receivable:

	2022	2021
Indigenous Services Canada ("ISC")	\$ 5,754,257	\$ 5,180,009
Government of Canada	603,604	154,945
Province of British Columbia	4,801,859	90,958
Canada Mortgage and Housing Corporation	-	199,424
Other	532,408	228,752
	11,692,128	5,854,088
Tla'amin Nation Citizens	2,398,980	2,405,479
Less allowance for doubtful accounts	(2,388,550)	(2,388,550)
	10,430	16,929
	\$ 11,702,558	\$ 5,871,017

The contractual maturities of accounts receivable, as at March 31, 2022, are as follows:

2023	\$ 9,539,978
2024	1,081,290
2025	1,081,290
	\$ 11,702,558

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

4. Investments:

	2022	2021
Salish Seas Fisheries Ltd. ("SSF"), shares, at cost	\$ 1	\$ 1
Salish Seas Fisheries Limited Partnership ("SSFLP"), limited partnership interest, equity method	1,912,654	1,608,768
BCFN Gaming Revenue General Partner Inc. ("BCFN GR GP"), shares, at cost	10	10
BCFN Gaming Revenue Sharing Limited Partnership ("BCFN GR LP"), limited partnership interest, at cost	100	100
	<u>\$ 1,912,765</u>	<u>\$ 1,608,879</u>

The Nation's investment in SSF consists of a 33% beneficial interest in one common share. SSF's primary asset is an investment in SSFLP. As the Nation, through its investment does not control SSF, the investment has been recorded using the cost method.

The Nation holds a 33% limited partnership interest in SSFLP, in which SSF is the general partner. The Nation does not control SSFLP's operations or assets. The SSFLP investment is recorded using the equity method, with the Nation's interest adjusted each year for its share of limited partnership earnings or loss and for any distributions to or from the limited partnership.

The Nation's investment in BCFN GR GP consists in a share in the capital of the General Partner by way of \$10 capital contribution. As the Nation, through its investment, does not control or jointly control BCFN GR GP, the investment has been recorded using the cost method.

The Nation's investment in BCFN GR LP subscribes for an interest in the Partnership, by way of a \$100 capital contribution. As the Nation, through its investment, does not control or jointly control BCFN GR LP, the investment has been recorded using the cost method.

Total investment revenue for the year ended March 31, 2022 from the above investments, totaled \$319,163 (2021 - \$199,259), which is included in other revenue.

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

5. Investments in business enterprises:

	2022	2021
Government business enterprises	\$ 388	\$ 48
Government business partnerships	11,456,754	9,072,287
	<u>\$ 11,457,142</u>	<u>\$ 9,072,335</u>

The change in the Nation's investment in government business enterprises and government business partnerships consists of the following:

	2022	2021
Equity in earnings of business partnerships	\$ 3,398,336	\$ 4,432,459
Equity in earnings (loss) of business enterprises	340	(14)
	3,398,676	4,432,445
Net drawings from business partnerships	(1,013,869)	(1,140,501)
	<u>\$ 2,384,807</u>	<u>\$ 3,291,944</u>

The Nation's investment interest and year-end for its business enterprises are as follows:

	Interest	Year-end
Government business enterprise:		
Tla'amin Holdings Inc. ("TH")	100 %	December 31
Government business partnership:		
Tla'amin Holdings Limited Partnership ("THLP")	99.99 %	December 31

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

5. Investment in business enterprises (continued):

(a) Government business enterprises (GBE):

(i) The Nation's investments in wholly-owned incorporated entities is summarized below:

	2022	2021
TH:		
Investments in shares, at cost	\$ 1	\$ 1
Accumulated equity in earnings	387	47
	\$ 388	\$ 48

TH:

TH is the general partner in THLP, and was formed to serve as the Nation's primary investment interest in its government business operations.

The fiscal year end of TH is December 31, and the financial information provided in note 5(a)(ii) is at and for the period ended December 31, 2021, with comparative information for the year ended December 31, 2020. There were no material changes in TH's operations from their fiscal year end date to March 31, 2022.

(ii) Financial information for TH is summarized below:

	2022	2021
Balance sheet information:		
Assets	\$ 389	\$ 49
Liabilities	3	3
Shareholder's equity	386	46
Results of operations:		
Revenue	340	-
Expenses, including income taxes	-	14
Earnings (loss)	340	(14)

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

5. Investment in business enterprises (continued):

(b) Government business partnerships (GBP):

(i) The Nation's investment in limited partnerships is summarized below:

	2022	2021
THLP:		
Partnership equity interest	\$ 11,456,754	\$ 9,072,287

THLP:

The Nation and TH formed a limited partnership, THLP. THLP was formed to serve as the Nation's primary investment interest in its government business operations which include forestry, tourism, and hospitality, food and beverage, land development and leasing, and investment operations.

The fiscal year end of THLP is December 31, and the financial information provided in note 5(b)(ii) is at and for the year ended December 31, 2021, with comparative information for the year ended December 31, 2020. There were no material changes in THLP's operations from their fiscal year end date to March 31, 2022.

(ii) Financial information for THLP is summarized below:

	2022	2021
Balance sheet information:		
Assets	\$ 52,993,179	\$ 27,503,228
Liabilities - external debt	336,349	456,813
Liabilities - other	18,899,178	17,635,795
Partnership equity	33,757,652	9,410,620
Results of operations:		
Revenue	13,505,542	17,253,872
Expenses	11,224,885	13,770,303
Other income (loss)	1,118,019	977,235
Earnings (loss)	3,398,676	4,460,804

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

6. Deferred revenue:

	2022	2021
ISC	\$ 3,403,503	\$ 1,290,230
Province of British Columbia	1,353,954	2,235,856
Other government	9,239,225	326,711
Rent	71,500	72,875
	<u>\$ 14,068,182</u>	<u>\$ 3,925,672</u>

ISC deferred revenue includes non-interest bearing advances with respect to outstanding claims totaling \$44,597. The advances are supported by promissory notes and are repayable on the earlier of the claim settlement or May 31, 2025. As management expects the advances will be extinguished through proceeds of the claim settlements, the balance has been included in deferred revenue.

Net change in deferred revenue for the year was as follows:

	2022	2021
Balance, beginning of year	\$ 3,925,672	\$ 390,550
Contributions received	21,818,313	4,251,567
Amounts recorded in revenue	(11,675,803)	(716,445)
Balance, end of year	<u>\$ 14,068,182</u>	<u>\$ 3,925,672</u>

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

7. Term debt:

	2022	2021
Term loan, repayable in total monthly installments of \$11,572 including interest of 2.80%, secured by a general security agreement and maturing August 2023	\$ 1,289,522	\$ 1,385,407
Term loan, repayable in total monthly installments of \$36,124 including interest of 3.33%, secured by a general security agreement and maturing November 2026	6,199,426	6,376,451
	<u>\$ 7,488,948</u>	<u>\$ 7,761,858</u>

The Nation has an available operating line of credits with a credit limits of \$350,000 and \$250,000. The line of credits bears interest at the bank's prime lending rate and are secured by a general security agreements.

Based on maturity provisions to March 31, 2022, scheduled principal payments on term debt are as follows:

2023	\$ 337,804
2024	1,430,658
2025	241,947
2026	250,128
2027	5,228,410

8. Accumulated surplus:

	2022	2021
Financial surplus:		
Unrestricted operating surplus	\$ 22,597,618	\$ 19,042,859
Internally restricted surplus (note 9)	47,456,670	44,927,031
	<u>70,054,288</u>	<u>66,084,593</u>
Invested in tangible capital assets (note 10)	21,855,025	13,204,676
	<u>\$ 91,909,313</u>	<u>\$ 79,289,269</u>

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

9. Internally restricted surplus:

	Beginning balance	Contributions	Interest	Approved expenses	Ending balance
Capital	\$ 11,167,870	\$ 14,398,640	\$ 25,953	\$ (9,998,170)	\$ 15,594,293
Community improvement	25,127,768	35,345	328,354	(1,160,129)	24,331,338
Culture & language	927,439	-	-	-	927,439
Forestry	1,044,531	281,731	2,381	(1,328,643)	-
Land & resources	2,637,456	-	-	-	2,637,456
Minors trust	2,021,967	-	29,112	(84,935)	1,966,144
Mortgage guarantee	2,000,000	-	-	-	2,000,000
	\$44,927,031	\$ 14,715,716	\$ 385,800	\$ (12,571,877)	\$ 47,456,670

10. Invested in tangible capital assets:

(a) Investment in tangible capital assets:

	2022	2021
Tangible capital assets	\$ 29,343,973	\$ 20,966,534
Less financed by:		
Term debt	7,488,948	7,761,858
	\$ 21,855,025	\$ 13,204,676

(b) Change in invested in tangible capital assets:

	2022	2021
Balance, beginning of year	\$ 13,204,676	\$ 12,214,407
Acquisition of tangible capital assets	9,393,544	1,771,688
Amortization of tangible capital assets	(1,016,105)	(1,032,584)
Net book value of tangible capital assets disposed	-	(15,894)
Repayment of term debt	272,910	267,059
Balance, end of year	\$ 21,855,025	\$ 13,204,676

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

11. Contingencies:

- (a) Housing loan guarantees under the Federal Ministerial Loan Guarantee Program:

The Nation is contingently liable as guarantor of housing loans for members in the amount of \$113,537 (2021 - \$140,656) under the Federal Ministerial Loan Guarantee Program.

- (b) Other housing loan guarantees:

The Nation is contingently liable as guarantor for housing loans taken by members with two different financial institutions, up to agreed limits of \$3.0 million and \$2.0 million, respectively. The guaranteed housing loans outstanding as at March 31, 2022, totaled \$3,045,481 (2021 - \$3,011,766). In connection with the guarantees, the Nation has a \$2.0 million deposit, which is included in restricted cash and investments (note 2).

- (c) Contingencies

On July 26, 2011, the Nation held a referendum, pursuant to which it transferred \$2,309,744 from its Land Lease Investment account to offset a deficit in its Administration program. The transfer is to be repaid over a period of 30 years.

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

12. Related party transactions:

Transactions with GBEs and GBPs, and their subsidiaries included the following:

	2022	2021
Revenue:		
Property taxes	\$ 46,845	\$ 101,131
Rental	12,000	12,000
Other	-	687
Expenses:		
Accounting and legal	3,172	-
Consulting	133,855	356,984
Miscellaneous	75,290	600
Repairs and maintenance	-	17,852
Supplies and equipment	12,911	-
Travel and training	-	17,206

These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related parties.

13. Financial instruments:

(a) Credit risk:

Credit risk refers to the risk that counterparty may default on its contractual obligations resulting in a financial loss. The Nation holds its cash and cash equivalents with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation (note 2). There has been no change in the Nation's credit risk in 2022.

(b) Liquidity risk:

Liquidity risk is the risk that the Nation will not be able to meet its financial obligations as they become due. The Nation monitors the maturity of its financial liabilities and assesses whether it has sufficient cash to settle these financial obligations when due. The Nation is subject to non-financial covenants and restrictions in relation to its term debt (note 7). As at March 31, 2022, the Nation was in compliance with these covenants and restrictions.

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

13. Financial instruments (continued):

(b) Liquidity risk (continued):

The following table summarizes the contractual maturities of the Nation's financial liabilities:

In \$ thousands				2022
	On demand	Up to 1 year	Over 1 year	Total
Accounts payable and accrued liabilities	\$ 2,900	\$ -	\$ -	\$ 2,900
Deferred revenue	-	-	45	45
Term debt	-	338	7,151	7,489
	\$ 2,900	\$ 338	\$ 7,151	\$ 10,389

In \$ thousands				2021
	On demand	Up to 1 year	Over 1 year	Total
Accounts payable and accrued liabilities	\$ 2,189	\$ -	\$ -	\$ 2,189
Deferred revenue	-	-	45	45
Term debt	-	7,762	-	7,762
	\$ 2,189	\$ 7,762	\$ -	\$ 9,951

(c) Interest rate and cash flow risk:

Interest rate risk relates to the impact of changes in interest rates on the Nation's future cash inflows from its investments and future cash outflows on its term debt. The Nation's cash and cash equivalents are held in cash or short term money market instruments; accordingly, the Nation is not subject to significant interest rate risk in regards to these financial assets.

The Nation is subject to interest rate and cash flow risk with respect to its term debt, as disclosed in note 7. The Nation manages interest rate risk through negotiations with lenders at origination or renewal of loan agreements. Interest rate and cash flow risk in 2022 was impacted by rates and terms on new term loan agreements.

(d) Concentration of revenue:

The Nation receives a significant portion of its revenue each year through government transfers pursuant to funding agreements with ISC, the Province of British Columbia and other federal and provincial government funding agencies. Any disruption in this funding could have a negative effect of the Nation's operations.

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

14. Segmented information:

Segmented information has been identified based on programs provided by the Nation. Programs are provided by controlled entities, funds and departments, and their activities are reported by function in the consolidated statement of operations and accumulated surplus. Certain programs that have been separately disclosed are summarized below, with activity for the year ended March 31 summarized in Schedule 3.

(a) Administration

Administration provides the functions of corporate administration, finance, human resources, legislative services, elected officials, membership and registry, and cultural activities.

(b) Education

Education is responsible for administering and facilitating education programs including elementary and secondary, post-secondary, qualifying credit courses, and community education programs.

(c) Health

Health's focus is to improve and maintain health, lifestyle and wellness in the Nation.

(d) Housing

Housing relates to rental housing units owned or managed on by the Nation.

(e) Infrastructure

Infrastructure operates to maintain the Nation's infrastructure.

(g) Land and resources

Land and resources operates to maintain the Nation's land and buildings, including fisheries and forestry.

(h) Social development

Social development provides social programs to Nation's members.

(i) Taxation

Taxation includes revenue from property tax levies, goods and services tax and funds received from impact benefits and costs related to the administration of the property taxation department.

TLA'AMIN NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

15. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

TLA'AMIN NATION

Schedule 1 - Consolidated Expenses by Object

Year ended March 31, 2022 , with comparative information for 2021

	2022	2021
Accounting and legal	\$ 546,339	\$ 422,585
Amortization	1,016,105	1,032,584
Consulting	1,662,868	1,704,643
Distributions to citizens	742,418	1,489,174
Doubtful accounts provision	65,693	83,611
Education	2,251,726	1,879,298
Gain on disposal of tangible capital assets	-	(59,828)
Grants and bursaries	270,360	282,082
Honoraria	61,481	64,219
Insurance	396,429	340,673
Interest	372,388	299,575
Miscellaneous	389,372	153,374
Programming	361,701	256,949
Repairs and maintenance	1,710,311	739,757
Social health and child benefits	1,023,163	689,229
Supplies	887,168	791,695
Telephone and utilities	472,053	413,658
Travel and training	442,528	244,053
Wages and benefits	8,549,650	6,935,631
	<u>\$ 21,221,753</u>	<u>\$ 17,762,962</u>

TLA'AMIN NATION

Schedule 2 - Tangible capital assets

Year ended March 31, 2022, with comparative information for 2021

Year ended March 31, 2022						
	Land	Buildings and improvements	Infrastructure	Equipment	Construction in progress	Net book value
Cost:						
Beginning of year	\$ 3,768,679	\$ 24,374,165	\$ 3,666,356	\$ 4,368,149	\$ 477,246	\$ 36,654,595
Acquisitions	-	915,557	-	565,565	7,912,422	9,393,544
Transfers	-	52,350	-	-	(52,350)	-
End of year	3,768,679	25,342,072	3,666,356	4,933,714	8,337,318	46,048,139
Accumulated amortization:						
Beginning of year	-	11,104,177	2,020,251	2,563,633	-	15,688,061
Amortization	-	553,973	64,855	397,277	-	1,016,105
End of year	-	11,658,150	2,085,106	2,960,910	-	16,704,166
Net book value	\$ 3,768,679	\$ 13,683,922	\$ 1,581,250	\$ 1,972,804	\$ 8,337,318	\$ 29,343,973
Year ended March 31, 2021						
	Land	Buildings and improvements	Infrastructure	Equipment	Construction in progress	Net book value
Cost:						
Beginning of year	\$ 2,936,942	\$ 24,170,624	\$ 3,666,356	\$ 4,193,208	\$ -	\$ 34,967,130
Acquisitions	831,737	287,764	-	174,941	477,246	1,771,688
Disposals	-	(84,223)	-	-	-	(84,223)
End of year	3,768,679	24,374,165	3,666,356	4,368,149	477,246	36,654,595
Accumulated amortization:						
Beginning of year	-	10,624,995	1,952,694	2,146,117	-	14,723,806
Amortization	-	547,511	67,557	417,516	-	1,032,584
Disposals	-	(68,329)	-	-	-	(68,329)
End of year	-	11,104,177	2,020,251	2,563,633	-	15,688,061
Net book value	\$ 3,768,679	\$ 13,269,988	\$ 1,646,105	\$ 1,804,516	\$ 477,246	\$ 20,966,534

TLA'AMIN NATION

Schedule 3 - Segmented Information

Year ended March 31, 2022, with comparative information for 2021

Year ended March 31, 2022											
	Revenue				Expenses				Contributions to (from) other Programs	Surplus (deficit)	
	ISC (net of transfer to Trust)	Other	Equity in earnings of of GBE & GBP	Total	Amortization	Wages and Benefits	Other	Total			
Administration	\$ 11,749,396	\$ 9,494,916	\$ 3,398,676	\$ 24,642,988	\$ 953,977	\$ 2,282,262	\$ 2,934,224	\$ 6,170,463	\$ 5,636,301	\$ 12,836,224	
Education	215,710	355,298	-	571,008	-	455,726	2,379,692	2,835,418	(3,281,568)	1,017,158	
Health	2,345,171	1,182,418	-	3,527,589	62,128	2,390,796	1,170,651	3,623,575	(998,798)	902,812	
Housing	850,545	794,259	-	1,644,804	-	444,254	1,321,030	1,765,283	(250,412)	129,933	
Infrastructure	-	1,180	-	1,180	-	1,331,409	1,455,515	2,786,924	-	(2,785,744)	
Lands and resources	468,963	1,268,432	-	1,737,395	-	995,183	942,681	1,937,864	(1,105,523)	905,054	
Social development	1,111,789	185,613	-	1,297,402	-	603,171	1,290,534	1,893,705	-	(596,303)	
Taxation	-	419,431	-	419,431	-	46,850	161,671	208,521	-	210,910	
	\$ 16,741,574	\$ 13,701,547	\$ 3,398,676	\$ 33,841,797	\$ 1,016,105	\$ 8,549,650	\$ 11,655,998	\$ 21,221,753	\$ -	\$ 12,620,044	

Year ended March 31, 2021											
	Revenue				Expenses				Contributions to (from) other Programs	Surplus (deficit)	
	ISC (net of transfer to Trust)	Other	Equity in earnings of of GBE & GBP	Total	Amortization	Wages and Benefits	Other	Total			
Administration	\$ 15,180,539	\$ 3,655,992	\$ 4,432,445	\$ 23,268,976	\$ 968,118	\$ 1,734,848	\$ 2,638,962	\$ 5,341,928	\$ -	\$ 17,927,048	
Education	145,639	192,321	-	337,960	-	353,071	1,991,032	2,344,103	-	(2,006,143)	
Health	910,119	803,117	-	1,713,236	64,466	2,462,700	1,634,817	4,161,983	-	(2,448,747)	
Housing	89,163	548,221	-	637,384	-	451,925	727,779	1,179,704	-	(542,320)	
Infrastructure	-	-	-	-	-	573,108	533,384	1,106,492	-	(1,106,492)	
Lands and resources	112,144	2,944,216	-	3,056,360	-	1,028,114	1,194,757	2,222,871	-	833,489	
Social development	209,017	134,049	-	343,066	-	292,602	900,293	1,192,895	-	(849,829)	
Taxation	-	358,383	-	358,383	-	39,265	173,721	212,986	-	145,397	
	\$ 16,646,621	\$ 8,636,299	\$ 4,432,445	\$ 29,715,365	\$ 1,032,584	\$ 6,935,631	\$ 9,794,747	\$ 17,762,962	\$ -	\$ 11,952,403	