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# Consolidated financial statements of Nisga'a Lisims Government

March 31, 2025

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# Management's Responsibility for Financial Reporting

The consolidated financial statements of the Nisga'a Lisims Government (the "Government") and related information contained in these consolidated financial statements is the responsibility of management.


The consolidated financial statements have been prepared in accordance with the accounting policies set out in Note 2 to the consolidated financial statements and comply with the recommendations of the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada and the Nisga'a Financial Administration Act of the Nisga'a Lisims Government. When alternative accounting methods exist, management has chosen those that are more appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these financial statements.

The Government fulfills its accounting and reporting responsibilities through the Office of the Secretary Treasurer and Chief Financial Officer by maintaining a system of financial management and internal control. The systems are continually enhanced and modified to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with the Nisga'a Financial Administration Act.

Wilp Si'ayuukhl Nisga'a ("WSN") (the Government's legislative assembly), the Executive and the Finance Committee are responsible for ensuring that management fulfills its responsibilities for financial reporting, and WSN is ultimately responsible for reviewing and approving the consolidated financial statements.

WSN, the Executive and the Finance Committee meet periodically with management, as well as the 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 consolidated financial statements and the independent auditor's report. They take this information into consideration when approving the consolidated financial statements for issuance to the citizens of Nisga'a Nation. WSN, the Executive and the Finance Committee also consider the engagement of the external auditors.

Deloitte LLP performs an annual audit of the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Government and the results of its operations, changes in its net financial assets, its remeasurement gains and its cash flows for the year in accordance with Canadian public sector accounting standards for issuance to the citizens of the Nisga'a Nation.

  
Eva Clayton (Jul 31, 2025 10:15:34 PDT)

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Eva Clayton  
Noxs Wil Luu-gaamiks Hloks  
President

  
Charles Morven (Jul 31, 2025 12:32:48 PDT)

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Charles Morven  
Daaxheet  
Secretary Treasurer



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Terry Holt  
Chief Financial Officer

## Independent Auditor's Report

To the Wilp Si'ayuukhl Nisga'a of  
Nisga'a Lisims Government

### Opinion

We have audited the accompanying consolidated financial statements of Nisga'a Lisims Government (the "Government"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations and accumulated operating surplus, changes in net financial assets, remeasurement gains and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Government as at March 31, 2025, and the results of its operations, changes in its net financial assets, its remeasurement gains and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Government 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 PSAS, 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 the Government'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 Government or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's 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 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 GAAS 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 financial statements.

As part of an audit in accordance with Canadian GAAS, 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 the Government'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 Government'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 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 Government 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Government to express an opinion on the 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.

*Deloitte LLP*

Chartered Professional Accountants  
July 31, 2025  
Vancouver, British Columbia

**Nisga'a Lisims Government**

**Consolidated statement of operations and accumulated operating surplus**

Year ended March 31, 2025

		<b>Budget</b>		
		<b>2025</b>	<b>2025</b>	<b>2024</b>
	Notes	\$	\$	\$
<b>Revenue</b>				
Fiscal financing agreement and related funding		<b>101,784,600</b>	<b>100,486,673</b>	98,807,592
Income from investments		—	<b>23,079,428</b>	7,789,495
Taxation revenues	13	<b>6,627,159</b>	<b>2,452,319</b>	9,060,076
Grants & other revenues	14	<b>8,844,436</b>	<b>30,257,416</b>	16,931,596
Revenue from commercial entities	19	—	<b>5,312,410</b>	4,788,560
Contribution from Lisims				
Fisheries Conservation Trust	12(b)(ii)	—	<b>1,402,036</b>	650,000
Other budgetary items	16	<b>28,253,228</b>	—	—
		<b>145,509,423</b>	<b>162,990,282</b>	138,027,319
<b>Expenses</b>				
Programs and services directorate	15	<b>10,131,354</b>	<b>7,969,648</b>	7,756,211
Compliance & enforcement		<b>2,168,568</b>	<b>1,430,607</b>	1,763,036
Finance and IT directorate		<b>3,251,900</b>	<b>3,275,375</b>	2,819,599
Capital housing & facilities operations		<b>5,433,625</b>	<b>5,047,082</b>	4,351,542
Fish and wildlife directorate		<b>3,717,686</b>	<b>3,472,218</b>	2,957,691
Executive director		<b>2,824,914</b>	<b>1,993,082</b>	3,253,845
Lands and resources directorate		<b>5,468,947</b>	<b>9,758,685</b>	5,567,117
In-house legal counsel		<b>5,155,602</b>	<b>3,765,380</b>	3,548,514
Chief executive officer		<b>3,189,068</b>	<b>3,164,978</b>	3,104,681
Communications directorate		<b>1,096,664</b>	<b>741,977</b>	911,769
Human Resources directorate		<b>845,621</b>	<b>418,617</b>	493,680
Trust & investment management fees		<b>2,491,010</b>	<b>1,630,277</b>	1,467,570
Commercial fisheries fund		<b>375,000</b>	<b>366,247</b>	345,609
Business development fund grants		<b>750,000</b>	<b>141,637</b>	217,461
Housing fund grants		<b>686,985</b>	<b>656,867</b>	395,673
Sports and recreation fund grants		<b>175,000</b>	<b>144,800</b>	155,850
Land title assurance fund		<b>25,000</b>	—	—
Treaty loan distributions	17	<b>12,847,224</b>	<b>14,735,245</b>	24,604,139
Expenses of commercial entities	19	—	<b>5,091,766</b>	4,628,301
Other budgetary items	16	<b>6,973,715</b>	—	—
		<b>67,607,883</b>	<b>63,804,488</b>	68,342,288
<b>Transfers and operating grants</b>				
Nisga'a Village Governments		<b>33,815,110</b>	<b>51,070,062</b>	40,537,974
Nisga'a Valley Health Authority		<b>23,964,125</b>	<b>24,153,032</b>	26,335,244
Nisga'a School Board #92		<b>11,020,128</b>	<b>11,020,128</b>	10,010,559
Nisga'a Urban Locals		<b>6,195,945</b>	<b>6,195,945</b>	5,790,945
Wilp Wilxo'oskwhl Nisga'a Institute		<b>1,459,902</b>	<b>1,332,509</b>	963,066
Distributions to elders		<b>1,380,000</b>	<b>1,410,000</b>	1,320,000
		<b>77,835,210</b>	<b>95,181,676</b>	84,957,788
<b>Total expenses, transfers, and operating grants</b>				
		<b>145,443,093</b>	<b>158,986,164</b>	153,300,076
Annual operating surplus (deficit)		<b>66,330</b>	<b>4,004,118</b>	(15,272,757)
Accumulated operating surplus, beginning of year		<b>436,642,064</b>	<b>436,642,064</b>	451,914,821
<b>Accumulated operating surplus, end of year</b>		<b>436,708,394</b>	<b>440,646,182</b>	436,642,064


The accompanying notes are an integral part of the consolidated financial statements.

**Nisga'a Lisims Government**  
**Consolidated statement of financial position**  
As at March 31, 2025

	Notes	2025 \$	2024 \$
<b>Financial assets</b>			
Cash	5(a)	<b>77,831,499</b>	58,743,466
Restricted cash	5(b)	<b>84,141,389</b>	102,086,830
Accounts and loans receivable	3	<b>7,590,318</b>	22,877,520
Designated cash	5(c)	<b>47,054,357</b>	37,750,520
Designated investments - capital finance commission	5(d)	<b>57,396,069</b>	50,175,914
Designated investments - commercial fisheries trust	5(d)	<b>15,079,868</b>	14,090,676
Designated trust funds	6	<b>421,461,014</b>	392,554,819
Other investments	7	<b>8,302,974</b>	4,916,658
		<b>718,857,487</b>	683,196,403
<b>Liabilities</b>			
Accounts payable and accrued liabilities	9	<b>25,334,136</b>	36,439,994
Deferred revenue and deposits received	10	<b>81,844,123</b>	70,282,400
Capital finance commission deferred revenue	4	<b>104,100,863</b>	87,923,317
Silviculture obligation	21	<b>957,957</b>	1,200,098
		<b>212,237,079</b>	195,845,809
<b>Net financial assets</b>		<b>506,620,408</b>	487,350,594
<b>Non-financial assets</b>			
Tangible capital assets (Schedule 1)	11	<b>34,537,835</b>	27,735,531
Prepaid expenses		<b>817,312</b>	655,759
		<b>35,355,147</b>	28,391,290
<b>Accumulated surplus</b>		<b>541,975,556</b>	515,741,885
<b>Accumulated surplus is comprised of</b>			
Accumulated operating surplus		<b>440,646,182</b>	436,642,064
Accumulated remeasurement gains		<b>101,329,374</b>	79,099,821
Accumulated surplus, total		<b>541,975,556</b>	515,741,885
Available credit facilities	8		
Commitments and contingencies	12		

The accompanying notes are an integral part of the consolidated financial statements.

Approved on behalf of Wilp Si'ayuuḡhl Nisga'a

  
Eva Clayton (Jul 31, 2025 10:15:34 PDT), Member

  
Charles Morven (Jul 31, 2025 12:32:48 PDT), Member

**Nisga'a Lisims Government****Consolidated statement of changes in net financial assets**

Year ended March 31, 2025

	2025	2024
	\$	\$
<b>Annual operating surplus (deficit) from:</b>		
General operations	<b>(17,445,033)</b>	(21,594,682)
Nisga'a Settlement Trust investment income	<b>21,449,151</b>	6,321,925
Total annual operating surplus (deficit)	<b>4,004,118</b>	(15,272,757)
Amortization of tangible capital assets	<b>1,346,452</b>	1,043,409
Acquisition of tangible capital assets	<b>(8,148,756)</b>	(2,165,820)
Change in prepaid expenses	<b>(161,553)</b>	(64,231)
	<b>(6,963,857)</b>	(1,186,642)
Change in net financial assets	<b>(2,959,739)</b>	(16,459,399)
Net remeasurement gains on portfolio investments	<b>22,229,553</b>	21,673,918
Net financial assets, beginning of the year	<b>487,350,594</b>	482,136,075
<b>Net financial assets, end of the year</b>	<b>506,620,408</b>	487,350,594

The accompanying notes are an integral part of the consolidated financial statements.

**Nisga'a Lisims Government**  
**Consolidated statement of remeasurement gains**  
Year ended March 31, 2025

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	<b>2025</b>	2024
	\$	\$
<b>Accumulated remeasurement gains, beginning of year</b>	<b>79,099,821</b>	57,425,903
Total investment income attributable to portfolio investments	<b>45,308,981</b>	29,463,413
Amounts reclassified to the statement of operations:		
Income from investments	<b>(23,079,428)</b>	(7,789,495)
Unrealized gain on investments for the year	<b>22,229,553</b>	21,673,918
<b>Net remeasurement gains, end of year</b>	<b>101,329,374</b>	79,099,821

The accompanying notes are an integral part of the consolidated financial statements.

**Nisga'a Lisims Government**  
**Consolidated statement of cash flows**  
Year ended March 31, 2025

	2025	2024
	\$	\$
<b>Operating activities</b>		
Annual operating surplus (deficit)	4,004,118	(15,272,757)
Items not involving cash		
Amortization of tangible capital assets	1,346,452	1,043,409
	<b>5,350,570</b>	<b>(14,229,348)</b>
Changes in non-cash working capital		
Accounts and loans receivable	15,287,202	25,115,936
Accounts payable and accrued liabilities	(11,105,858)	11,398,253
Deferred revenue and deposits received	11,561,723	26,848,040
Silviculture obligation	(242,141)	121,482
Capital finance commission deferred revenue	16,177,546	15,287,016
Prepaid expenses	(161,553)	(64,229)
	<b>36,867,489</b>	<b>64,477,150</b>
<b>Capital activities</b>		
Acquisition of tangible capital assets	<b>(8,148,756)</b>	<b>(2,165,820)</b>
<b>Investing activities</b>		
Net change in designated cash	<b>(9,303,837)</b>	(10,633,933)
Net change in restricted cash	<b>17,945,441</b>	(33,943,161)
Increase in designated investments - capital finance commission	<b>(7,220,155)</b>	(3,496,730)
Increase in designated investments - commercial fisheries trust	<b>(989,192)</b>	(549,370)
Increase in designated trust funds, net	<b>(6,676,642)</b>	(1,146,122)
Investments in other entities	<b>(3,386,316)</b>	(3,477,013)
	<b>(9,630,701)</b>	<b>(53,246,329)</b>
Net change in cash	<b>19,088,032</b>	9,065,001
Cash, beginning of year	<b>58,743,466</b>	49,678,465
<b>Cash, end of year</b>	<b>77,831,499</b>	<b>58,743,466</b>
<b>Supplemental cash flow information</b>		
Remeasurement gains on portfolio investments	<b>22,229,553</b>	21,673,918

The accompanying notes are an integral part of the consolidated financial statements.

# Nisga'a Lisims Government

## Notes to the consolidated financial statements

March 31, 2025

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### 1. Operating authority and nature of operations

Nisga'a Lisims Government (the "Government") operates under the authority of the Constitution of the Nisga'a Nation and under the Nisga'a Final Agreement Act in Canada. The members of the Nisga'a Nation ratified a Final Agreement ("Agreement") on November 9, 1998. The Government of Canada and the Province of British Columbia ratified the Agreement through the Legislature and the House of Commons enacting their respective Acts to give effect to the Agreement. The Agreement came into effect on May 11, 2000 in the area of the Nass Valley in British Columbia, Canada.

The Government comprises:

- (a) an elected Legislative House known as Wilp Si'ayuukhl Nisga'a through which the Nisga'a Nation enacts legislation and performs the duties, functions and obligations of Government;
- (b) an Executive which receives delegated authority from Wilp Si'ayuukhl Nisga'a and authority from the Constitution of the Nisga'a Nation to conduct the duties, functions, and obligations of Government; and
- (c) a Council of Elders which may advise the Government on traditional matters.

### 2. Significant accounting policies

The consolidated financial statements of the Government are prepared by management in accordance with Canadian public sector accounting standards, and in accordance with the Nisga'a Financial Administration Act of the Nisga'a Nation.

During the year the Government did not adopt any new accounting policies.

The significant accounting policies used in the preparation of the consolidated financial statements are as follows:

#### (a) Principles of consolidation

The consolidated financial statements include the accounts of the Government, organizations controlled by the Government, and certain investees of the Government.

Two types of reporting are used by the Government to account for its interests in other entities:

- Organizations considered to be government business enterprises as well as investments in business partnerships are accounted for using the modified equity method. Under this method, the Government reports its investment in and advances to each entity, as well as the net income or loss of that entity.
- Other Government organizations which are controlled by the Government are consolidated in the financial statements on a line-by-line basis after eliminating any intercompany transactions and balances.

Trust funds under the Government's control are incorporated directly into the Government's accounts while those not under the Government's control, or trusts administered on behalf of other parties, are excluded from the consolidated Government reporting entity.

Nisga'a Government is comprised of the Nisga'a Lisims Government, which represents the Nisga'a Nation, and the four Nisga'a Village Governments, which represent the four Nisga'a Villages. The Nisga'a Nation and the Nisga'a Villages are separate and distinct legal entities. In addition, there are three Nisga'a Urban Locals, which provide liaison and contact between Nisga'a Government and Nisga'a citizens ordinarily residing within the Nisga'a Urban Local Areas. These financial statements include the consolidated financial affairs of the Government and do not include the financial affairs of the Nisga'a Village Governments and Nisga'a Urban Locals that are separate legal entities

## **2. Significant accounting policies (continued)**

### *(a) Principles of consolidation (continued)*

The following are the active organizations which are controlled by the Government and are considered to be other Government organizations, and accordingly are included in the consolidated financial statements on a line-by-line basis:

- Nisga'a Interim Settlement Trust
- Lisims Internet & Technology Services
- Nisga'a Growth Corporation
- K'alii Aks Timber Corporation
- Kalii Aaks Gold Limited Partnership
- 1395606 B.C. Ltd.

In addition the Government has investments in the following entities which are included in the consolidated financial statements using the modified equity method (see Note 7):

- Nations Royalty Corp. (government business enterprise – 76.8% interest)
- Treaty Creek LP (business partnership – 50% interest)
- NW Infrastructure Limited Partnership (business partnership – 50% interest)

### *(b) Recognition of revenues and expenses*

Government transfers from the federal and provincial governments that do not include stipulations are recognized as revenue when the transfers have been authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. Government transfers with stipulations are recognized as revenue in the period the transfers are authorized, and eligibility criteria and stipulations are met.

Taxation revenues are recognized when authorized by the Government, the taxable event has occurred, and the definition of an asset is met.

Other revenues are accounted for in the period in which the transactions or events occur that give rise to the revenues. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purposes specified. Investment income is recognized on an accrual basis when earned.

Publicly traded equities received as consideration are recognized at fair value when received or receivable.

Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

Transfers to other governments are recognized as an expense in the period the transfer is authorized by the Government and all eligibility criteria, if any, have been met by the recipient.

**2. Significant accounting policies (continued)**

*(c) Accumulated surplus*

Funds within the accumulated surplus include the following as provided for under Section 44(1) of the Nisga'a Financial Administration Act. These funds are not presented separately and are presented on a consolidated basis with any inter-fund balances and transactions eliminated but are separated for the purposes of segmented reporting. The funds that have had activity in the years ended March 31, 2025 and March 31, 2024 are presented in Schedule 2.

*(i) Government and Administration Fund*

This fund consists of the operations and administration of general government.

*(ii) Commercial Fisheries Fund*

This fund consists of the operations of the commercial fisheries programs under Schedule G of the Nisga'a Final Agreement.

*(iii) Business Development Fund*

This fund consists of the operations conducted under the Nisga'a Business Development Fund Act.

*(iv) Capital Transfer Fund*

This fund consists of the receipts and transfers of the capital transfer monies under the Nisga'a Final Agreement.

*(v) Investment Fund*

This fund consists of the Government's investments in various business and non-business ventures.

*(vi) Tangible Capital Asset Fund*

This fund consists of the tangible capital assets under the management of the Government. This includes tangible capital assets received as part of settlement and tangible capital assets constructed and acquired.

*(vii) Capital Finance Commission Fund*

This fund consists of the operations of the Capital Finance Commission under the Nisga'a Capital Finance Commission Act.

*(viii) Land Title Assurance Fund*

This fund is required under a Torrens title system and guarantees title in cases of fraud or error. The fund is used to compensate individuals who are deprived of their title.

## **2. Significant accounting policies (continued)**

### *(d) Financial Instruments*

Equity instruments quoted in an active market are measured at fair value. All other financial assets and financial liabilities are measured at cost or amortized cost.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets are tested annually for impairment. In cases where financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

The fair values for investments are determined using the following methods:

#### *(i) Bonds and equities*

Publicly traded bond and equity investments are held through pooled funds and separately managed accounts. Investments in bond and equities are measured as level 2 investments. Pooled fund net asset values are reported in their respective financial statements and are generally based on the quoted market price of the underlying investments. Publicly traded bonds and equity securities held in separately managed accounts are valued based on quoted market prices.

#### *(ii) Private debt*

Private debt instruments are held through investment trusts and limited partnerships consisting primarily of assets that are senior in the capital structure. Investments in bond and equities are measured as level 3 investments. The fair value of private debt funds is generally based on the net asset values reported in their respective financial statements. Managers adopt either a discounted cash flow methodology that discounts projected interest payments and principal repayments by an appropriate discount rate that includes a market risk premium or a held-to-maturity approach which values investments at par and/or amortized cost, adjusted for the amortization or accretion of purchase discounts or premiums over time.

#### *(iii) Infrastructure debt*

Private infrastructure debt investments are held through limited partnerships. Investments in bond and equities are measured as level 3 investments. The fair values of private infrastructure debt funds are based on the net asset values reported on their respective financial statements. Fair values of underlying private debt instruments are based on discounting future cash flows using a discount rate equal to the risk-free rate plus an appropriate risk premium. Publicly traded infrastructure bonds are held through a separately managed account and valuations are based on quoted market prices.

## **2. Significant accounting policies (continued)**

### *(d) Financial Instruments (continued)*

#### *(iv) Infrastructure equity*

Infrastructure equity investments are held in trust or through limited partnerships and in a pooled fund investing in publicly traded infrastructure equities. Investments in bond and equities are measured as level 3 investments. The fair values of infrastructure equity funds are based on the net asset values reported in their respective financial statements and/or valuation report. Fair values of the underlying assets are based on external managers or external appraiser valuations of the underlying infrastructure assets. Valuation methodologies include but are not limited to the discounted cash flow approach, the income approach or recent market transactions.

#### *(v) Private equities*

Private equity investments are held through limited partnership units investing in private equity assets. Investments in bond and equities are measured as level 3 investments. The fair value of limited partnership units are based on net asset values reported in their respective financial statements. Fair values of the underlying assets are based on valuation methods which include, but are not limited to, the market approach (i.e., observable valuation measures for comparable companies) and the income approach (i.e., discounted cash flow model) with consideration for factors such as expected liquidation value, leverage, and economic conditions.

### *(e) Cash, designated cash and designated trust funds*

Cash and portfolio investments are recorded at cost, less any provision for impairment where investments are considered to be other-than-temporarily impaired.

### *(f) Foreign currency translation*

Amounts denominated in foreign currencies are translated into Canadian dollars at the prevailing exchange rate at year end and transactions are translated into Canadian dollars at the prevailing rate at the transaction date. Gains and losses arising from translation of foreign currency balances are recognized in the consolidated statement of operations in the period incurred.

### *(g) Loans receivable*

Loans receivable are stated at the lower of cost and management's best estimate of net recoverable value. Valuation allowances, which are recorded to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the consolidated financial statements. Interest revenue is recognized when earned. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

**2. Significant accounting policies (continued)**

*(h) Tangible capital assets*

Tangible capital assets are recorded at cost, except for contributed lands, natural resources and cultural resources which are recorded at a nominal value of \$1 each. Tangible capital assets are amortized at the following rates and methods:

Buildings and mobile homes	4% and 5%	declining balance
Boats and vessels	7%	declining balance
Automotive	30%	declining balance
Machinery and equipment	20%	declining balance
Furniture, fixtures and office equipment	20%	declining balance
Computer equipment	30%	declining balance
Communications infrastructure	12%	declining balance
Fibre optic network	25 years	straight line

Assets under construction are not amortized until they are brought into use.

When conditions indicate that a tangible capital asset no longer contributes to the ability to provide goods or services, or that the value of future economic benefits is less than its book value, the carrying value of the asset is reduced to reflect the decline in value.

*(i) Income taxes*

Certain subsidiaries of the Government use the liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Deferred income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities and are calculated using tax rates anticipated to be in effect in the periods that the temporary differences are expected to reverse. The effect of a change in the income tax rates on deferred income tax assets and liabilities is recognized in operations in the period the change becomes substantively enacted. Deferred income tax assets are recognized to the extent that such benefits are likely to be realized.

*(j) Employee benefits*

Under the terms and conditions of employment, Government employees may qualify and earn benefits for annual leave, elective leave, severance and other benefits. The estimated liability for these benefits is recorded as the benefits are earned by employees. Severance liabilities are recorded when employees are identified for lay-off.

*(k) Budgets*

The budget figures represent the Government's budget for the year as approved by Wilp Si'ayuukhl Nisga'a.

## **2. Significant accounting policies (continued)**

### *(l) Liability for contaminated sites*

The Government recognizes and measures a liability for remediation of contaminated sites where:

- An environmental standard exists;
- Contaminated levels exceed the environmental standard;
- The Government is directly responsible or accepts responsibility;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is based on the present value of the estimated costs directly attributable to the remediation and post-remediation activities.

### *(m) Asset retirement obligations*

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of property and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

### *(n) Use of estimates*

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities for the reporting period. Significant estimates used in the preparation of these financial statements include the useful lives of tangible capital assets, recognition of accrued liabilities, the valuation of certain investments and allowances for doubtful accounts receivable. Actual results may differ from these estimates.

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**3. Accounts and loans receivable**

	<b>2025</b>	2024
	\$	\$
Accounts receivable - government (i)	<b>5,078,082</b>	18,259,842
GST and PST receivable	<b>897,951</b>	757,627
Business loans – various terms	<b>848,477</b>	848,477
Government funding and grants	<b>1,025,811</b>	2,758,226
Fishers loans – various terms	<b>248,071</b>	248,071
Accounts receivable – Government businesses	<b>685,606</b>	1,101,825
	<b>8,783,998</b>	23,974,068
Less: Allowance for doubtful accounts	<b>(1,193,680)</b>	(1,096,548)
	<b>7,590,318</b>	22,877,520

- (i) Of this amount receivable at March 31, 2025, \$nil (\$15,743,218 in 2024) relates to amounts receivable in respect of Treaty Loan reimbursement proceeds. The timing and amount of the Treaty Loan amounts receivable is detailed further in Note 17. In addition, included in this amount is \$422,217 (\$132,726 in 2024) due from Nations Royalty Corp., an investment of the Government (see Note 7 (v)).

**4. Capital finance commission deferred revenue**

	<b>2025</b>	2024
	\$	\$
Deferred revenue, beginning of year	<b>87,923,317</b>	72,636,301
New funding received	<b>13,315,567</b>	11,020,257
Interest and investment income	<b>8,544,479</b>	6,274,454
Eligible expenditures	<b>(5,682,500)</b>	(2,007,695)
Deferred revenue, end of year	<b>104,100,863</b>	87,923,317

Revenue is recognized when expenditures are incurred which meet the criteria under the terms of the fiscal financing agreement.

**5. Cash, restricted cash, designated cash and designated investments**

(a) *Cash*

During the year ended March 31, 2016, the Government's Executive approved funding in the amount of \$848,403 for each of the Village governments as an additional program under section 6 of the Nisga'a Capital (New Asset) Finance Commission Act to support existing and new housing programs on Nisga'a lands. The cash balance as at March 31, 2025 includes \$76,116 (\$76,116 in 2024) of the approved funding that had not yet been disbursed in respect of this program.

**5. Cash, restricted cash, designated cash and designated investments**

*(b) Restricted cash*

The Government has followed the requirements of certain external funding agencies and has implemented restrictions on cash for the following purposes:

	<b>2025</b>	2024
	\$	\$
Treaty loan reimbursement proceeds received and related interest (i)	<b>37,538,181</b>	47,319,845
Fisheries program restricted cash	<b>432,999</b>	413,193
Gap Closing proceeds received and related interest	<b>9,730,039</b>	9,315,874
Unexpended approved capital appropriations	<b>4,816,605</b>	10,739,955
Indigenous community infrastructure fund (ii)	<b>31,042,161</b>	33,743,089
Own source revenue	<b>581,404</b>	554,874
	<b>84,141,389</b>	102,086,830

- i. A history of the treaty loan amounts received and the related disbursements is presented in Note 17.
- ii. During the year the Government received \$9,204,763 (\$16,309,407 in 2024) of budgeted funding in connection with infrastructure projects.

*(c) Designated cash*

The Government has, under the terms of the related funding agreements, designated cash for certain funds as follows:

	<b>2025</b>	2024
	\$	\$
Capital Finance Commission fund	<b>25,739,146</b>	25,934,830
Capital Finance Commission lifecycle fund	<b>21,203,426</b>	11,708,822
Land Title Assurance fund	<b>111,785</b>	106,868
	<b>47,054,357</b>	37,750,520

*(d) Designated investments*

During the year ended March 31, 2017, the Government invested \$25 million of capital finance commission funds in bond and equity pooled funds managed by Phillips, Hager and North Investment Management. During fiscal 2020, the Government invested a further \$10,000,000 of capital finance commission funds in the same bond and equity pooled funds. The cost and market value of the investments as at March 31, 2025 were \$51,103,342 and \$57,396,069 respectively (\$47,957,465 and \$50,175,914 respectively, in 2024).

During the year ended March 31, 2023, the Government invested a portion of the commercial fisheries fund into a high-quality short-term bond fund managed by Phillips, Hager and North Investment Management. The cost and market value of these investments as at March 31, 2025 were \$14,639,793 and \$15,079,868 respectively (\$14,103,311 and \$14,090,676 respectively in 2024).

**Nisga'a Lisims Government**  
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**6. Designated trust funds**

*Nisga'a Settlement Trust*

The Trust comprises:

	<b>2025</b>	2024
	\$	\$
(a) Interest bearing cash account with RBC Investor Services Trust	<b>544,727</b>	169,521
(b) Portfolio investments held by RBC Investor Services Trust, presented at market value	<b>420,916,287</b>	392,385,298
	<b>421,461,014</b>	392,554,819

The Government has contributed funds to this Trust to hold, protect and grow a portion of the Nisga'a Final Agreement proceeds for the future benefit of the Nisga'a Nation.

Total annual appropriations from the Nisga'a Settlement Trust to the Government and Administration Fund were as follows:

	\$
2007 to 2022	88,501,029
2023	18,570,549
2024	—
2025	9,706,005
	<u>116,777,583</u>

These funds have been appropriated by the WSN as a result of approved cash management strategies. The Government may draw down these funds at a future point in time, consistent with best practices related to strategic cash management, and subject to the Nisga'a Financial Administration Act. During the year ended March 31, 2025, \$9,706,005 of appropriations to the Government were made out of the Trust monies.

Total annual distributions from the Nisga'a Settlement Trust are as follows (\$9,706,005 distributions were declared in 2025):

	\$
2007 to 2022	47,821,259
2023	18,570,549
2024	—
2025	9,706,005
	<u>76,097,813</u>

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**7. Other investments**

	<b>2025</b>	2024
	\$	\$
Investment in Seabridge Gold (i)	<b>1,381,208</b>	1,666,658
Investment in VWM Capital Litigation Fund LP (ii)	<b>6,000,000</b>	3,000,000
Investment in Treaty Creek LP (iii)	<b>921,666</b>	250,000
Investment in NW Infrastructure Limited Partnership (iv)	<b>100</b>	—
	<b>8,302,974</b>	4,916,658

- i. The Government's investment in Seabridge Gold, a publicly traded company, is represented by the ownership of 82,500 shares, and is recorded as a portfolio investment using the market price of those shares of \$16.75 per share.
- ii. The investment in VWM Capital Litigation Fund LP ("VWM") is represented by contributions to a cash account under the custody of VWM. VWM, as manager, may use these funds to invest in a portfolio of litigation claims to provide investors with a return on invested capital. There are no guarantees provided by VWM on the amount of returns available to investors or the recoverability of this investment.
- iii. The Government has a 50% interest in Treaty Creek LP, a partnership involved in pursuing contracting opportunities with mining projects. This investment is classified as a business partnership under PSAS and is accounted for using the modified equity method. The initial investment in Treaty Creek LP was \$250,000 and the Government's cumulative share of income up to March 31, 2025 was \$671,666, which brings the total investment to \$921,666 as at March 31, 2025. Summarized financial information for Treaty Creek LP as at and for the year ended March 31, 2025 is as follows:

Assets	Liabilities	Equity	Revenue	Expenses	Net income
\$	\$	\$	\$	\$	\$
<b>2,051,354</b>	<b>42,222</b>	<b>2,009,132</b>	<b>811,908</b>	<b>290,052</b>	<b>521,856</b>

- iv. The Government has a 50% interest in NW Infrastructure Limited Partnership, a partnership involved in carrying on the business of acquiring, developing, constructing, financing, operating and maintaining natural gas pipeline assets and electricity transmission assets. This investment is classified as a business partnership under PSAS and is accounted for using the modified equity method. The Government's initial investment in this partnership was \$100 and no allocations of income have occurred to date. Summarized financial information for NW Infrastructure Limited Partnership as at and for the year ended March 31, 2025 is as follows:

Assets	Liabilities	Deficit	Revenue	Expenses	Net loss
\$	\$	\$	\$	\$	\$
<b>59,903,670</b>	<b>198,693,137</b>	<b>(138,789,467)</b>	<b>622,203</b>	<b>134,632,794</b>	<b>(134,010,591)</b>

**7. Other investments (continued)**

- v. The Government owns 111,100,000 shares of Nations Royalty Corp. ("Nations Royalty"), a publicly traded company involved in acquiring mining royalty agreements. The Government's shareholdings represent a 76.8% ownership interest in Nations Royalty. This investment is classified as a government business enterprise under PSAS and is accounted for using the modified equity method. In exchange for obtaining its 76.8% interest in Nations Royalty the Government contributed its rights to five annual benefit payment entitlements (commonly referred to as royalties) in respect of mines located in northwest British Columbia to Nations Royalty in June 2024. These annual benefit payment entitlements were not previously recorded as assets in the Government's financial statements, and accordingly the Government's initial investment in Nations Royalty was recorded at a cost of \$0. No allocations of income have occurred to date and as a result the carrying amount of the Government's investment in Nations Royalty is \$0 at March 31, 2025. The shares of Nations Royalty were trading at a price of \$0.47 per share on March 31, 2025, indicating a value of the Government's interest in Nations Royalty at that date of \$52,217,000.

Summarized financial information for Nations Royalty as at and for the year ended March 31, 2025 is as follows:

<b>Assets</b>	<b>Liabilities</b>	<b>Equity</b>	<b>Revenue</b>	<b>Expenses</b>	<b>Net loss</b>
\$	\$	\$	\$	\$	\$
<b>5,635,703</b>	<b>111,220</b>	<b>5,524,483</b>	<b>843,745</b>	<b>6,282,534</b>	<b>(5,438,789)</b>

**8. Credit and borrowing facilities**

The Government has the following credit and borrowing facilities available:

- (a) A \$10,000,000 operating loan bearing interest at the bank prime rate less 0.25%; and  
(b) A \$30,000,000 committed revolving facility for capital expenditures bearing interest at the bank prime rate less 0.00%.

The facilities are secured by a general security agreement and the Government is required to maintain designated trust funds of not less than \$200 million. As at March 31, 2025, the Government had borrowed \$nil on these facilities (nil in 2024).

**9. Accounts payable and accrued liabilities**

	<b>2025</b>	2024
	\$	\$
Own source revenue liability	—	2,886,994
Accrued gift to citizens	—	11,447,500
Accounts payable and accrued liabilities	<b>21,649,206</b>	17,629,413
Accounts payable and accrued liabilities – Government businesses	<b>823,861</b>	1,055,624
Elective leave and vacation liability	<b>2,067,690</b>	2,127,538
Personal income tax revenues repayable	<b>181,373</b>	789,419
Payroll liabilities	<b>612,006</b>	503,506
	<b>25,334,136</b>	36,439,994

**10. Deferred revenue and deposits received**

Deferred revenue and deposits received primarily consists of proceeds received for specific projects to be completed in the future, as well as security deposits held. Deferred revenue amounts will be recognized as revenue in the period that the funds are used for the purpose specified.

	<b>2025</b>	2024
	<b>\$</b>	<b>\$</b>
Deferred revenue	<b>81,675,766</b>	70,129,043
Deposits received	<b>168,357</b>	153,357
	<b>81,844,123</b>	70,282,400

**11. Tangible capital assets (Schedule 1)**

	<b>2025</b>	2024
	<b>Net book value</b>	Net book value
	<b>\$</b>	<b>\$</b>
Buildings and mobile homes	<b>16,509,544</b>	15,592,215
Construction in progress	<b>10,508,995</b>	5,152,920
Land	<b>2,200,902</b>	2,200,902
Fibre optic network	<b>1,240,172</b>	1,412,657
Boats and vessels	<b>911,224</b>	964,136
Machinery and equipment	<b>1,740,146</b>	1,761,650
Automotive	<b>794,786</b>	396,236
Computer equipment	<b>220,471</b>	189,235
Furniture, fixtures and office equipment	<b>65,328</b>	62,983
Communications infrastructure	<b>346,264</b>	2,595
Contributed land, natural resources and cultural resources	<b>3</b>	3
	<b>34,537,835</b>	27,735,532

Contributed land, natural resources and cultural resources are contributions from the Nisga'a Final Agreement that were recorded at \$1 each as a reasonable valuation of these assets was not available. This is a departure from the accounting required under Section 42 of the Nisga'a Financial Administration Act which requires that contributed assets be recorded at their fair market value. These assets include the following:

Lands - Approximately 2,020 square kilometres of land comprising of 1,993 of Nisga'a lands in the lower Nass Valley and 27 of Category A and B lands held outside of Nisga'a lands

Natural resources - Timber, subsurface minerals, limited water, fish and wildlife

Cultural resources - Heritage sites, artwork and artifacts

## **12. Commitments and contingencies**

### *(a) Commitments*

- (i) The Government enters into various contracts and agreements and is committed to various expenditures in the normal course of business.
- (ii) The Government is committed to provide various programs and services and to conduct various activities under the Nisga'a Final Agreement. The cost of completing all of these activities is substantial, although the cost cannot be readily determined.
- (iii) The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position and that may materially affect the level of future expenditures. These include contractual commitments pertaining to funding agreements with Nisga'a Village Governments, various Nisga'a institutions and various capital projects.

### *(b) Contingencies*

- (i) Effective May 11, 2000, the Government entered into the first Nisga'a Nation Fiscal Financing Agreement (the "Agreement") with the Government of Canada and the Province of British Columbia for a five year period, and extension agreements thereafter. The Agreement is currently under its third version and eighth amendment. The terms of the Agreement provide that every five years, or at longer intervals as agreed upon by the parties, the parties will negotiate and attempt to reach agreement on a fiscal financing agreement by which funding will be provided to the Nisga'a Nation to provide agreed-upon public programs and services to Nisga'a citizens.
- (ii) The Government of Canada and the Government have set up the Lisims Fisheries Conservation Trust ("Trust") which is under the control of trustees independent from the Nisga'a Nation and the Government. The objectives of the Trust are to promote conservation and protection of, to facilitate sustainable management of, and to promote and support Nisga'a participation in the stewardship of the Nass area fish species and stocks and the Nass area fisheries for the benefit of all Canadians. The trust financial results are not included in these financial statements. The Government received \$1,402,036 (\$650,000 in 2024) from the Trust during the year.
- (iii) The Government is contingently liable to banks for housing loan guarantees provided in a maximum authorized amount of \$10,000,000 (\$2,000,000 in 2024) under housing programs. The aggregate outstanding balance of the housing loans is \$1,554,390 as at March 31, 2025 (\$1,724,520 in 2024). The Government has also provided a guarantee for a maximum amount of \$410,500 to a bank for a loan to the Village of Laxgalts'ap.
- (iv) The Government has provided an indemnity for the directors and officers of Nisga'a Valley Health Authority.
- (v) Certain legal actions have been commenced against the Government in connection with various matters arising during the normal course of business activities. Management is of the opinion that the cost of settling and defending such actions will not be significant and, accordingly, no provision for losses related to these legal actions has been reflected in these financial statements.

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**13. Taxation revenues**

	<b>2025</b>	2024
	\$	\$
Goods and Services Tax	—	1,947,421
Federal personal income tax	<b>1,371,742</b>	5,148,565
Provincial sales tax	<b>684,707</b>	931,904
Provincial personal income tax	<b>(181,372)</b>	394,258
Property taxes	<b>577,242</b>	637,928
	<b>2,452,319</b>	9,060,076

**14. Grants and other revenues**

	<b>2025</b>	2024
	\$	\$
Contract revenue	<b>10,790,464</b>	12,006,038
Targeted funding - ISC	<b>17,881,163</b>	3,984,911
Share of income from Treaty Creek LP	<b>671,666</b>	—
Other	<b>333,380</b>	221,423
Other grants and contributions	<b>425,152</b>	438,269
Rental income	<b>138,382</b>	254,359
Levies, fees, permits and leases	<b>17,209</b>	26,596
	<b>30,257,416</b>	16,931,596

**15. Expenses by object**

	<b>2025</b>	2024
	\$	\$
Treaty loan distributions	<b>14,735,245</b>	24,604,139
Purchased goods and services	<b>33,360,207</b>	26,454,332
Compensation and training	<b>12,635,288</b>	14,385,893
Travel, accommodation and related costs	<b>1,679,245</b>	1,827,775
Amortization	<b>1,328,998</b>	1,043,409
Other interest and bank charges	<b>65,505</b>	26,740
	<b>63,804,488</b>	68,342,288

**16. Supplementary budget information**

Certain items in the Government's annual budget do not have a direct revenue or expense comparison on the statement of operations, and as such these have been presented here with descriptions as follows:

	<b>\$</b>	
Settlement trust appropriation	<b>9,706,004</b>	(i)
Treaty loan repayment proceeds	<b>12,847,224</b>	(ii)
Accumulated surplus drawdown	<b>5,700,000</b>	(iii)
Other budgetary items - revenues	<b>28,253,228</b>	
Capital expenditures	<b>7,918,996</b>	(iv)
Other	<b>(945,281)</b>	
Other budgetary items - expenses	<b>6,973,715</b>	

- (i) This revenue budget item represents amounts transferred from the settlement trust's accounts to the Government's accounts to fund Government expenditures. However, as the financial statements are presented on a consolidated basis, this revenue amount is not recognized on the consolidated statement of operations.
- (ii) This revenue amount is represented by the anticipated cash receipt of the treaty loan repayment, net of related OSR settlement, to be received during the fiscal year. These amounts were recorded in revenues in a prior year based on the date the treaty loan agreement was signed with Canada. A schedule of amounts received and disbursed in connection with the treaty loan is included in Note 17.
- (iii) This revenue budget item represents funding received in a prior year brought forward to cover anticipated expenditures in fiscal 2025. The revenue related to this funding was recorded in the statement of operations in a prior year.
- (iv) Capital expenditures are recorded in the financial statements as an addition to tangible capital assets, and not as a current expense.

**17. Treaty Loan receipts and disbursements**

As there are timing differences in the approval of transactions, which results in recognition of transactions for accounting purposes, and the related cash receipts and payments, the table below is presented in order to present a history of the transactions related to the Treaty Loan from 2021 to date:

Description	Fiscal year	Amount
Treaty Loan Reimbursement - Year 1	March 31, 2021	15,734,218
Year 1 Interest	March 31, 2021	91,064
Treaty Loan Reimbursement - Year 2	March 31, 2022	15,734,218
Year 2 Interest	March 31, 2022	191,030
Treaty Loan Reimbursement - Year 3	March 31, 2023	15,734,218
Year 3 Interest and Bank Fees	March 31, 2023	538,449
Treaty Loan Reimbursement - Year 4	March 31, 2024	15,734,218
Repayment of OSR liability	March 31, 2024	(2,886,994)
Year 4 Interest and Bank Fees	March 31, 2024	2,202,189
Treaty Loan Reimbursement - Year 5	March 31, 2025	15,734,218
Net of OSR Payment 5	March 31, 2025	(2,886,994)
Year 5 Interest and Bank Fees	March 31, 2025	1,883,612
<b>Total amounts received to March 31, 2025</b>		<b>77,803,446</b>
WSN - One-Time Gift Disbursement	March 31, 2022	(14,940,000)
WSN - One-Time Gift Disbursement - Minors' Trust	March 31, 2022	(5,250,000)
Administration Fees Incurred	March 31, 2023	(1,299,240)
WSN - 2nd Gift Disbursement Approved - 19 years +	March 31, 2025	(14,572,500)
WSN - 2nd Gift Disbursement Approved - Under 19	March 31, 2025	(5,612,500)
Administration Fees Incurred	March 31, 2025	(1,009,250)
<b>Total amounts disbursed to March 31, 2025</b>		<b>(42,683,490)</b>
<b>Treaty Loan funds on hand at March 31, 2025</b>		<b>35,119,956</b>
WSN - Local Priorities & EcDev Distribution - VGs & ULs	March 31, 2026	(14,000,000)
WSN - Local Priorities & EcDev Distribution - NLG	March 31, 2026	(2,000,000)
<b>Remaining Treaty Loan funds after above transactions</b>		<b>19,119,956</b>

**18. Defined contribution plan**

The Government provides and participates in an individual defined contribution plan for its permanent employees. Permanent employees who choose to participate are required to contribute 5% of their earnings. An additional voluntary contribution up to 8% of earnings is permitted. The Government contributes amounts equal to the employee's required contribution of 5%. Effective January 1, 2023, the Government increased the contribution from 5% to 13%. The Government contributed \$1,674,844 (\$1,079,667 in 2024) to the plan during the year.

**19. Commercial entities revenue and expenses**

	LITS Telecom \$	NGC Development \$	KATCLP Forestry \$	2025 Total \$
Revenue	907,188	1,048,690	3,356,532	5,312,410
Expenses	801,493	1,135,402	3,154,871	5,091,766
Net income (loss)	105,695	(86,712)	201,661	220,644

	LITS Telecom \$	NGC Development \$	KATCLP Forestry \$	2024 Total \$
Revenue	908,128	641,574	3,238,859	4,788,560
Expenses	741,596	1,164,277	2,722,428	4,628,301
Net income (loss)	166,532	(522,703)	516,431	160,258

**20. Contractual rights**

The Government has the following contractual rights:

*(i) Government of Canada and Province of British Columbia*

The Government has entered into a Fiscal Financing Agreement with the Government of Canada and the Province of British Columbia that provides funding to the Government in perpetuity, enabling the provision of agreed upon public programs and services.

*(ii) Other*

The Government has entered into confidential agreements with various third parties who wish to engage in business operations within the Nass Area, Nass Wildlife Area and Nisga'a Lands for which the Government expects to receive revenues based on certain varying milestones, for royalties, leases, right of way access and capacity building, the amounts for which are largely dependent on future production or economic events, which cannot reasonably be predicted or are not controllable by the Government. The timing and amounts of these future revenues are not determinable.

**21. Funds held for silviculture**

Under the Nisga'a Public Lands License ("License"), the Government receives a silviculture levy of \$3 per cubic metre in respect of timber harvested under the License or a Forest Development Plan or a road permit, including avoidable waste. The silviculture levies are maintained in interest bearing accounts in respect of each timbermark under which timber is harvested by K'alii Aks Timber Corporation. As K'alii Aks Timber Corporation performs its silviculture obligations under the Nisga'a Forest Act, it claims reimbursement from the applicable silviculture account.

## **22. Risk management**

The Government is exposed to credit, interest rate, market and foreign exchange risk relating to its financial instruments. A description of these risks is provided below:

*(i) Credit risk*

Financial assets which potentially subject the Government to concentrations of credit risk consist principally of accounts receivable and cash. In determining the recoverability of receivables, the Government considers any change in the credit quality of these receivables from the date credit was initially granted up to the reporting date and records an allowance for doubtful accounts in situations where collection is uncertain. The concentration of credit risk is mitigated by the fact the significant amounts receivable are due from governments, as noted in Note 3. Accordingly, management believes that there is no credit provision required for these receivables. Cash is placed at a large national bank and as a result management's position is that credit risk relating to the Government's cash balances is not significant.

*(ii) Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Government's cash, restricted cash, and designated cash balances earn interest at a variable rate, and changes in market interest rates will affect interest revenue. A 1% change in interest rates would change interest revenue by approximately \$2,100,000. The Government does not use derivative financial instruments to mitigate this risk.

*(iii) Market risk*

The Government is exposed to market risk, which arises from the valuation of portfolio investments held by the Government for which market prices in the future are uncertain. The value of the portfolio investments may move up or down, sometimes rapidly, and without certainty. The Government manages market risk by allocating its assets across a number of different portfolio investment types with different investment styles and risk levels.

*(iv) Foreign exchange risk*

Foreign currency risk is the risk that the value of non-Canadian investments, denominated in currencies other than Canadian dollars, will increase or decrease because of changes in foreign currency exchange rates. The Government has certain portfolio investments denominated in foreign currencies and does not use derivative financial instruments to mitigate these risks.

**Nisga'a Lisims Government**

**Schedule 1 - Consolidated schedule of tangible capital assets**

Year ended March 31, 2025

	Contributed land, natural resources and cultural resources	Land	Buildings and mobile homes	Boats and vessels	Automotive	Machinery and equipment	Furniture, fixtures and office equipment	Computer equipment	Communications infrastructure	Fibre optic network	Construction in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>												
As at April 1, 2024	3	2,200,902	28,968,432	1,951,213	1,615,865	2,113,433	645,243	1,402,678	110,241	3,396,874	5,152,919	47,557,803
Additions	—	—	1,569,911	33,765	614,891	—	21,701	103,231	74,181	—	5,731,076	8,148,756
Disposals	—	—	—	—	—	—	—	—	—	—	—	—
Transfer	—	—	—	—	—	—	—	—	375,000	—	(375,000)	—
	<b>3</b>	<b>2,200,902</b>	<b>30,538,343</b>	<b>1,984,978</b>	<b>2,230,756</b>	<b>2,113,433</b>	<b>666,944</b>	<b>1,505,909</b>	<b>559,422</b>	<b>3,396,874</b>	<b>10,508,995</b>	<b>55,706,559</b>
<b>Accumulated amortization</b>												
As at April 1, 2024	—	—	13,376,217	987,078	1,219,630	351,784	582,260	1,213,443	107,644	1,984,216	—	19,822,272
Additions	—	—	652,582	86,677	216,340	21,503	19,356	71,995	105,513	172,486	—	1,346,452
Disposals	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	14,028,799	1,073,755	1,435,970	373,287	601,616	1,285,438	213,157	2,156,702	—	21,168,724
<b>Net book value, March 31, 2025</b>	<b>3</b>	<b>2,200,902</b>	<b>16,509,544</b>	<b>911,223</b>	<b>794,786</b>	<b>1,740,146</b>	<b>65,328</b>	<b>220,471</b>	<b>346,265</b>	<b>1,240,172</b>	<b>10,508,995</b>	<b>34,537,835</b>
	Contributed land, natural resources and cultural resources	Land	Buildings and mobile homes	Boats and vessels	Automotive	Machinery and equipment	Furniture, fixtures and office equipment	Computer equipment	Communications infrastructure	Fibre optic network	Construction in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>												
As at April 1, 2023	3	2,200,902	27,971,238	1,891,309	1,279,803	449,476	645,243	1,328,445	110,241	3,396,874	6,118,449	45,391,983
Additions	—	—	50,755	59,904	336,062	4,500	—	74,233	—	—	1,640,366	2,165,820
Disposals	—	—	—	—	—	—	—	—	—	—	—	—
Transfer	—	—	946,439	—	—	1,659,457	—	—	—	—	(2,605,896)	—
	<b>3</b>	<b>2,200,902</b>	<b>28,968,432</b>	<b>1,951,213</b>	<b>1,615,865</b>	<b>2,113,433</b>	<b>645,243</b>	<b>1,402,678</b>	<b>110,241</b>	<b>3,396,874</b>	<b>5,152,919</b>	<b>47,557,803</b>
<b>Accumulated amortization</b>												
As at April 1, 2023	—	—	12,741,982	897,762	1,096,895	226,009	576,168	1,148,621	107,210	1,984,216	—	18,778,863
Additions	—	—	634,235	89,316	122,735	125,775	6,092	64,822	434	—	—	1,043,409
Disposals	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	13,376,217	987,078	1,219,630	351,784	582,260	1,213,443	107,644	1,984,216	—	19,822,272
<b>Net book value, March 31, 2024</b>	<b>3</b>	<b>2,200,902</b>	<b>15,592,215</b>	<b>964,135</b>	<b>396,235</b>	<b>1,761,649</b>	<b>62,983</b>	<b>189,235</b>	<b>2,597</b>	<b>1,412,658</b>	<b>5,152,919</b>	<b>27,735,531</b>

# Nisga'a Lisims Government

## Schedule 2 - Consolidated schedule of segment disclosure

Year ended March 31, 2025

	Government and Administration Fund \$	Commercial Fisheries Fund \$	Business Development Fund \$	Investment Fund \$	2025 Consolidated \$
<b>Revenue</b>					
Fiscal financing agreement and related funding	100,486,655	—	—	—	100,486,655
Income from investments	23,079,446	—	—	—	23,079,446
Taxation revenues	2,452,319	—	—	—	2,452,319
Grants & other revenues	30,257,416	—	—	—	30,257,416
Revenue from commercial entities	—	—	—	5,312,410	5,312,410
Contribution from Lisims	—	—	—	—	—
Fisheries Conservation Trust	1,402,036	—	—	—	1,402,036
	<b>157,677,872</b>	<b>—</b>	<b>—</b>	<b>5,312,410</b>	<b>162,990,282</b>
<b>Expenses</b>					
Programs and services directorate	7,969,648	—	—	—	7,969,648
Compliance & enforcement	1,430,607	—	—	—	1,430,607
Finance and IT directorate	3,275,375	—	—	—	3,275,375
Capital housing & facilities operations	5,047,082	—	—	—	5,047,082
Fish and wildlife directorate	3,472,218	—	—	—	3,472,218
Executive director	1,993,082	—	—	—	1,993,082
Lands and resources directorate	9,758,685	—	—	—	9,758,685
In-house legal counsel	3,765,380	—	—	—	3,765,380
Chief executive officer	3,164,978	—	—	—	3,164,978
Communications directorate	741,977	—	—	—	741,977
Human Resources directorate	418,617	—	—	—	418,617
Trust & investment management fees	1,630,277	—	—	—	1,630,277
Commercial fisheries fund	—	366,247	—	—	366,247
Business development fund grants	—	—	141,637	—	141,637
Housing fund grants	656,867	—	—	—	656,867
Sports and recreation fund grants	144,800	—	—	—	144,800
Treaty loan distributions	14,735,245	—	—	—	14,735,245
Expenses of commercial entities	—	—	—	5,091,766	5,091,766
	<b>58,204,838</b>	<b>366,247</b>	<b>141,637</b>	<b>5,091,766</b>	<b>63,804,488</b>
<b>Transfers and operating grants</b>					
Nisga'a Village Governments	51,070,062	—	—	—	51,070,062
Nisga'a Valley Health Authority	24,153,032	—	—	—	24,153,032
Nisga'a School Board #92	11,020,128	—	—	—	11,020,128
Nisga'a Urban Locals	6,195,945	—	—	—	6,195,945
Wilp Wilxo'oskwhl Nisga'a Institute	1,332,509	—	—	—	1,332,509
Distributions to elders	1,410,000	—	—	—	1,410,000
	<b>95,181,676</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>95,181,676</b>
Excess of revenue over expenses	<b>4,291,358</b>	<b>(366,247)</b>	<b>(141,637)</b>	<b>220,644</b>	<b>4,004,118</b>

# Nisga'a Lisims Government

## Schedule 2 - Consolidated schedule of segment disclosure

Year ended March 31, 2024

	Government and Administration Fund \$	Commercial Fisheries Fund \$	Business Development Fund \$	Investment Fund \$	2024 Consolidated \$
<b>Revenue</b>					
Fiscal financing agreement and related funding	98,807,592	—	—	—	98,807,592
Income from investments	7,789,495	—	—	—	7,789,495
Taxation revenues	9,060,076	—	—	—	9,060,076
Grants & other revenues	16,931,596	—	—	—	16,931,596
Revenue from commercial entities	—	—	—	4,788,560	4,788,560
Contribution from Lisims	—	—	—	—	—
Fisheries Conservation Trust	650,000	—	—	—	650,000
	<u>133,238,759</u>	<u>—</u>	<u>—</u>	<u>4,788,560</u>	<u>138,027,319</u>
<b>Expenses</b>					
Programs and services directorate	7,756,211	—	—	—	7,756,211
Compliance & enforcement	1,763,036	—	—	—	1,763,036
Finance and IT directorate	2,819,599	—	—	—	2,819,599
Capital housing & facilities operations	4,351,542	—	—	—	4,351,542
Fish and wildlife directorate	2,957,691	—	—	—	2,957,691
Executive director	3,253,845	—	—	—	3,253,845
Lands and resources directorate	5,567,117	—	—	—	5,567,117
In-house legal counsel	3,548,514	—	—	—	3,548,514
Chief executive officer	3,104,681	—	—	—	3,104,681
Communications directorate	911,769	—	—	—	911,769
Human Resources directorate	493,680	—	—	—	493,680
Trust & investment management fees	1,467,570	—	—	—	1,467,570
Commercial fisheries fund	—	345,609	—	—	345,609
Business development fund grants	—	—	217,461	—	217,461
Housing fund grants	395,673	—	—	—	395,673
Sports and recreation fund grants	155,850	—	—	—	155,850
Treaty loan distributions	24,604,139	—	—	—	24,604,139
Expenses of commercial entities	—	—	—	4,628,301	4,628,301
	<u>63,150,917</u>	<u>345,609</u>	<u>217,461</u>	<u>4,628,301</u>	<u>68,342,288</u>
<b>Transfers and operating grants</b>					
Nisga'a Village Governments	40,537,974	—	—	—	40,537,974
Nisga'a Valley Health Authority	26,335,244	—	—	—	26,335,244
Nisga'a School Board #92	10,010,559	—	—	—	10,010,559
Nisga'a Urban Locals	5,790,945	—	—	—	5,790,945
Wilp Wilxo'oskwihl Nisga'a Institute	963,066	—	—	—	963,066
Distributions to elders	1,320,000	—	—	—	1,320,000
	<u>84,957,788</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>84,957,788</u>
Excess of revenue over expenses	<u>(14,869,946)</u>	<u>(345,609)</u>	<u>(217,461)</u>	<u>160,259</u>	<u>(15,272,757)</u>