
Financial statements of Nisga'a Valley Health Authority

March 31, 2025

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Nisga'a Valley Health Authority
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Management Responsibility Statement

The financial statements of Nisga'a Valley Health Authority (the "Authority") for the year ended March 31, 2025, have been prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board of Directors meets with management regularly. The external auditors, Deloitte LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. Their examination considers internal control relevant to management's preparation of the financial statements, in order to design audit procedures that are appropriate in the circumstances for the purposes of expressing an opinion on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of the Authority's internal control. The external auditors have full and free access to the Board of Directors and the option to meet with it on a regular basis.



Corinne McKay,
Chief Executive Officer



Kris Boland,
Chief Financial Officer

Independent Auditor's Report

To the Board of Directors of
Nisga'a Valley Health Authority

Qualified Opinion

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

In our opinion, except for the possible effects on the comparative information of the matter described in the Basis for Qualified Opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2025, and its results of operations, changes in net financial assets and its cash flows for the year then ended in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia (the "Act").

Basis for Qualified Opinion

The Authority was required to adopt PS3280 Asset Retirement Obligations standard beginning on or after April 1, 2022, but did not adopt this standard in the March 31, 2024 financial statements. The predecessor auditor was not able to determine whether any adjustments might be necessary to the tangible capital assets and the asset retirement obligation as at March 31, 2024 and March 31, 2023, the amortization expense and annual surplus for the year ended March 31, 2024 and March 31, 2023, and the accumulated surplus as at the beginning and end of the year for the year ended March 31, 2024 and March 31, 2023. The predecessor auditor's opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation in scope. As a result, our opinion on the current year's financial statements is also modified because of the possible effects of this matter on the comparability of the current year's figures and the comparative information.

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 Authority 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 qualified audit opinion.

Emphasis of Matter- Restated Comparative Information

We draw attention to Note 12 to the financial statements, which explains certain comparative information presented for the year ended March 31, 2024 has been restated. The financial statements for the year ended March 31, 2024 (prior to the adjustments that were applied to restate certain comparative information explained in Note 12) were audited by another auditor who expressed a modified opinion on those financial statements on June 27, 2024 for the reasons described in the Basis for Qualified Opinion section of our report. Our opinion is not modified in respect of this matter.

Emphasis of Matter- Basis of Presentation

We draw attention to Note 1(a) to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Authority in complying with the financial reporting provisions of Section 23.1 of the Act. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of these financial statements in accordance with the financial reporting provisions of Section 23.1 of the Act, 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 Authority's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority'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 Authority'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 Authority'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 Authority to cease to continue as a going concern.

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.

Report on Other Legal and Regulatory Requirements

As required by Section 117(1)(b) of the Societies Act (British Columbia), we report that, in our opinion, these financial statements are presented on a basis consistent with that of the previous year.

Deloitte LLP

Chartered Professional Accountants
Edmonton, Alberta
July 18, 2025

Nisga'a Valley Health Authority
Statement of financial position
As at March 31, 2025

	Notes	2025 \$	2024 \$
			(Restated) (Note 12)
Financial assets			
Cash		1,477,802	2,659,708
Accounts receivable	2	903,279	1,357,182
Sales tax receivable		346,525	989,631
		2,727,606	5,006,521
Financial liabilities			
Accounts payable and accrued liabilities		1,178,807	1,780,426
Accrued payroll expenses	3	322,773	1,139,914
Deferred operating contributions	4	566,369	731,847
Deferred capital contributions	5	792,659	720,495
		2,860,608	4,372,682
Net (debt) financial assets		(133,002)	633,839
Non-financial assets			
Tangible capital assets	6	2,228,551	2,031,366
Prepaid expenses		52,579	59,619
		2,281,130	2,090,985
Contingencies	10		
Accumulated surplus	8	2,148,128	2,724,824

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

Approved on behalf of the Board

Maurice Squires

Maurice Squires (Jul 17, 2025 17:41 PDT)

[Signature]

[Signature] (Jul 17, 2025 17:45 PDT)

Nisga'a Valley Health Authority
Statement of operations and accumulated surplus
Year ended March 31, 2025

	Notes	Budget \$	2025 \$	2024 \$
				(Restated) (Note 12)
Revenue	7			
Nisga'a Lisims Government		23,964,125	24,212,776	27,042,399
Ministry of Health		7,265,826	8,298,822	5,705,373
First Nations Health Authority		—	1,005,799	917,452
Other		71,668	321,391	316,392
Amortization of deferred capital contributions		—	133,663	36,778
		31,301,619	33,972,451	34,018,394
Expenses	7			
Administration		2,752,210	3,165,936	4,195,893
Community home care support		1,154,779	1,202,948	1,487,177
Cultural community health		896,645	867,337	356,618
Mental health		2,477,839	3,999,421	3,625,230
Non-insured health benefits		13,398,028	15,275,688	14,356,246
Primary care		10,622,118	10,037,817	9,862,353
		31,301,619	34,549,147	33,883,517
Annual (deficit) surplus		—	(576,696)	134,877
Accumulated surplus, beginning of year, as previously reported		—	2,724,824	2,024,226
Adjustment on restated figures	12	—	—	565,721
Accumulated surplus, beginning of year, as restated		—	2,724,824	2,589,947
Accumulated surplus, end of year	8	—	2,148,128	2,724,824

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

Nisga'a Valley Health Authority
Statement of changes in net debt
Year ended March 31, 2025

	Budget	2025 Actual	2024 Actual
	\$	\$	\$
			(Restated) (Note 12)
Annual (deficit) surplus		(576,696)	134,877
Acquisition of tangible capital assets	—	(607,438)	(103,750)
Amortization of tangible capital assets	—	410,253	416,037
Change of prepaid expenses	—	7,040	32,967
(Decrease) increase in net financial assets	—	(766,841)	480,131
Net financial assets, beginning of year	—	633,839	153,708
Net (debt) financial assets, end of year	—	(133,002)	633,839

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

Nisga'a Valley Health Authority**Statement of cash flows**

Year ended March 31, 2025

	2025	2024
	\$	\$
		(Restated) (Note 12)
Operating activities		
Annual (deficit) surplus	(576,696)	134,877
Items not involving cash		
Amortization of tangible capital assets	410,253	416,037
Amortization of deferred capital contributions	(133,663)	(36,778)
	(300,106)	514,136
Changes in non-cash operating working capital		
Accounts receivable	453,903	(749,149)
Sales tax receivable	643,106	(223,652)
Accounts payable and accrued liabilities	(601,619)	1,378,366
Prepaid expenses	7,040	32,966
Accrued payroll expenses	(817,141)	431,076
Deferred operating contributions	(165,478)	41,050
Deferred capital contributions	205,827	—
	(574,468)	1,424,793
Investing activity		
Purchase of tangible capital assets	(607,438)	(103,750)
(Decrease) increase in cash	(1,181,906)	1,321,043
Cash, beginning of year	2,659,708	1,338,665
Cash, end of year	1,477,802	2,659,708

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

Nature of operations

Nisga'a Valley Health Authority (the "Authority") was incorporated under the Societies Act (British Columbia), to manage the delivery of health care services for the Nisga'a Nation and for the residents of the Nass Valley, British Columbia.

Nisga'a Valley Health Authority is dependent on the Nisga'a Lisims Government (the "NLG") and the Ministry of Health (the "Ministry") to provide sufficient funds to continue operations, replace essential equipment and complete its capital projects. The Authority is a registered charity under the Income Tax Act and as such, is exempt from income taxes.

1. Significant accounting policies

(a) Basis of accounting

The financial statements are prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board ("the framework").

The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards ("PSAS") issued by the Canadian Public Sector Accounting Board ("PSAB") without any PSAS 4200 series.

Regulation 198/2011 requires that restricted contributions received or receivable are to be reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- (i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are recorded and, referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.

If the depreciable tangible capital asset funded by a deferred contribution is written down, a proportionate share of the deferred capital contribution is recognized as revenue during the same period.

- (ii) Contributions externally restricted for specific purposes other than those for the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

1. Significant accounting policies (continued)

(a) Basis of accounting (continued)

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100; and
- deferred contributions meet liability criteria in accordance with PS3260, Liabilities.

As a result, revenue recognized in the statement of operations and certain related deferred capital contributions would be recorded differently under PSAS.

(b) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Costs include overhead directly attributable to construction and development. Interest is capitalized over the development period whenever external debt is issued to finance the construction and development of tangible capital assets.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Rate
Buildings	20-30 years
Equipment	3-10 years
Computer	4 years

Assets under construction or development are not amortized until the asset is available for productive use.

Tangible capital assets are written-down when conditions indicate that they no longer contribute to the Authority's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The write-downs of tangible capital assets are recorded in the statement of operations. Write downs are not subsequently reversed.

Contributed tangible capital assets are recorded at their fair value on the date of contribution. When fair value of a contributed asset cannot be reliably determined, the asset is recorded at nominal value.

(c) Employee benefits

(i) Defined contribution plan and multi-employer benefit plans contributions are expensed when due and payable.

(ii) Accumulating, non-vesting benefit plans

Benefits that accrued to employees, which do not vest, such as sick leave banks for certain employee groups, are accrued as the employees render services to earn the benefits, based on estimates of the expected future cash flows.

1. Significant accounting policies (continued)

(c) Employee benefits (continued)

(iii) Non-accumulating, non-vesting benefit plans

For benefits that do not vest or accumulate, a liability is recognized when an event that obligates the Authority to pay benefits occurs.

(d) Revenue recognition

The Authority is funded primarily under the Hospital Insurance Act and Regulation and by the Province of British Columbia in accordance with budget management plans and performance agreements established and approved by the Ministry and by the Nisga'a Lisims Government.

Revenues are recognized on an accrual basis in the period in which the transactions or events occur that give rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service performed.

Under the framework described in Note 1(a), externally restricted contributions are recognized as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- (i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or in the form of a depreciable tangible capital asset, in each case for use in providing services, are considered to be deferred capital contributions and are amortized to revenue at the same rate as the amortization of the associated tangible capital asset. The amortization of the deferred capital contributions is recognized over the period in which the tangible capital asset is providing services. If the depreciable tangible capital asset funded by a deferred capital contribution is written down, a proportionate share of the deferred capital contribution is recognized as revenue during the same period.
- (ii) Contributions externally restricted for specific purposes other than for the acquisition or development of a depreciable tangible capital asset are recorded as deferred operating contributions and recognized in revenue in the year in which the stipulation or restriction on the contribution have been met by the Authority.

Volunteers contribute a significant amount of their time each year to assist the Authority in carrying out its programs and services. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Contributions of assets, supplies and services that would otherwise have been purchased are recorded at fair value at the date of contribution, provided a fair value can be reasonably determined.

Contributions for the acquisition of land, or the contribution of land, are recorded as revenue in the period of acquisition or transfer of title.

(e) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

1. Significant accounting policies (continued)

(e) Measurement uncertainty (continued)

Significant areas requiring the use of estimates include the estimated useful lives of tangible capital assets, contingent liabilities, accrued liabilities, fair value of designated financial instruments, including the future costs to settle employee benefit obligations.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Actual results could differ from the estimates.

(f) Financial instruments

Financial instrument classification is determined upon inception and financial instruments are not reclassified into another measurement category for the duration of the period they are held.

The Entity's financial assets and liabilities are measured as follows:

Financial statement component	Measurement
Cash	Cost
Accounts receivable and sales tax receivable	Amortized cost
Accounts payable and accrued liabilities	Cost

Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets recorded at amortized cost are tested annually for impairment. When 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.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

Transaction costs for financial instruments measured using cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs for financial instruments measured at fair value are expensed when incurred.

A financial liability or its part is derecognized when it is extinguished.

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the Authority's normal purchase, sale or usage requirements are not recognized as financial assets or financial liabilities.

(g) Budget figures

Budget figures have been provided for comparative purposes and have been derived from the Authority's fiscal 2024/2025 budget approved by the Board of Directors. The Budget is reflected in the statement of operations and accumulated operating surplus. Capital additions are managed on both an individual basis and project by project basis, with funding derived from various sources, the majority of which is from the Nisga'a Lisims Government Capital Finance Commission. Additions and projects are approved individually and may span several reporting periods; therefore, capital budget figures are not available for inclusion in the Statement of Changes in net financial assets.

1. Significant accounting policies (continued)

(h) Contaminated sites

Contaminated sites are defined as the result of contamination being introduced in 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, net of any expected recoveries, when all of the following criteria are met:

- (a) an environmental standard exists;
- (b) contamination exceeds the environmental standard;
- (c) the organization is directly responsible or accepts responsibility for the liability;
- (d) future economic benefits will be given up; and
- (e) a reasonable estimate of the liability can be made.

(i) Asset retirement obligations

Liabilities are recognized for statutory, contractual or legal obligations, associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at management's best estimate as the present value of the estimated future cash flows required to settle the retirement obligation. 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.

2. Accounts receivable

	2025	2024
	\$	\$
		(Restated) (Note 12)
First Nations Health Authority	303,298	—
Ministry of Health	574,296	587,894
Nisga'a Lisims Government	—	42,210
Other	25,685	727,078
	903,279	1,357,182

3. Accrued payroll expenses

	2025	2024
	\$	\$
Benefits payable	25,938	283,384
Government remittances payable	69,935	437,964
Vacation payable	53,688	211,378
Wages payable	173,212	207,188
	322,773	1,139,914

4. Deferred operating contributions

	2025	2024
	\$	\$
		(Restated) (Note 12)
First Nations Health Authority - emergency medical responders	—	30,863
First Nations Health Authority - traditional land based healing	—	477,154
Health Canada - substance use and addictions program - emergency treatment fund	164,550	—
Nisga'a Lisims Government - capital finance commission	171,819	—
Nisga'a Lisims Government - FFA oral health initiative	230,000	—
Other	—	223,830
	566,369	731,847

5. Deferred capital contributions

Deferred capital contributions represent externally restricted contribution and other funding received for the purchase of tangible capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

	2025	2024
	\$	\$
Deferred capital contributions beginning of year	720,495	757,273
Additions	205,827	—
Amortization for the year	(133,663)	(36,778)
Balance, end of year	792,659	720,495
Deferred capital contribution are comprised of the following		
Contributions used to purchase tangible capital assets	792,659	720,495

The Authority has access to apply for reimbursement of future medical equipment purchases with the North West Regional Hospital District.

The Authority has access to apply for reimbursement of future capital maintenance and replacement purchases through the Capital Finance Commission of the Nisga'a Lisims Government.

Nisga'a Valley Health Authority
Notes to the financial statements
March 31, 2025

6. Tangible capital assets

	Building \$	Equipment \$	Computer \$	Work in progress \$	Total \$
Cost					
Balance at March 31, 2023	7,957,614	2,985,841	364,217	—	11,307,672
Additions	38,204	39,642	25,904	—	103,750
Disposal	—	—	—	—	—
Balance at March 31, 2024	7,995,818	3,025,483	390,121	—	11,411,422
Additions	132,006	406,792	7,386	61,252	607,436
Disposal	—	(29,815)	—	—	(29,815)
Balance at March 31, 2025	8,127,824	3,402,460	397,507	61,252	11,989,043
Accumulated amortization					
Balance at March 31, 2023	6,110,573	2,522,044	331,402	—	8,964,019
Additions	208,443	181,554	26,040	—	416,037
Disposal	—	—	—	—	—
Balance at March 31, 2024	6,319,016	2,703,598	357,442	—	9,380,056
Additions	192,376	204,876	12,999	—	410,251
Disposal	—	(29,815)	—	—	(29,815)
Balance at March 31, 2025	6,511,392	2,878,659	370,441	—	9,760,492
Net book value					
Balance at March 31, 2024	1,676,802	321,885	32,679	—	2,031,366
Balance at March 31, 2025	1,616,432	523,801	27,066	61,252	2,228,551

Tangible capital assets are funded as follows:

	2025 \$	2024 \$
Deferred capital contributions	792,659	720,495
Internally funded	1,435,892	1,310,871
	2,228,551	2,031,366

7. Statement of earnings

Summary of revenue by department

	2025	2024
	\$	\$
		(Restated) (Note 12)
Administration		
Nisga'a Lisims Government	2,755,056	3,455,841
Amortization of deferred capital contributions	133,663	36,778
Other	318,391	166,282
	3,207,110	3,658,901
Community home care support		
Nisga'a Lisims Government	1,154,784	1,706,818
Ministry of Health	54,650	—
	1,209,434	1,706,818
Cultural community health		
Nisga'a Lisims Government	909,960	567,397
Other	3,000	1,000
	912,960	568,397
Mental Health		
Nisga'a Lisims Government	2,635,805	3,027,916
First Nations Health Authority	960,799	902,452
Other	—	149,110
	3,596,604	4,079,478
Non-insured health benefits		
Nisga'a Lisims Government	13,443,887	13,740,923
Primary care		
Nisga'a Lisims Government	3,328,284	4,558,504
Ministry of Health	8,244,172	5,705,373
First Nations Health Authority	30,000	—
	11,602,456	10,263,877
	33,972,451	34,018,394

7. Statement of earnings (continued)

Summary of expenses by object

	2025	2024
	\$	\$
		(Restated) (Note 12)
Medical and dental benefits costs	10,016,829	9,213,118
Salaries and benefits	8,698,683	8,439,827
Health service contracts	7,153,374	7,418,466
	25,868,886	25,071,411
Supplies		
Computers and copiers	209,780	179,678
Department and program supplies	825,743	773,869
Medical and clinical supplies	200,658	243,401
Office and general	190,943	47,705
	1,427,124	1,244,653
Equipment and buildings services		
Buildings maintenance	257,779	322,969
Utilities	119,897	87,111
Vehicles	242,714	219,150
	620,390	629,230
Sundry		
Board travel	23,680	6,037
Consulting	764,221	744,683
Interest and bank charges	20,104	245,637
Patient meals and travel	4,222,156	3,920,248
Postage and freight	3,489	5,234
Professional fees	337,856	482,557
Public relations	9,470	3,816
Staff meals and travel	647,102	866,684
Telephone	142,231	143,038
Training	52,185	101,448
	6,222,494	6,519,382
Interest on long-term debt	—	2,804
Amortization	410,253	416,037
	410,253	418,841
	34,549,147	33,883,517

8. Accumulated surplus

Accumulated surplus is made up of the following:

	2025	2024
	\$	\$
		(Restated) (Note 12)
Investment in tangible capital assets	1,435,892	1,310,871
Unrestricted surplus	712,236	1,413,953
	<u>2,148,128</u>	<u>2,724,824</u>

9. Financial risks and concentration of risk

The Authority is exposed to credit risk and liquidity risk from their financial instruments. Qualitative and quantitative analysis of the significant risks from the Authority's financial instruments is provided by type of risk below.

(a) Credit risk

Credit risk primarily arises from the Authority's cash and accounts receivable. The risk exposure is limited to their varying amounts at the date of the statement of financial position.

The Authority manages credit risk by holding balances of cash and cash equivalents with reputable top rated financial institutions.

Accounts receivable primarily consist of amounts receivable from the Provincial Government. To reduce the risk, the Authority periodically reviews the collectability of its accounts receivable and establishes an allowance based on its best estimate of potentially uncollectable amounts. As at March 31, 2025, the amount of allowance for doubtful debts was nil (nil in 2024). Historically, the Authority has not had difficulty collecting receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Authority manages its liquidity risk by monitoring its operating requirements. The Authority prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change to the risk exposures from 2024.

10. Contingencies

(a) Litigation and claims

The nature of the Authority's activities is such that there is usually litigation pending or in progress at any time. With respect to claims at March 31, 2025 it is management's opinion that the Authority has valid defences and appropriate insurance coverage in place, or if there is an unfounded risk, such claims are not expected to have a material effect on the Authority's financial position. Outstanding contingencies are reviewed on an ongoing basis and are provided for based on management's best estimate of the ultimate settlement.

10. Contingencies (continued)

(b) Risk management

Risk management and insurance services for all Health Authorities in British Columbia are provided by the Health Care Protection Program in the Risk Management and Government Security Branch of the Ministry of Finance.

11. Economic dependence

A substantial portion of the Authority's revenue is received from the Nisga'a Lisims Government and the Province of British Columbia. Accordingly, any disruption in these funding sources could have a significant effect upon operations of the Authority.

12. Restatement of prior year

During the year ended March 31, 2025, the Authority determined that it had incorrectly recorded deferred revenue, or not recorded revenue and accounts receivable for certain funding arrangements where the eligibility and revenue recognition requirements were met during the year ended March 31, 2024. In addition, the Authority identified additional expenses that should have been recorded during the year ended March 31, 2024.

The Authority has reflected the adjustments as a correction of a prior period error and has restated the 2024 financial statements as follows:

	As previously Reported March 31, 2024 \$	Restatement \$	As restated March 31, 2024 \$
Statement of financial position			
Accounts receivable	1,224,070	133,112	1,357,182
Accounts payable	1,197,503	582,923	1,780,426
Deferred operating contributions	1,463,445	(731,598)	731,847
Statement of operations and accumulated surplus			
Revenue			
Nisga'a Lisims Government	26,877,522	164,877	27,042,399
Ministry of Health	5,572,259	133,114	5,705,373
Other	315,392	1,000	316,392
Expenses			
Administration	4,221,230	(25,337)	4,195,893
Community home care support	1,479,177	8,000	1,487,177
Cultural community health	356,406	212	356,618
Mental health	3,550,836	74,394	3,625,230
Non-insured health benefits	14,155,953	200,293	14,356,246
Primary care	9,536,989	325,364	9,862,353
Accumulated surplus, beginning of year	2,024,226	565,721	2,589,947
Annual surplus	418,812	(283,935)	134,877

13. Comparative figures

Certain of the the prior year's figures have been reclassified to conform with the current year's presentation.