

Vohora LLP
CPAs & Business Advisors

NEW WESTMINSTER INDIAN BAND

Financial Statements

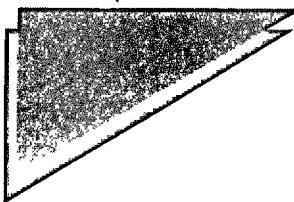
Year Ended March 31, 2019



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NEW WESTMINSTER INDIAN BAND
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Year Ended March 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of New Westminster Indian Band

Report on the Financial Statements

Opinion

We have audited the financial statements of New Westminster Indian Band (the Band), which comprise the statement of financial position as at March 31, 2019, and the statements of operations and accumulated surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Band 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative but to do so.

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

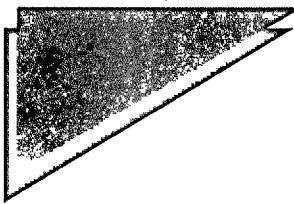
Auditor's Responsibilities for the Audit of the Financial Statements

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 generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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INDEPENDENT AUDITOR'S REPORT

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band'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 Band'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 Band 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.

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.

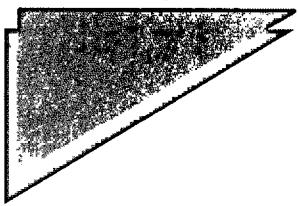
Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the Society's financial statements have been prepared following Canadian public sector accounting standards.

Vancouver, BC
September 30, 2019

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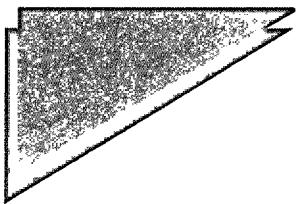
Chartered Professional Accountants



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NEW WESTMINSTER INDIAN BAND
Statement of Operations and Accumulated Surplus
Year Ended March 31, 2019

	2019	2018
REVENUES		
Contributions	\$ 26,309	\$ 152,102
Other income	6,250	-
Donations	250	-
	<u>32,809</u>	<u>152,102</u>
EXPENSES		
Insurance	-	730
Office	515	270
Consulting	-	95,543
Professional fees	12,700	12,600
Salaries - employees	18,000	13,010
	<u>31,215</u>	<u>122,153</u>
SURPLUS FROM OPERATIONS	<u>1,594</u>	<u>29,949</u>
OTHER INCOME		
Interest income	<u>43</u>	<u>109</u>
ANNUAL SURPLUS	<u>1,637</u>	<u>30,058</u>
ACCUMULATED SURPLUS (DEFICIT) - BEGINNING OF YEAR	<u>13,681</u>	<u>(16,377)</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 15,318</u>	<u>\$ 13,681</u>



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NEW WESTMINSTER INDIAN BAND

Statement of Financial Position

March 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash	\$ 20,738	\$ 19,350
Accounts receivable	- 5,000	5,000
Interest receivable	<u>1,581</u>	<u>1,581</u>
	<u>22,319</u>	<u>25,931</u>
LIABILITIES		
Accounts payable & accrued liabilities	7,001	6,000
Deferred revenue	- 6,250	6,250
	<u>7,001</u>	<u>12,250</u>
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS	<u>\$ 15,318</u>	<u>\$ 13,681</u>

CONTINGENT LIABILITY (*Note 5*)

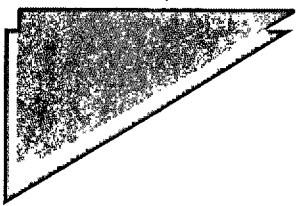
SUBSEQUENT EVENTS (*Note 6*)

APPROVED BY



R. Barabey Chief

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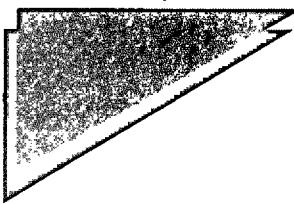
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NEW WESTMINSTER INDIAN BAND

Statement of Cash Flows

Year Ended March 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 31,560	\$ 147,102
Cash paid to suppliers and employees	(30,215)	(128,153)
Interest received	<u>43</u>	<u>26</u>
INCREASE IN CASH FLOW	1,388	18,975
Cash - beginning of year	19,350	375
CASH - END OF YEAR	<u>20,738</u>	<u>19,350</u>



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NEW WESTMINSTER INDIAN BAND

Notes to Financial Statements

Year Ended March 31, 2019

1. AUTHORITY AND PURPOSE

The New Westminster Indian Band (the "Band"), also known as the Qayqayt First Nation, was originally formed in 1879. The Band now only consists of nine members, which makes it one of the smallest First Nation Bands in Canada and the only one registered without a land base. The Band and its members are recognized as part of the Canadian Indian Act. As such, the Band receives Funding from the Government of Canada that is exempt from income taxes under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared using guidelines issued by Indigenous and Northern Affairs Canada which include compliance with Canadian public sector accounting standards as issued by the Chartered Professional Accountants of Canada .

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in term deposits that are valued at cost plus accrued interest and have a term to maturity of three months or less at the date of purchase.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealised gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The Band's financial instruments consist of cash, accounts receivable, accrued interest receivable and accounts payable and accrued liabilities.

Financial instruments are recorded at fair value on initial recognition. They are subsequently recorded at cost less any impairment of losses of other than temporary.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are conditions that indicate the need for impairment. If there is an indicator of impairment, the Band determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Band expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(continues)

NEW WESTMINSTER INDIAN BAND
Notes to Financial Statements
Year Ended March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Band recognizes revenue and contributions in the period which the transactions or events that give rise to the revenue occur. Funding from external parties is reported as per the terms of the funding agreement. Other revenue is recognized when earned.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Budget figures

Budget figures have not been provided and therefore are not presented in the financial statements.

3. FINANCIAL INSTRUMENTS

The Band's financial instruments consist of cash, accounts receivable, accrued interest receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is the Chief's opinion that the Band is not exposed to significant interest, currency, credit or other price risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

	2019	2018
(a) Financial assets recorded at fair value are comprised of the following:		
Cash	\$ 20,738	\$ 19,350
Funding receivable	-	5,000
Accrued interest receivable	<u>1,581</u>	<u>1,581</u>
	\$ 22,319	\$ 25,931

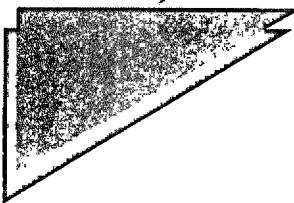
The fair value of cash and cash equivalents approximate their carrying values, unless otherwise noted.

(b) Financial liabilities recorded at cost / amortized cost are comprised of the following:

Accounts payable & accrued liabilities	<u>\$ 7,001</u>	<u>\$ 6,000</u>
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4. DEFERRED REVENUE

Deferred revenue is comprised of funds received in relation to the Land Use Assessment that have not yet been spent in the fiscal year-end.



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NEW WESTMINSTER INDIAN BAND

Notes to Financial Statements

Year Ended March 31, 2019

5. CONTINGENT LIABILITY

The Band may, from time to time, be involved in legal proceedings, claims, and litigation that arise in the normal course of business. In the event that any such claims or litigation are resolved against the Band, such outcomes or resolutions could have a material effect on the business, financial condition, or results of operations of the Band. At March 31, 2019, the Band has no claims or possible claims against them that are outstanding.

The Band has sought legal representation with respect to claims against the Government of Canada. The result of these claims is not determinable as at March 31, 2019. Legal fees are being incurred in relation to these claims and, given the significant nature of the expenses, the Band had applied and qualified for an insurance policy with a third party insurer. The insurance policy results in the Band not having to pay the legal fees if they were not to win the claims. In the event that the Band does win the claims, the amounts owing would be paid for out of the settlement proceeds. Further, the Band has obtained financing from CIBC to help to pay for the ongoing expenses related to the claims. Although the liability relating to these claims is significant and accumulating over time, since the Band will not be liable to repay the debt as it will either be covered under the insurance policy or will be repaid with the eventual settlement proceeds, no contingent liability has been recorded in the financial statements to date.

A summary of the liabilities related to this claim as of March 31, 2019 that have been paid for using the CIBC financing have been summarized below:

Maurice Law legal fees	\$ 1,240,744
Surety bond	172,276
Initial insurance premiums	800,000
CIBC loan principal balance	2,213,020
Loan interest accrued	158,474
CIBC loan balance outstanding	<u>\$ 2,371,494</u>

6. SUBSEQUENT EVENTS

Subsequent to the year-end, the band has received additional funding of \$161,470 from Indigenous and Northern Affairs Canada (INAC). These funds are to be utilized as special funding to assist in the ongoing land claims lawsuit.



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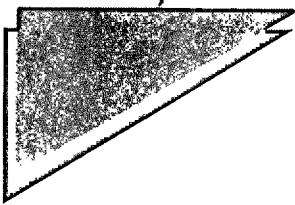
Notes to Financial Statements

Year Ended March 31, 2019

7. SEGMENT DISCLOSURES

The presentation by segment is based on the same accounting policies as described in Note 2, summary of significant accounting policies. The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the year are as follows:

	General & Administrative	Research & Negotiations	Other Specific Projects	2019	2018
Revenues					
INAC -Band Support Funding	\$ 26,309	\$ -	\$ -	\$ 26,309	\$ -
Other - New Relationship Trust	6,250	-	-	6,250	-
Other -Donations	250	-	-	250	-
Other -Interest Income	43	-	-	43	109
	<u>32,852</u>	<u>-</u>	<u>-</u>	<u>32,852</u>	<u>109</u>
Expenditures					
General and administrative	515	-	-	515	270
Insurance	-	-	-	-	730
Professional fees	12,700	-	-	12,700	-
Wages and honoraria	18,000	-	-	18,000	13,010
	<u>31,215</u>	<u>-</u>	<u>-</u>	<u>31,215</u>	<u>14,010</u>
	<u>\$ 1,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,637</u>	<u>\$ (13,901)</u>



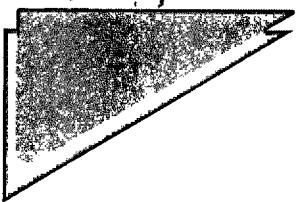
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NEW WESTMINSTER INDIAN BAND

Government Funding
Year Ended March 31, 2019

(Schedule 1)

	Band Support Funding 2019	Research & Negotiations 2019	Total 2019	Total 2018
INAC Contributions	\$ 26,309	\$ -	\$ 26,309	\$ 121,852

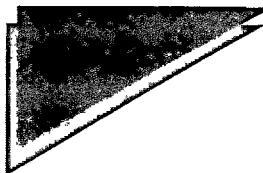


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NEW WESTMINSTER INDIAN BAND
Program Revenue and Expenditures Schedules
Year Ended March 31, 2019

(Schedule 2)

	2019	2018
REVENUES		
Indigenous and Northern Affairs Canada		
Band Support Funding	\$ 26,309	\$ 26,309
New Westminster Indian Reserves Specific Claim	- 95,543	
Other		
New Relationship Trust	6,250	-
Donations	250	250
Indigenous Perspectives Society	-	25,000
Vancouver Fraser Port Authority	-	5,000
	<u>32,809</u>	<u>152,102</u>
EXPENDITURES		
Consulting	-	95,543
Insurance	-	730
Office	514	270
Professional fees	12,700	12,600
Salaries - employees	18,000	13,010
	<u>31,214</u>	<u>122,153</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 1,595</u>	<u>\$ 29,949</u>



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NEW WESTMINSTER INDIAN BAND
Schedule of Federal Government Funding
Year Ended March 31, 2019

(Schedule 3)

	Federal Funding Received A	Unexpected Federal Funding, Beginning of Year B	Adjustments / Transfers C	Total Federal Funding Available A+B+C=D	Federal Funding Expended E	Unexpected Federal Funding, End of Year D-E=F
Indigenous and Northern Affairs Canada						
Band Support Funding	\$ 26,309	\$ -	\$ -	\$ 26,309	\$ 26,309	\$ -