

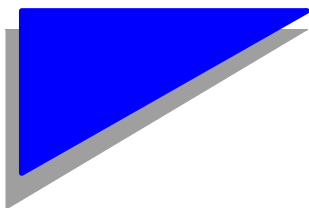
**Vohora** LLP

*CPAs & Business Advisors*

**NEW WESTMINSTER INDIAN BAND**

**Financial Statements**

**Year Ended March 31, 2021**

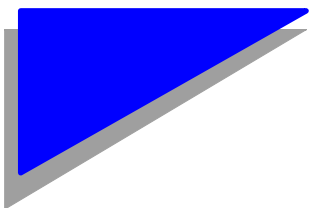


**Vohora** LLP  
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**NEW WESTMINSTER INDIAN BAND**  
**Index to Financial Statements**  
**Year Ended March 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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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 of the statement of financial position as at March 31, 2021, 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, 2021, and the results of its operations and 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. 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 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.

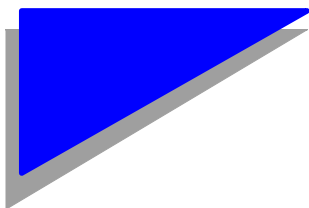
In preparing the financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease 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.





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## **INDEPENDENT AUDITOR'S REPORT (continued)**

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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 generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 1 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.
- 1 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.
- 1 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 1 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.
- 1 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 Societies Act of British Columbia, we report that, in our opinion, the Society's financial statements have been prepared following Canadian public sector accounting standards.

Vancouver, BC  
August 19, 2021

*Vohora LLP*  
Chartered Professional Accountants

**NEW WESTMINSTER INDIAN BAND**  
**Statement of Operations and Accumulated Surplus**  
**Year Ended March 31, 2021**

	2021	2020
<b>REVENUE</b>		
Government assistance funding - COVID19 (Note 1)	\$ 178,766	\$ 5,000
Contributions	59,220	195,017
BC Aboriginal Child Care Society	-	15,000
Vancouver Fraser Port Authority	-	4,500
Miscellaneous	-	650
	<u>237,986</u>	<u>220,167</u>
<b>EXPENSES</b>		
Band member supplements	108,345	5,000
Meetings and ceremonial	-	3,086
Office	1,664	845
Professional fees	29,525	153,558
Wages and honoraria	35,000	28,650
	<u>174,534</u>	<u>191,139</u>
<b>SURPLUS FROM OPERATIONS</b>	<b>63,452</b>	<b>29,028</b>
<b>OTHER INCOME</b>		
Interest income	308	238
<b>ANNUAL SURPLUS</b>	<b>63,760</b>	<b>29,266</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>44,585</b>	<b>15,318</b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 108,345</b>	<b>\$ 44,584</b>

**NEW WESTMINSTER INDIAN BAND**  
**Statement of Financial Position**  
**March 31, 2021**

	2021	2020
<b>ASSETS</b>		
Cash	\$ 648,400	\$ 280,758
Accounts receivable	-	5,000
Interest receivable	1,747	1,581
Investment in BC First Nations Gaming Revenue Sharing Limited Partnership (Note 4)	110	110
	<u>650,257</u>	<u>287,449</u>
<b>LIABILITIES</b>		
Accounts payable & accrued liabilities	9,500	9,501
Deferred contributions (Note 5)	532,412	233,364
	<u>541,912</u>	<u>242,865</u>
<b>NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS</b>	<u>\$ 108,345</u>	<u>\$ 44,584</u>
<b>CONTINGENT LIABILITY (Note 6)</b>		

APPROVED BY THE CHIEF AND COUNCIL

K. Lersakey Chief

\_\_\_\_ Councillor

**SIGN HERE**

**NEW WESTMINSTER INDIAN BAND**  
**Statement of Cash Flows**  
**Year Ended March 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 542,034	\$ 448,531
Cash paid to suppliers and employees	(174,534)	(188,639)
Interest received	142	238
Cash flow from operating activities	367,642	260,130
<b>INVESTING ACTIVITY</b>		
Investment in BC First Nations Gaming Revenue Sharing Limited Partnership (Note 5)	-	(110)
Cash flow from (used by) investing activity	-	(110)
<b>INCREASE IN CASH FLOW</b>	<b>367,642</b>	<b>260,020</b>
Cash - beginning of year	280,758	20,738
<b>CASH - END OF YEAR</b>	<b>\$ 648,400</b>	<b>\$ 280,758</b>

**NEW WESTMINSTER INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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1. PURPOSE AND CONTINUANCE OF THE BAND

New Westminster Indian Band (the "Band"), also known as the Qayqayt First Nation, was originally formed in 1879.

The Band now only consists of twelve 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.

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economics.

As at March 31, 2021, the Band is aware of changes in its operations as a result of the COVID-19 crisis. During the year, the Band received \$178,766 in government assistance funding from the Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC).

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, the management is unable to estimate the potential impact on the Band's operations as at the date of these financial statements.

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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 Public Sector Accounting Board ("PSAB").

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.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are considered to be any short-term investments that mature within three months from the date of purchase that the Band may hold.

Long term investment

Investment in BC First Nations Gaming Revenue Sharing Limited Partnership has been recorded at cost.

The Band tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

(continues)

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**NEW WESTMINSTER INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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

Budget figures

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

Financial instruments

*Measurement of financial instruments*

The Band initially measures its financial assets and liabilities at fair value.

The Band subsequently measures all its financial assets and financial liabilities at amortized cost, except for any investments in equity instruments that are quoted in an active market that the Band may hold, which are measured at fair value. Changes in fair value are recognized in annual surplus.

Financial assets measured at fair value include cash.

Financial assets measured at amortized cost include accrued interest receivable

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

*Impairment*

Financial assets measured at amortized cost are measured for impairment when there are indicators of impairment. The amount of the write-down is recognized in annual surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in annual surplus.

*Transaction costs*

The Band recognizes its transaction costs in annual surplus in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

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. Certain amounts recognized in the financial statements include accrued liabilities. 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.

Segment Disclosures

A segment is defined as a distinguishable activity or group of activities of the band, for which it is appropriate to separately report financial information to achieve the objectives of the standard. Note 6 presents the financial information in segment format.

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**NEW WESTMINSTER INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

**3. FINANCIAL INSTRUMENTS**

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

	<u>2021</u>	<u>2020</u>
<b>(a) Financial assets recorded at fair value and amortized cost are comprised of the following:</b>		
Cash	\$ 648,400	\$ 280,758
Accounts receivable	-	5,000
Accrued interest receivable	<u>1,747</u>	<u>1,581</u>
	<u>\$ 650,147</u>	<u>\$ 287,339</u>

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

<b>(b) Financial liabilities recorded at cost / amortized cost are comprised of the following:</b>		
Accounts payable & accrued liabilities	\$ 9,500	\$ 9,500

**4. INVESTMENT IN BC FIRST NATIONS GAMING REVENUE SHARING LIMITED PARTNERSHIP**

The Investment in BC First Nations Gaming represents the band's capital contribution to the partnership agreement. In February 2019, the Province of British Columbia announced its commitment to share 7% of net provincial gaming revenues with First Nations over the next 25 years. The funds the band receives from the agreement must be spent on an approved purpose, such as health and wellness, infrastructure, safety, transportation and housing, economic and business development, education, language, culture and training, community development and environmental protection, or capacity building, fiscal management and governance of Eligible First Nations and their territories and members.

**5. DEFERRED CONTRIBUTIONS**

Deferred contributions are comprised of funds received by the Band which have not yet been used for the approved purposes stipulated by the specific funding agreements.

	<u>2021</u>	<u>2020</u>
BC First Nations Gaming Revenue Sharing Limited Partnership	\$ 483,584	\$ 233,364
Ministry of Children and Family Development	30,000	-
Crown-Indigenous Relations and Northern Affairs Canada - Specific Claims	<u>18,828</u>	<u>-</u>
	<u>\$ 532,412</u>	<u>\$ 233,364</u>

**NEW WESTMINSTER INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

6. 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, 2021, 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, 2021. As the claim process can take time and the costs can accumulate for the Band, the Band has negotiated and secured the terms of an exclusive insurance product from a third party (the "Insurer") that will allow the band to secure low-cost financing by way of a bank loan to cover legal fees, disbursements, expert reports, insurance premiums and, if necessary, litigation costs. The insurance policy is essentially a "no win, no pay" arrangement that if the Band was not successful with the claims, all of the outstanding amounts owing on the loan at the conclusion of the process would be paid in full by the Insurer, not the Band. Conversely, in the event that the Band is successful with the claims, the amounts owing on the loan would be paid for out of the settlement proceeds or an award of compensation paid by Canada.

Although the accumulating loan balance relating to these claims is significant and continues to grow as the legal process unfolds, since the Band will not be liable to repay the debt as it will either be covered under the insurance policy or it will be repaid with the eventual and future settlement proceeds, no contingent liability has been recorded in the financial statements to date.

As at March 31, 2021, the Band has an outstanding work in progress balance for legal fees of \$14,013 which have yet to be charged to the loan facility.

A summary of the liabilities related to this claim as of March 31, 2021 that have been paid for using the loan facility have been summarized below:

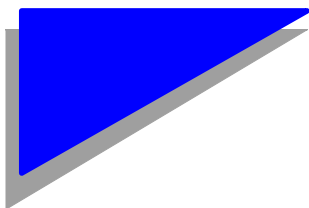
	<u>2021</u>	<u>2020</u>
<u>Current liabilities incurred</u>		
CIBC loan principal beginning balance	\$ 2,788,526	\$ 2,213,020
Maurice Law legal fees paid	9,499	384,145
Maurice Law funds held in trust	250	12,543
Insurance premiums paid	4,298	178,818
CIBC loan principal balance	<u>2,802,573</u>	2,788,526
CIBC loan interest beginning balance	275,600	158,474
Loan interest accrued	<u>96,216</u>	117,126
Total CIBC loan balance	<u>\$ 3,174,389</u>	\$ 3,064,126
<u>Total liabilities incurred</u>		
Maurice Law legal fees	\$ 1,700,132	
Insurance premiums paid	930,165	
Surety bond	<u>172,276</u>	
CIBC loan principal balance	2,802,573	
Loan interest accrued	<u>371,816</u>	
Total CIBC loan balance	<u>\$ 3,174,389</u>	

**NEW WESTMINSTER INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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	2021	2020
<b>Revenue</b>					
CIRNAC -Band Support Funding	\$ 40,720	\$ -	\$ -	\$ 40,720	\$ 66,309
CIRNAC - Specific & Special Claims	-	18,500	-	18,500	128,708
Other - CIRNAC - COVID19 support	178,766	-	-	178,766	5,000
Other - Donations	-	-	-	-	15,000
Other - Vancouver Fraser Port Authority	-	-	-	-	4,500
Other - Honorarium	-	-	-	-	650
Other - Interest income	308	-	-	308	238
	219,794	18,500	-	238,294	220,405
<b>Expenditures</b>					
Bank support supplement	108,345	-	-	108,345	5,000
General and administrative	1,664	-	-	1,664	845
Meeting and ceremonial	-	-	-	-	3,086
Professional fees	11,025	18,500	-	29,525	153,558
Wages and honoraria	35,000	-	-	35,000	28,650
	156,034	18,500	-	174,534	191,139
	\$ 63,760	\$ -	\$ -	\$ 63,760	\$ 29,266



**Vohora** LLP  
*CPAs & Business Advisors*

**NEW WESTMINSTER INDIAN BAND**

**Government Funding  
Year Ended March 31, 2021**

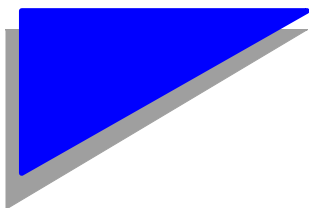
**(Schedule 1)**

	General Fund 2021	Research & Negotiations Fund 2021	Total 2021	Total 2020
<b>Crown-Indigenous Relations and Northern Affairs Canada</b>				
Contributions	\$ 40,720	\$ 18,500	\$ <b>59,220</b>	\$ 195,017

**NEW WESTMINSTER INDIAN BAND**  
**Program Revenue and Expenditures**  
**Year Ended March 31, 2021**

(Schedule 2)

	2021	2020
<b>REVENUE</b>		
Crown-Indigenous Relations and Northern Affairs Canada		
Government Funding	\$ 40,720	\$ 66,309
Specific Claim	18,500	128,708
Other		
CIRNAC - COVID19 (Note 1)	178,766	5,000
BC Aboriginal Child Care Society	-	15,000
Vancouver Fraser Port Authority	-	4,500
Miscellaneous	-	650
	<u>237,986</u>	<u>220,167</u>
<b>EXPENDITURES</b>		
Band member supplements	108,345	5,000
Meetings and ceremonial	-	3,086
Office	1,664	845
Professional fees	29,525	153,558
Wages and honoraria	35,000	28,650
	<u>174,534</u>	<u>191,139</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ 63,452</u>	<u>\$ 29,028</u>



**Vohora** LLP

CPAs & Business Advisors

**Schedule of Federal Government Funding**  
**Year Ended March 31, 2021**

**(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
<b>Crown-Indigenous Relations and Northern Affairs Canada</b>						
Bank Support Funding	\$ 40,720	\$ -	\$ -	\$ 40,720	\$ 40,720	\$ -
Land Claims Lawsuit - Railway	37,328	-	-	37,328	18,500	18,828
<b>Crown-Indigenous Relations and Northern Affairs Canada total</b>	<b>\$ 78,048</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 78,048</b>	<b>\$ 59,220</b>	<b>\$ 18,828</b>

See notes to financial statements