

Vohora LLP
CPAs & Business Advisors

NEW WESTMINSTER INDIAN BAND
Financial Statements
Year Ended March 31, 2023

NEW WESTMINSTER INDIAN BAND
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Year Ended March 31, 2023

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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, 2023, and the statements of operations, changes in accumulated deficit, changes in accumulated deficit 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, 2023, 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.

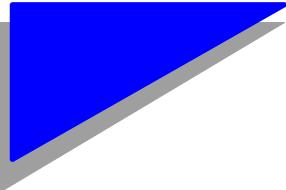
INDEPENDENT AUDITOR'S REPORT (continued)

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.

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.



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INDEPENDENT AUDITOR'S REPORT (continued)

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.

Vancouver, BC
February 20, 2024

Vohora LLP

Chartered Professional Accountants

NEW WESTMINSTER INDIAN BAND
Statement of Operations
Year Ended March 31, 2023

	2023	2022
REVENUE		
Specific Claim	\$ 94,350	\$ -
Negotiation fundings	100,000	-
Government assistance funding - COVID19 (<i>Note 1</i>)	82,900	126,200
BC gaming revenue	51,570	18,713
IPT refund	47,221	-
Band support funding	27,790	28,504
First Nations Health Authority	13,000	-
Miscellaneous revenue	174	8
	417,005	173,425
EXPENSES		
Advertising and promotion	85	270
Band member supplements	82,900	126,200
Disbursement	47,221	-
Negotiation expenses	100,000	-
Office	2,982	2,021
Professional fees	17,426	16,196
Special claim expenditure	94,350	-
Wages and honoraria	84,477	51,051
	429,441	195,738
ANNUAL DEFICIT	\$ (12,436)	\$ (22,313)

NEW WESTMINSTER INDIAN BAND
Statement of Changes in Accumulated Deficit
Year Ended March 31, 2023

	2023	2022
ACCUMULATED SURPLUS (DEFICIT) - BEGINNING OF YEAR	\$ (2,889)	\$ 19,424
ANNUAL DEFICIT	<u>(12,436)</u>	<u>(22,313)</u>
ACCUMULATED DEFICIT - END OF YEAR	<u>\$ (15,325)</u>	<u>\$ (2,889)</u>

NEW WESTMINSTER INDIAN BAND

Statement of Financial Position

March 31, 2023

	2023	2022
ASSETS		
Cash	\$ 975,393	\$ 800,487
Accounts receivable (<i>Note 4</i>)	228,800	-
Investment in BC First Nations Gaming Revenue Sharing Limited Partnership (<i>Note 5</i>)	110	110
Assets held in trust (<i>Note 6</i>)	187,276	-
Ottawa Trust Fund (<i>Note 7</i>)	<u>1,913</u>	1,747
	<u>1,393,492</u>	802,344
LIABILITIES		
Accounts payable and accrued liabilities	9,499	9,736
Employee deductions payable	1,427	1,424
Deferred Contributions (<i>Note 8</i>)	<u>1,397,891</u>	794,073
	<u>1,408,817</u>	805,233
ACCUMULATED DEFICIT	<u>\$ (15,325)</u>	<u>\$ (2,889)</u>
ACCUMULATED DEFICIT CONSISTS OF:		
Deficit	\$ (17,238)	\$ (4,636)
Equity in Ottawa Trust funds (<i>Note 7</i>)	<u>1,913</u>	1,747
	<u>\$ (15,325)</u>	<u>\$ (2,889)</u>
CONTINGENT LIABILITY (<i>Note 9</i>)		

ON BEHALF OF THE BOARD

R. Larrabee

Director

SIGN HERE

Director

NEW WESTMINSTER INDIAN BAND
Statement of Cash Flows
Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 604,580	\$ 346,165
Cash paid to suppliers and employees	<u>(429,674)</u>	<u>(194,078)</u>
INCREASE IN CASH FLOW	174,906	152,087
Cash - beginning of year	800,487	648,400
CASH - END OF YEAR	<u>975,393</u>	\$ 800,487

NEW WESTMINSTER INDIAN BAND
Notes to Financial Statements
Year Ended March 31, 2023

1. PURPOSE AND CONTINUANCE OF BUSINESS

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 economies.

As at March 31, 2023, the Band is aware of changes in its operations as a result of the COVID-19 crisis. During the year, the Band received \$142,125 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.

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 term deposits with a maturity of three months or less that the Band holds.

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)

NEW WESTMINSTER INDIAN BAND
Notes to Financial Statements
Year Ended March 31, 2023

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

Financial instruments

Measurement of financial instruments

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 unrealized gains and losses reported in income. All other financial instruments are reported at amortized costs.

Financial assets measured at fair value include cash.

Financial assets measured at amortized cost include accounts receivable and 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 the statement of operations. 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 the statement of operations.

Transaction costs

The Band recognizes its transaction costs in the statement of operations 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. 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.

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the Band's best information and judgment, including:

1. the recoverability of long term investments;
2. the amount of accrued liabilities.

Segment Disclosure

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 7 presents the financial information in segment format.

NEW WESTMINSTER INDIAN BAND
Notes to Financial Statements
Year Ended March 31, 2023

3. FINANCIAL INSTRUMENTS

The Band's financial instruments consist of cash, accounts receivable, interest receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is the management'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.

	2023	2022
<u>(a) Financial assets recorded at fair value and amortized cost are comprised of the following:</u>		
Cash	\$ 975,393	\$ 800,487
Accounts receivable	<u>228,800</u>	-
	<u>\$ 1,204,193</u>	<u>\$ 800,487</u>

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 and accrued liabilities	<u>\$ 9,500</u>	<u>\$ 9,736</u>
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4. ACCOUNTS RECEIVABLE

	2023	2022
Negotiation funding	\$ 100,000	\$ -
Community based initiative	<u>65,000</u>	-
Specific claim	<u>63,800</u>	-
	<u>\$ 228,800</u>	<u>\$ -</u>

5. 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.

NEW WESTMINSTER INDIAN BAND
Notes to Financial Statements
Year Ended March 31, 2023

6. ASSET HELD IN TRUST

Assets held in trust consist of grants from the government for claims and litigations that are held in a lawyer's trust account. The funds are used for legal expenditures related to claims and litigations that the Band may incur from time to time. The funds held in trust are reported as deferred contributions until the expenditures are recognized.

	2023	2022
Opening balance	\$ -	\$ -
Amount received	287,276	-
Amount paid	(100,000)	-
Ending balance	187,276	-

7. OTTAWA TRUST FUNDS

	Revenue	Capital	2023	2022
Opening balance	\$ 1,747	\$ -	1,747	\$ 1,747
Interest income	166	-	166	-
Ending balance	1,913	-	1,913	1,747

The trust funds arise from monies derived from revenue and capital sources as outlined in Section 62 of the Indian Act. These funds are held in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

NEW WESTMINSTER INDIAN BAND
Notes to Financial Statements
Year Ended March 31, 2023

8. 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.

		Amounts Received/ Receivable	Revenue Recognized	Ending balance
	Opening balance			
BC First Nation Gaming Revenue Sharing Limited Partnership	\$ 607,313	\$ 250,936	\$ 51,570	\$ 806,679
Government of Canada - Specific Claim	-	308,567	94,350	214,217
INAC - Specific claim	37,328	63,800	-	101,128
INAC - Community Well being and Jurisdiction (Q2KR)	-	65,000	-	65,000
MCFD - Indigenous Child & Family Development	60,000	-	-	60,000
INAC - Indigenous Community Business Fund (Q3QP)	54,000	-	-	54,000
INAC - Indigenous Community Support Fund (Q3V9)	20,432	112,000	80,565	51,867
First Nations Health Authority - Fraser Salish Region Community Support Funding	15,000	30,000	-	45,000
Negotiation Funding	-	100,000	100,000	-
Province of BC - Insurance premium refund	-	47,221	47,221	-
INAC - Band Support Funding (Q31K)	-	27,790	27,790	-
First Nations Health Authority - Pappal Visit	-	13,000	13,000	-
INAC - Indigenous Community Support (Q2LA)	-	1,338	1,338	-
INAC - Post Secondary Education (Q29A)	-	997	997	-
	\$ 794,073	\$ 1,020,649	\$ 416,831	\$ 1,397,891

NEW WESTMINSTER INDIAN BAND
Notes to Financial Statements
Year Ended March 31, 2023

9. 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, 2023, 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, 2023. 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, 2023, the Band has no outstanding work in progress balance for legal fees which have yet to be charged to the loan facility

A summary of the liabilities related to this claim as of March 31, 2023 that have been paid for using the loan facility have been summarized below

	2023	2022
<u>Current liabilities incurred</u>		
CIBC loan principal beginning balance	\$ 2,802,573	\$ 2,802,573
CIBC loan interest accrual - beginning	469,061	371,816
Loan interest accrued	<u>172,301</u>	<u>97,245</u>
CIBC loan interest accrual - ending	<u>641,362</u>	469,061
	<u>\$ 3,443,935</u>	<u>\$ 3,271,634</u>
<u>Total liabilities incurred</u>		
Maurice Law legal fees	\$ 1,700,132	\$ 1,700,132
Insurance premiums paid	930,165	930,165
Surety bond	<u>172,276</u>	172,276
CIBC loan principal balance	<u>2,802,573</u>	2,802,573
Loan interest accrued	<u>641,362</u>	469,061
Grand total	<u>\$ 3,443,935</u>	<u>\$ 3,271,634</u>

NEW WESTMINSTER INDIAN BAND
Notes to Financial Statements
Year Ended March 31, 2023

10. 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	2023	2022
Revenue					
Negotiation funding	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -
CIRNAC - specific claim	-	94,350	-	94,350	-
CIRNAC - COVID19 support	82,900	-	-	82,900	126,200
BC First Nations Gaming Revenue	51,570	-	-	51,570	18,713
Sharing LP	47,221	-	-	47,221	-
Province of British Columbia - IPT refund	27,790	-	-	27,790	28,504
CIRNAC - band support funding	13,000	-	-	13,000	-
First Nations Health Authority	174	-	-	174	8
Other income	222,655	194,350	-	417,005	173,425

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NEW WESTMINSTER INDIAN BAND
Notes to Financial Statements
Year Ended March 31, 2023

10. SEGMENT DISCLOSURES (*continued*)

	General & Administrative	Research & Negotiations	Other Specific Projects	2023	2022
Expenditure					
Advertising and promotion	85	-	-	85	270
Band support supplement	82,900	-	-	82,900	126,200
Disbursement fees	47,221	-	-	47,221	-
Negotiation expenses	-	100,000	-	100,000	-
General and administrative	2,982	-	-	2,982	2,021
Professional fees	17,426	-	-	17,426	16,196
Specific Claim expenditure	-	94,350	-	94,350	-
Wages and honorarium	84,477	-	-	84,477	51,051
	235,091	194,350	-	429,441	195,738
	\$ 457,746	\$ 388,700	\$ -	\$ 846,446	\$ 369,163
