

BEECHER BAY FIRST NATION

FINANCIAL STATEMENTS

For the year ended MARCH 31, 2022

**Brynjolfson & Company
Chartered Professional Accountant**

**BEECHER BAY FIRST NATION
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MARCH 31, 2022**

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BEECHER BAY FIRST NATION
4901-B East Sooke Road
Sooke, B.C. V9Z 1B6

Management's Responsibility for Financial Reporting

The accompanying financial statements of Beecher Bay First Nation are the responsibility of management and have been approved by Chief and Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the CPA Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

Chief and Council meet periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, Brynjolfson & Company, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Beecher Bay First Nation and meet when required.



On behalf of Beecher Bay First Nation



Brynjolfson & Co. Chartered Professional Accountant

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INDEPENDENT AUDITOR'S REPORT

Qualified Opinion

I have audited the financial statements of Beecher Bay First Nation (the Entity), which comprise the statement of financial position as at March 31, 2022, and the statement of operations, the statement of changes in net financial assets, and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Beecher Bay First Nation as at March 31, 2022, and its results of operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Canadian public sector accounting standards require that tangible capital assets be recorded for each major category including roads and bridges, buildings, water and other utility systems. In this respect, the financial statements are not in accordance with Canadian public sector accounting standards. I am not able to determine the adjustments that might have been necessary to tangible capital assets, amortization and the accumulated surplus for tangible capital assets.

Beecher Bay First Nation also holds investments in business enterprises and limited partnerships. I was unable to satisfy myself as to the carrying value of these investments because these entities had either not been audited or their financial information not made available during the audit process. Consequently, I was not able to determine whether any adjustments might be necessary to the recording of these investments, the net income or loss derived from these enterprises, nor whether the status of any previously determined Government Business Enterprises had changed to a "Government Unit" as a result of an observable event.

Beecher Bay First Nation has undertaken a town centre development within its community; total expenditures for this program still need to be analyzed and is subject to a contingency that some portion may be repayable in the future.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT Cont'd

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit.

I 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the Entity's audit. I remain solely responsible for my audit opinion.

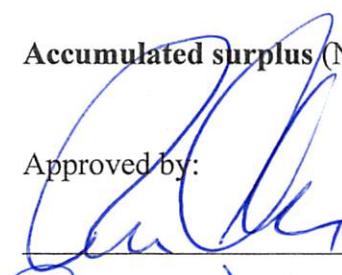
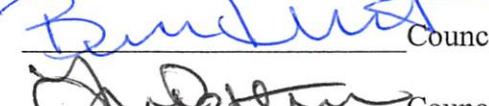
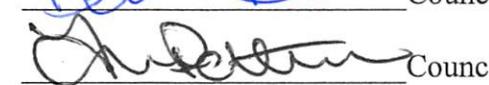
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Brynjolfson & Co.

Brynjolfson & Company
Victoria, B.C.

December 23, 2022

BEECHER BAY FIRST NATION
STATEMENT OF FINANCIAL POSITION
March 31, 2022

	2022 Actual \$	2021 Actual \$
Financial assets		
Cash and cash equivalents (Note 3)	5,126,821	4,948,055
Trust funds held by federal government (Note 4)	15,394	15,276
Accounts receivable (Note 5)	2,246,752	1,873,152
Advances to related parties (Note 6)	1,639,533	1,555,542
Investment in government business enterprises (Note 7)	2,063,213	1,967,609
Investment in limited partnership (Note 7)	70,630	70,630
Loans receivable (Note 9)	<u>30,000</u>	<u>30,000</u>
	<u>11,192,343</u>	<u>10,460,264</u>
Liabilities		
Accounts payable and accrued liabilities (Note 10)	635,420	751,574
Demand loan (Note 11)	757,407	813,210
Long-term debt (Note 12)	<u>440,392</u>	<u>524,719</u>
	<u>1,833,219</u>	<u>2,089,503</u>
Net financial assets	9,359,124	8,370,761
Non-financial assets		
Tangible capital assets (Note 13)	4,983,006	4,936,725
Prepaid Expenses	<u>158,026</u>	<u>132,836</u>
	<u>5,141,032</u>	<u>5,069,561</u>
Accumulated surplus (Note 14)	<u>14,500,156</u>	<u>13,440,322</u>
Approved by:		
	Chief	
	Councillor	
	Councillor	

The accompanying notes and supplementary schedules are an integral part of these financial statements.

BEECHER BAY FIRST NATION
STATEMENT OF OPERATIONS
For the Year Ended March 31, 2022

	<u>Budget</u>	<u>2022</u>	<u>2021</u>
REVENUE			
Indigenous Services Canada (ISC)	2,086,877	2,086,877	2,262,926
Prior Year ISC Adjustment	-	15,642	-
CMHC	59,910	59,910	60,212
First Nations Health Authority	550,542	550,542	764,720
Fisheries and Oceans Canada	927,571	927,571	569,639
Natural Resources Canada	599,999	599,999	342,467
BC Gaming Funds	180,078	180,078	315,733
Province of B.C.	30,000	30,000	415,000
GBEs net income	-	28,028	13,687
Rental revenue	142,600	142,600	122,340
Other revenue	1,492,328	1,868,712	1,875,012
Interest income	10,000	14,231	11,262
Deferred revenue (FNHA)	<u>-</u>	<u>-</u>	<u>700,000</u>
	<u>6,079,905</u>	<u>6,504,190</u>	<u>7,452,998</u>
EXPENSES			
Administration	593,252	406,117	273,286
Education	173,546	160,478	101,648
Social Development	781,593	777,440	773,157
Land Management	440,558	382,751	297,667
Economic Development	2,250,821	2,360,184	2,045,331
Health, Day Care and Youth Group	872,989	801,550	703,949
Ottawa Trust Fund	-	753	826
Reserves – Social Housing	-	4,205	(18,180)
Community Infrastructure	<u>549,138</u>	<u>550,878</u>	<u>229,966</u>
	<u>5,361,897</u>	<u>5,444,356</u>	<u>4,407,650</u>
ANNUAL SURPLUS	<u>718,008</u>	1,059,834	3,045,348
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>13,440,322</u>	<u>10,394,974</u>	
ACCUMULATED SURPLUS, END OF YEAR	\$ 14,500,156	\$ 13,440,322	

The accompanying notes and supplementary schedules are an integral part of these financial statements.

BEECHER BAY FIRST NATION
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended March 31, 2022

	2022 Actual \$	2021 Actual \$
Annual surplus	1,059,834	3,045,348
Acquisition of tangible capital assets	(280,674)	(1,056,344)
Amortization of tangible capital assets	<u>234,393</u>	<u>270,626</u>
	<u>1,013,553</u>	<u>2,259,630</u>
Acquisition of prepaid expenses	(158,026)	(132,836)
Use of prepaid expenses	<u>132,836</u>	<u>118,658</u>
	<u>(25,190)</u>	<u>(14,178)</u>
Change in Net Financial Assets	988,363	2,245,452
Net Financial Assets, at beginning of year	<u>8,370,761</u>	<u>6,125,309</u>
Net Financial Assets, end of year	<u>9,359,124</u>	<u>8,370,761</u>

Note: 2022 budget figures are not available.

The accompanying notes and supplementary schedules are an integral part of these financial statements.

**BEECHER BAY FIRST NATION
STATEMENT OF CASH FLOW
For the Year Ended March 31, 2022**

	2022 Actual \$	2021 Actual \$
Operating Activities		
Annual surplus	1,059,834	3,045,348
Amortization of tangible capital assets	234,393	270,626
GBE net income	—	<u>13,687</u>
	1,294,227	3,329,661
Change in non-cash items on statement of financial position		
Accounts receivable	(373,600)	(339,456)
Prepaid expenses	(25,190)	(14,178)
Accounts payable and accrued liabilities	(116,154)	199,060
Deferred revenue	—	<u>(700,000)</u>
	<u>779,283</u>	<u>2,475,087</u>
Capital Activities		
Cash used to acquire tangible capital assets	<u>(280,674)</u>	<u>(1,056,344)</u>
Investing Activities		
Investment in GBE	(95,604)	(209,757)
Advances to related parties	<u>(83,991)</u>	<u>(329,700)</u>
	<u>(179,595)</u>	<u>(539,457)</u>
Financing Activities		
Repayment of demand loans	(55,803)	(53,693)
First Nations debt repayment	<u>(84,327)</u>	<u>(82,859)</u>
	<u>(140,130)</u>	<u>(136,522)</u>
Increase in cash and cash equivalents	178,884	742,734
Cash and equivalents – Beginning of year	<u>4,963,331</u>	<u>4,220,597</u>
Cash and equivalents – End of year	<u>5,142,215</u>	<u>4,963,331</u>
REPRESENTED BY:		
Cash and cash equivalents	5,126,821	4,948,055
Trust Funds held by federal government	<u>15,394</u>	<u>15,276</u>
	<u>5,142,215</u>	<u>4,963,331</u>

The accompanying notes and supplementary schedules are an integral part of these financial statements.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

1. NATURE OF OPERATIONS

Beecher Bay First Nation (the “First Nation”) is an Indian Band as defined by the Indian Act. The First Nation manages various programs offered by Indigenous Services Canada (ISC) and other funding agents to benefit its members. The First Nation also represents its members in the negotiation of treaty settlement and specific lands claims.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government as recommended by the Public Sector Accounting Board of the CPA Canada.

a) Reporting Entity

The reporting entity includes the Beecher Bay First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

b) Principles of Consolidation

These financial statements consolidate the assets, liabilities and results of operations for entities which are controlled by the First Nation. Controlled entities are consolidated, except for government business enterprises (GBE) which are accounted for by the modified equity method. All inter-fund and inter-organization transactions and balances have been eliminated on consolidation. There are no controlled entities to be consolidated.

The First Nation records its investments in GBE on the modified equity basis. Under this basis, the GBE accounting policies are not adjusted to conform with those of the First Nation and inter-entity transactions and balances are not eliminated. The First Nation recognizes its equity interest in the annual earnings or loss of the GBE in its statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends or other cash distributions that the First Nation may receive from the GBE will be reflected as deductions in the investment asset account.

The commercial enterprises accounted for on a modified equity basis include:

1. Salish Strait Seafoods Ltd. – a 20% owned government business enterprise which was incorporated in April 2011; it has a March 31st year end.
2. Sc’ianew Development Corporation – a wholly owned government business enterprise which was incorporated in February 2013; it has a March 31st year end.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

3. 1106670 BC Ltd - a wholly owned GBE, incorporated in August 2013; it has a March 31st year end.

Other commercial enterprises are comprised of limited partnership interests, as follows:

1. Spirit Bay Development Limited Partnership – 51% owned limited partnership interest which was setup in August 2013; it has a December 31st year end.
2. M'inuw'ilum Marina Limited Partnership - 99% owned limited partnership interest set-up in July 2018 to operate the band marina; it has a March 31st year end.

Note: As of the date of the Independent Auditor's Report, the financial statements for the above, with the exception of Salish Strait Seafoods Ltd., were not available. The financial statements for Salish Strait Seafoods Ltd. were unaudited.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

d) Inventory

Inventories are measured at the lower of cost and net realizable value, with cost being determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

e) Trust Funds

Trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds. The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

f) Deferred Revenue

Under the terms of the contribution agreement between the First Nation, ISC and certain other agencies, the First Nation may be liable to repay any contributed funds either not expended or not expended in accordance with the agreement. Also, any deficit, supported by claims eligible for reimbursement under the terms and conditions of the funding agreements, may be reimbursed by the contributor subject to the program's terms and conditions. The First Nation has recorded all known unexpended contribution funds as deferred revenue and/or accounts payable.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

g) Long-term Debt

Loan proceeds related to the financing of tangible capital assets are recorded as revenue in the appropriate fund. The loan amount is also recorded as a liability on the Statement of Financial Position and as a reduction in the Tangible Capital Asset Fund.

Debt payments, including principal and interest, are charged to the fund to which they relate. Principal reductions are reflected as a reduction in the liability with an offsetting increase in the Tangible Capital Asset Fund.

h) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Beecher Bay First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Housing	20 years
Office building	25 years
Furniture and equipment	10 years
Water system chlorinator	30 years
Vehicle	10 years
Sewer systems	20 years
Marina equipment	10 years
Application software	5 years
Boat and Canoe	20 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

i) Revenue Recognition

Government Funding:

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as such. In these circumstances, the First Nation recognized revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

First Nation Capital and Revenue Trust Fund:

The First Nation recognizes revenues of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

Housing Rental Income:

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Other Revenue:

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

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

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

j) Financial Instruments

Financial instruments are initially classified upon initial recognition as a fair value or amortized cost instrument. The fair value category includes investments in equity instruments that are quoted in an active market, and any other items elected by the First Nation to be recorded at fair value. All other financial instruments, including financial instruments with related parties for which fair value cannot be estimated, are recorded at an amortized cost. Transaction costs directly attributable to the acquisition or issue of a financial instrument are added to the amortized cost or expensed if related to instruments recorded on a fair value basis. The effective interest rate method is used to measure interest for financial instruments recorded at an amortized cost.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss, calculated as the excess of the net recoverable amount of the asset and its carrying value, is reported in the statement of operations and any unrealized gain is adjusted through the statement of re-measurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of re-measurement gains and losses are reversed and recognized in the statement of operations.

The First Nation's financial instruments consist of cash and cash equivalents, accounts receivable, advances to related parties, loans receivable, long-term debt, accounts payable and accrued liabilities, and demand loans. It is management's opinion that the First Nation is not exposed to significant interest rate, market, currency, credit, or liquidity risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values. The exposure to financial instrument risk is the same as the previous year.

k) Measurement Uncertainty

In preparing the financial statements for the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of the financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include allowance for doubtful accounts and amortization. Actual results could differ from these estimates.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

3. CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
Externally restricted		
Operating Reserve	11,066	11,065
Replacement Reserve	<u>76,022</u>	<u>75,891</u>
	<u>87,088</u>	<u>86,956</u>
Unrestricted		
Cash and banks	<u>5,039,733</u>	<u>4,861,099</u>
Total Cash and Cash Equivalents	<u>5,126,821</u>	<u>4,948,055</u>

Externally restricted – Operating Reserve:

Under the terms of the agreements with CMHC, excess revenues over expenditures for the Post 1996 phases may be retained in an Operating Reserve. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds may be used to offset future deficits. Withdrawals are credited to interest first and the principal. At the year end, the reserve was under funded by \$104,178 (2021 under funded by \$104,225).

Externally restricted – Replacement Reserve:

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$19,000 annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, the reserve was under funded by \$164,749 (2021 under funded by \$168,866).

Line of credits:

The First Nation has an \$80,000 line of credit with the Royal Bank of Canada, payable on demand, which bears interest at the bank's prime rate plus 1.8% per annum. As at March 31, 2022, the First Nation has no outstanding balance.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

4. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

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

	Opening Balance	Additions	Withdrawals	2022 Total	2021 Total
	\$	\$	\$	\$	\$
Revenue	754	872	754	872	754
Capital	<u>14,522</u>	<u>-</u>	<u>-</u>	<u>14,522</u>	<u>14,522</u>
	<u>15,276</u>	<u>872</u>	<u>754</u>	<u>15,394</u>	<u>15,276</u>

5. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Due from members		
Members advances	<u>6,763</u>	<u>2,763</u>
Due from others		
Others receivable	<u>360,762</u>	<u>290,301</u>
Due from government organizations		
ISC	78,179	28,542
CMHC	-	13,309
CRD (Capital Regional District)	-	136,412
CSETS	48,585	8,166
First Nations Health Authority	202,002	374,606
Govt of Canada	891,197	400,696
Department of Fisheries and Oceans	217,282	240,283
Transport Canada	<u>441,982</u>	<u>378,074</u>
	<u>1,879,227</u>	<u>1,580,088</u>
	<u>2,246,752</u>	<u>1,873,152</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

6. ADVANCES TO RELATED PARTIES

	2022 \$	2021 \$
Due from related parties		
1106670 BC Ltd (Centre Mountain Joint Venture)	78,022	272,713
CMBP Project Management Ltd.	954,379	954,378
Sc'ianew Development Corporation	107,223	101,167
Spirit Bay Development LLP	563,705	248,044
M'inuw'ilum Marina LP	<u>(63,796)</u>	<u>(20,760)</u>
	<u>1,639,533</u>	<u>1,555,542</u>

Advances due from related parties are unsecured and without interest or any fixed terms of repayment.

7. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES AND LIMITED PARTNERSHIP

	2022 \$	2021 \$
Government Business Enterprise:		
Salish Strait Seafood Ltd.	522,805	427,201
1106670 B.C. Ltd.	503,954	503,954
Sc'ianew Development Corporation	<u>1,036,454</u>	<u>1,036,454</u>
	<u>2,063,213</u>	<u>1,967,609</u>
Limited Partnership:		
M'inuw'ilum Marina LP	<u>70,630</u>	<u>70,630</u>

As at the date of the Independent Auditor's Report, financial information was not available for the above entities with the exception of Salish Strait Seafood Ltd. which provided unaudited financial statements.

8. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

Financial information for the fiscal year ended March 31, 2022 prepared from unaudited financial statements of **Salish Strait Seafood Ltd** is as follows:

	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Capital</u>
Year ended Mar 31/22	<u>\$3,128,718</u>	<u>\$514,689</u>	<u>\$1,527,821</u>	<u>\$(1,098,205)</u>	<u>\$ 2,614,029</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

Investment in government controlled business enterprise is accounted for using the modified equity method. Beecher Bay First Nation has a 20% ownership in Salish Strait Seafood Ltd.

9. LOANS RECEIVABLE

The balances represent non-interest bearing loans to Spirit Bay Developments Limited Partnership and loans to Sc'ianew Development Corporation; management indicated that no specific terms of repayment are currently in effect.

	2022	2021
	\$	\$
Spirit Bay Developments Limited Partnership	3,200,000	3,200,000
Less: Allowance for loan impairment	<u>(3,200,000)</u>	<u>(3,200,000)</u>
	<u>-</u>	<u>-</u>
Sc'ianew Development Corporation	30,000	30,000
	<u>30,000</u>	<u>30,000</u>

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
	\$	\$
Accounts payable and accrued liabilities	554,481	682,661
Accrued vacation pay	51,830	34,038
Due to government agencies	<u>29,109</u>	<u>34,875</u>
	<u>635,420</u>	<u>751,574</u>

11. DEMAND LOAN

	2022	2021
	\$	\$
Bank of Montreal facility loan is payable at \$6,700 per month including interest at prime plus 1.75% per annum and is secured by a general asset assignment.	<u>757,407</u>	<u>813,210</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

12. LONG TERM DEBT

	2022 \$	2021 \$
CMHC Phase 2 housing loan is secured by a guarantee from ISC, payable at \$2,077 per month including principal and interest at 2.22% per annum, matures on December 1, 2028 and is renewable on January 1, 2024	156,430	177,688
CMHC Phase 1 housing loan is secured by a guarantee from ISC, payable at \$1,918 per month including principal and interest at .76% per annum, matures on November 1, 2025 and is renewable on November 1, 2025	83,259	105,567
CMHC Phase 3 housing loan is secured by a guarantee from ISC, payable at \$2,792 per month including principal and interest at 1.69% per annum, matures on July 1, 2024 and is renewable on July 1, 2024	76,707	108,671
CMHC Phase 4 housing loan is secured by a guarantee from ISC, payable at \$806 per month including principal and interest at .68% per annum, matures on August 1, 2035 and is renewable on August 1, 2025	<u>123,996</u>	<u>132,793</u>
	<u>440,392</u>	<u>524,719</u>

Principal portion of long-term debt due within the next five years:

2023	85,185
2024	86,654
2025	87,542
2026	58,820
2027	33,359

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

13. TANGIBLE CAPITAL ASSETS

	C O S T		A M O R T I Z A T I O N					
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	2022 Balance	2021 Balance
Housing	2,612,632	-	2,612,632	2,240,768	103,153	2,343,921	268,711	371,864
Office Building	737,227	119,977	857,204	91,368	32,602	123,970	733,234	645,859
Furniture & equip	286,383	146,100	432,483	62,970	42,490	105,460	327,023	223,413
Water chlorinator	101,621	-	101,621	60,260	3,387	63,647	37,974	41,361
Vehicle	221,976	14,597	236,573	58,279	23,657	81,936	154,637	163,697
Infrastructure dev	2,298,108	-	2,298,108	-	-	-	2,298,108	2,298,108
Water system dev	749,672	-	749,672	-	-	-	749,672	749,672
Sewer systems	1,334,235	-	1,334,235	1,334,235	-	1,334,235	-	-
Marina equipment	335,661	-	335,661	226,605	14,015	240,620	95,041	109,056
Application software	179,891	-	179,891	68,546	-	68,546	111,345	111,345
Boat and canoe	301,779	-	301,779	79,429	15,089	94,518	207,261	222,350
TOTALS	\$9,159,185	280,674	9,439,859	4,222,460	234,393	4,456,853	4,983,006	4,936,725

* There were no disposals during the year.

14. ACCUMULATED SURPLUS

	2022	2021
	\$	\$
Operation surplus	9,445,739	8,517,482
Reserve Funds	403,716	402,747
Investment in Tangible Capital Assets	4,650,701	4,520,093
	<u>14,500,156</u>	<u>13,440,322</u>

15. RELATED PARTY TRANSACTIONS

During the year, the First Nation advanced \$6,056 for operating expenses on behalf of Scia'new Nation Investment Corp. in order to support on-going business activity in the forest industry.

During the year, the First Nation received \$194,691 from 1106670 BC Ltd. to reduce its receivable pertaining to the support provided to the company in its corporate partnership in a joint venture known as the Centre Mountain Joint Venture, which pertains to the development of an industrial site.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS **MARCH 31, 2022**

During the year, the First Nation received \$43,036 from M'inum'ilum Marina Limited Partnership as repayment and future advances for marina business activity support.

During the year, the First Nation advanced \$315,661 to Spirit Bay Developments Limited Partnership to support its property development business activity.

Related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

16. CONTINGENT LIABILITIES

The First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements are subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, the First Nation has entered into agreements to act as guarantor for the following:

- a) ISC Ministerial Guarantees for loans to the First Nation and individual members in the amount of \$ 440,392 (2021: \$524,720).
- b) The Royal Bank of Canada has entered into an agreement with the First Nation to provide the First Nations On-Reserve Housing Loan Program for qualified First Nation members with total advances not to exceed \$400,000. Funds under the Program are restricted to the purchase, construction or improvement of housing on the reserve. The First Nation is required to provide a separate guarantee for each qualified borrower. The maximum individual amount available is \$150,000 with a \$10,000 minimum amount. As of March 31, 2022, the First Nation has provided guarantees for a total of \$240,000 for two members.

17. ECONOMIC DEPENDENCE

The First Nation receives a significant portion of its revenue pursuant to a funding agreement with ISC. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

18. COMPARATIVE FIGURES

Prior year's comparative figures have been reclassified where necessary to conform to the current year's presentation.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

19. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates prepared by management.

20. EXPENSES BY OBJECT

	2022	2021
	\$	\$
Amortization	234,393	270,626
Community gatherings/luncheons	14,559	3,944
Culture awareness	2,750	1,940
Education	104,749	73,019
Health related expenses	4,087	7,367
Health covid-19	129,046	181,077
Honoraria	224,180	157,488
Insurance	50,378	39,464
Interest, principal repayment and bank charges	132,753	133,607
Materials, supplies and equipment	94,265	88,535
Office	17,746	40,157
Other	586,564	173,327
Professional fees	645,936	590,831
Rental	23,270	15,000
Repairs and maintenance	36,898	28,775
Salaries and wages	1,630,157	1,202,359
Social development	699,368	684,062
Sub-contracts	319,146	361,502
Training	143,580	16,205
Travel	16,236	9,789
Utilities (hydro, water, sewer)	313,100	302,895
Vehicle	<u>21,195</u>	<u>25,681</u>
	<u>5,444,356</u>	<u>4,407,650</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

21. SEGMENTED INFORMATION

Beecher Bay First Nation provides a wide range of services to its membership. For management reporting purpose, Beecher Bay First Nation's operations and activities are organized and reported by department. These departments have been separately disclosed in the segmented information, along with the services they provide, as follows:

- (a) Governance and Administration – this function pertains to all the general and administrative functions of Beecher Bay First Nation, including management, reception, accounting, human resource management, staff training, information technology and records.
- (b) Education - this department delivers education programs including post secondary as well as provides guidance and counseling services.
- (c) Social Development – this department delivers social assistance programs including basic needs, adult in home care and prevention programs.
- (d) Lands Management – this department is responsible for managing all related activities pertaining to First Nations lands; the department records legally enforceable interests as well as ensures the accuracy of the land leases, and related data.
- (e) Economic Development – this department assists the community in identifying and developing economic development initiatives, links training opportunities and job creation with community labour needs, and undertakes research and planning.
- (f) Health – this department delivers health and prevention services to the community as well as providing youth programs and daycare services.
- (g) Trust Funds – oversees Ottawa Trust funds.
- (h) Community Infrastructure – responsibilities include the care and maintenance of Beecher Bay First Nation infrastructure including government buildings, roads, water and sewer, and materials management; also responsible for the planning and construction of new capital facilities and infrastructure, as well as overseeing housing projects.

22. SEGMENTED DISCLOSURE

Beecher Bay First Nation
Schedule of Segmented Operations
For the Year Ended March 31, 2022

	Administration	Education	Social Development	Lands Management	Economic Development	Health, Youth and Daycare	Ottawa Trust Fund	Operating		2022 Total	2021 Total
								Reserve Fund	Community Infrastructure		
Revenue											
ISC	269,674	200,889	776,825	280,508	42,300	132,582	-	-	384,100	2,086,878	2,262,926
ISC- Recoveries	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	700,000
Other	469,322	-	-	177,885	2,638,122	884,179	1,795	174	150,231	4,321,708	4,476,385
GBE's net income (loss)	-	-	-	-	95,604	-	-	-	-	95,604	13,687
	738,996	200,889	776,825	458,393	2,776,026	1,016,761	1,795	174	534,331	6,504,190	7,452,998
Expenses											
Salaries, wages & benefits	388,446	27,696	69,448	177,066	644,339	242,699	-	-	80,463	1,630,157	1,202,359
Sub-contracts	8,450	-	-	-	309,461	861	-	374	-	319,146	361,502
Social Development	-	-	699,368	-	-	-	-	-	-	699,368	684,062
Amortization	-	-	-	-	-	-	-	-	234,393	234,393	270,626
Other Program Expenses	9,221	132,782	8,624	205,685	1,406,384	557,990	753	3,831	236,022	2,561,292	1,889,101
	406,117	160,478	777,440	382,751	2,360,184	801,550	753	4,205	550,878	5,444,356	4,407,650
Annual surplus (deficit)	332,879	40,411	(615)	75,642	415,842	215,211	1,042	(4,031)	(16,547)	1,059,834	3,045,348