



**Snuneymuxw First Nation**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2022**



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**Snuneymuxw First Nation**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
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**For the year ended March 31, 2022**

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**Snuneymuxw First Nation**  
**MARCH 31, 2022**

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying financial statements of the Snuneymuxw First Nation and all the information in this annual report are the responsibility of Chief and Council and have been approved by the Chief and Council.

The financial statements have been prepared in conformity with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants and where appropriate, includes certain amounts based on management's best estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Snuneymuxw First Nation's Chief and Council maintains systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Snuneymuxw First Nation's assets are appropriately accounted for and adequately safeguarded.

The Snuneymuxw First Nation's Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Chief and Council reviewed the Snuneymuxw First Nation's financial statements and recommends their approval. The management meets periodically with the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issued, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Chief and Council also considers the engagement of the external auditors.

The financial information has been audited by Ribeyre Chang Haylock, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the members. Ribeyre Chang Haylock has full and free access to Management.

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Chief  


\_\_\_\_\_  
Councilor  


## INDEPENDENT AUDITOR'S REPORT

To: The Members of Snuneymuxw First Nation

### **Report on the Audit of the Consolidated Financial Statements**

We have audited the consolidated financial statements of Snuneymuxw First Nation, which comprise the consolidated statement of financial position as at March 31, 2022 and March 31, 2021, and the consolidated statement of operations, net financial assets and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

### **Qualified Opinion**

Except as noted in the below paragraphs, in our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Snuneymuxw First Nation as at March 31, 2022 and March 31, 2021, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

### **Basis for Qualified 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 Consolidated Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



Snuneymuxw First Nation holds investments in Government Business Enterprises and Government Business Partnerships. The financial results of Petroglyph Development Group Limited Partnership have been recorded in the consolidated financial statements using the modified equity method in accordance with Canadian public sector accounting standards.

We were unable to satisfy ourselves as to the investment carrying value for the Government Business Enterprise known as Tuytaxun General Store Ltd. and the Government Business Partnership known as Salpac Fisheries Limited Partnership because they were not audited. Consequently, we were not able to determine whether any adjustments might be necessary to the investment, due to (from) or net income (loss) of these Government Business Enterprises and Government Business Partnerships.

In addition, Canadian public sector accounting standards requires disclosure of the condensed supplementary financial information of these entities; however, Chief and Council chose not to disclose this information outside of Snuneymuxw membership as this public disclosure may impact their competitive edge in conducting the business affairs of these entities.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants, 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.

### **Auditor's Responsibilities for the Audit of the Consolidated 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 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 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 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 Group to express an opinion on the financial statements. We are responsible for the direction, super-vision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Aaron Keetley, CPA, CA, CMA.

Port Coquitlam, B.C.  
July 28, 2022



Chartered Professional Accountants

**Snuneymuxw First Nation**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at March 31, 2022**

**Statement 1**

	Note	<b>2022</b>	<b>2021</b> <i>Restated</i>
<b>Financial assets</b>			
Cash	3	<b>\$ 21,175,395</b>	\$ 21,126,190
Accounts receivable	4	<b>2,025,987</b>	1,209,924
Due from related entities	5	<b>1,068,085</b>	402,747
Note receivable from PDG LP	6	<b>10,191,087</b>	10,211,667
Investment in Government Business Enterprises	7	<b>24,552</b>	100,325
Investment in Government Business Partnerships	8	<b>23,309,392</b>	21,149,184
Investments - other	9	<b>110</b>	110
Investments in Specific Land Claims	10	<b>642,517</b>	529,654
Trust moneys	11	<b>94,940</b>	117,163
Debt reserve fund	12	<b>624,108</b>	623,787
		<b>59,156,173</b>	55,470,751
<b>Financial liabilities</b>			
Accounts payable and accrued liabilities	13	<b>1,843,735</b>	1,766,466
Deferred revenue	14	<b>14,334,663</b>	15,883,237
Due to related entities	15	<b>1</b>	19,105
Long-term debt	16	<b>20,611,277</b>	21,169,907
Capital lease obligation	17	<b>96,371</b>	138,983
Specific land claims loans	18	<b>545,267</b>	545,267
		<b>37,431,314</b>	39,522,965
<b>Net financial assets</b>		<b>21,724,859</b>	15,947,786
<b>Non-financial assets</b>			
Tangible capital assets	19	<b>41,079,443</b>	38,632,154
Prepaid expenses and deposits	20	<b>1,169,653</b>	1,152,318
<b>Total non-financial assets</b>		<b>42,249,096</b>	39,784,472
<b>Accumulated surplus</b>	21	<b>\$ 63,973,955</b>	\$ 55,732,258
<b>Contingent liabilities</b>			22
See accompanying notes			

Chief Councilor

Councilor

**Snuneymuxw First Nation**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

For the year ended March 31, 2022	2022 Budget	2022	Statement 2 2021 Restated
<b>Revenue</b>			
Indigenous Services Canada	\$ 9,571,141	\$ 12,914,627	\$ 9,946,713
Canada Mortgage and Housing Corporation	225,000	761,098	252,274
First Nations Health Authority	1,887,496	1,931,784	3,062,657
BC First Nations Gaming Revenue Sharing	120,708	420,085	737,188
BC Housing	699,051	743,903	388,992
BC Treaty Commission	1,000,000	500,000	300,000
Coast Salish Employment & Training Society	492,257	537,792	432,669
Deferred revenue - other	2,569,845	4,104	(221,609)
First Nations Education Steering Committee	260,946	216,800	390,980
Fisheries and Oceans Canada	880,068	935,826	330,750
Gain from Gov. Business Partnerships	469,500	2,679,708	1,575,233
Interest income	299,979	347,019	92,431
Loss from Gov. Business Enterprises	-	(75,773)	(47,815)
Loss on disposal of assets	30,000	(119,050)	(13,188)
Miscellaneous income	867,700	2,029,399	1,273,314
Ottawa Trust Fund	-	41,770	93,107
Province of BC	1,436,628	1,730,511	1,641,268
Rental	769,237	729,257	684,441
Thlap'Qwum Community Settlement Trust	266,873	897,269	480,896
	<b>21,846,429</b>	<b>27,226,129</b>	21,400,301
<b>Expenses - Note 23</b>			
Administration	1,617,474	2,001,754	
Education	2,853,241	2,111,889	
Health	2,550,547	1,874,939	
Daycare	833,164	576,049	
Social Development	3,085,003	4,002,121	
Economic Development	2,259,852	2,184,737	
Infrastructure	859,308	565,866	
Capital Projects	1,177,681	1,130,275	
Housing	749,785	716,919	
Lands and Resources	41,244	80,609	
Treaty and Negotiations	795,226	614,330	
Tangible capital asset depreciation	2,161,907	2,123,813	
	<b>18,984,432</b>	17,983,301	
<b>Annual surplus</b>			
Accumulated surplus, beginning as previously stated	8,241,697	3,417,000	
Prior period adjustment - note 24	55,694,656	51,761,329	
Accumulated surplus, beginning of year as restated	37,602	553,929	
	<b>55,732,258</b>	52,315,258	
<b>Accumulated surplus, end of year</b>	<b>\$ 63,973,955</b>	\$ 55,732,258	

See accompanying notes

**Snuneymuxw First Nation**  
**CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS**

For the year ended March 31, 2022

Statement 3

	2022 Budget	2022	2021 Restated
<b>Annual surplus</b>	\$ -	<b>\$ 8,241,697</b>	\$ 3,417,000
<b>Changes in tangible capital assets</b>			
Net acquisition of tangible capital assets	(4,609,196)	(4,609,196)	(2,748,481)
Amortization of tangible capital assets	2,161,907	2,161,907	2,123,813
	<b>(2,447,289)</b>	<b>(2,447,289)</b>	(624,668)
<b>Changes in other non-financial assets</b>			
Prepaid expenses and deposits	(17,335)	(17,335)	(85,303)
	<b>(17,335)</b>	<b>(17,335)</b>	(85,303)
<b>Increase in net financial assets</b>	<b>(2,464,624)</b>	<b>5,777,073</b>	2,707,029
<b>Net financial assets at beginning of year</b>		<b>15,947,786</b>	13,240,757
<b>Net financial assets at end of year</b>		<b>\$ 21,724,859</b>	\$ 15,947,786

See accompanying notes

**Snuneymuxw First Nation**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended **March 31, 2022**

**Statement 4**

	<b>2022</b>	<b>2021</b>
		<i>Restated</i>
<b>OPERATING ACTIVITIES</b>		
Revenue received	\$ 22,334,516	\$ 25,233,620
Expenses paid	(16,353,778)	(15,329,045)
Withdrawals from Ottawa Trust Funds	95,751	149,482
Interest paid on capital leases	(7,807)	(9,770)
Interest paid on long-term debt	(454,227)	(227,388)
<b>Cash provided by operating activities</b>	<b>5,614,455</b>	9,816,899
<b>INVESTING ACTIVITIES</b>		
Advances to related entities	(684,442)	540,855
Asset disposal proceeds	41,800	25,000
Net cash distributions from (investments in) PDG LP	519,500	(607,276)
(Repayments) loan to PDG LP	20,580	(10,211,667)
Investments in Specific Land Claims	(91,400)	(176,727)
Purchase and construction of capital assets	(4,770,046)	(2,761,669)
<b>Cash used in investing activities</b>	<b>(4,964,008)</b>	(13,191,484)
<b>FINANCING ACTIVITIES</b>		
Advances from specific land claims loans	-	222,257
Loan proceeds	-	11,850,300
Repayment of capital leases	(42,612)	(41,905)
Repayment of long-term debt	(558,630)	(547,492)
<b>Cash used in financing activities</b>	<b>(601,242)</b>	11,483,160
Increase in cash during the year	49,205	8,108,575
Cash, beginning of year	21,126,190	13,017,615
<b>Cash, end of year</b>	<b>\$ 21,175,395</b>	\$ 21,126,190

See accompanying notes

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# Snuneymuxw First Nation

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO STATEMENTS

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March 31, 2022

See Auditor's Report

The Snuneymuxw 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 settlements and specific land claims.

#### **1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

These Consolidated Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the CICPA Public Sector Accounting and Auditing Handbook, which encompasses the following principles.

##### **a) Reporting entity**

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

##### **b) Use of estimates**

The preparation of schedules in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the schedules and reported amounts of revenues and expenditures during the reported period. Actual results could differ from the estimates.

##### **c) Principles of consolidation**

The Consolidated Financial Statements reflect the assets, liabilities, revenues, and expenses of entities which are controlled by the First Nation. Controlled entities are consolidated, except for government business enterprises and government business partnerships, which are accounted for via the modified equity method. All inter-fund and inter-organization transactions and balances have been eliminated on consolidation. Consolidated entities include La'Lum'utul Housing Society and Snuneymuxw Youth and Family Society.

The First Nation records its investments in government business enterprises (GBE's) and government business partnerships (GBP's) on a modified equity basis. Under the modified equity basis, the GBE's and GBP's 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's and GBP's in its Consolidated 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's and GBP's will be reflected as deductions in the investment asset account.

Organizations accounted for on a modified equity basis include:

1. Tuytaxun General Store Ltd. - 100%
2. Salpac Fisheries Limited Partnership - 49.90%
3. Petroglyph Development Group Ltd. - 100%
4. Petroglyph Development Group Limited Partnership - 99%

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# Snuneymuxw First Nation

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO STATEMENTS

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March 31, 2022

See Auditor's Report

#### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### d) 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.

##### e) Revenue recognition

###### *Government Funding*

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes 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 Funds*

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.

###### *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.

###### *Own Source Revenue*

Revenues are recognized in the period in which the transaction 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.

###### *Other*

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 being performed are deferred and recognized when the fee is earned or service is performed.

##### f) Investment in treaty and specific land claims

The First Nation is in negotiations with the Government of Canada to settle outstanding claims and negotiate a treaty. Both funding and interest free loans are received from the federal government to assist in the process. Expenses pertaining to the negotiation are capitalized to reflect the amount of investment the First Nation has made in the treaty process. The loan will be repaid as outlined in Note 18.

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# Snuneymuxw First Nation

## CONSOLIDATED FINANCIAL STATEMENTS

### NOTES TO STATEMENTS

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March 31, 2022

See Auditor's Report

#### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### g) 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 assets.

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 assets 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 the First Nation's incremental cost of borrowing.

The First Nation's capitalization policy consists of a \$500 threshold. This threshold can be raised or lowered by management if they determine the item's purpose is of a nature that it shouldn't be capitalized despite costing more or should be capitalized despite costing less if it significantly improves the value of a larger asset.

Tangible capital assets are depreciated over their expected useful lives as follows:

Buildings and renovations	5% Declining balance
Automotive equipment	30% Declining balance
Furniture and equipment	20% Declining balance
Boats	20% Declining balance
Infrastructure	5% Declining balance

Depreciation is pro-rated in the year of acquisition. 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.

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 depreciated until the asset is available to be put into service.

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# **Snuneymuxw First Nation**

## **CONSOLIDATED FINANCIAL STATEMENTS**

### **NOTES TO STATEMENTS**

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**March 31, 2022**

**See Auditor's Report**

#### **1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **h) Financial instruments**

Financial instruments are initially classified upon initial recognition at fair value or as an 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 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 amortized cost.

All financial assets are assessed for impairment on an annual basis.

The First Nation's financial instruments consist of cash and cash equivalents, accounts receivable, due from and to related entities, accounts payable and accrued liabilities, and long-term debt.

Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, credit or currency risks arising from these financial instruments and the fair value of these financial instruments approximates their carrying values.

#### **2. ECONOMIC DEPENDENCE**

Snuneymuxw First Nation receives major portions of its revenue pursuant to funding arrangements with Indigenous Services Canada and First Nations Health Authority.

**Snuneymuxw First Nation**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES TO STATEMENTS**

**March 31, 2022**

**See Auditor's Report**

**3. CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
Externally restricted		
CMHC Operating Reserve	\$ 18,200	\$ 103,953
CMHC Replacement Reserve	444,116	471,608
	<b>462,316</b>	575,561
Internally restricted		
Sacred Bath Site	85,424	85,024
Capital projects IR4	1,522,144	614,046
Capital projects IR3	12,033,143	12,165,548
Capital projects QQS	585,579	1,190,498
	<b>14,226,290</b>	14,055,116
Unrestricted		
Cash and banks net of outstanding cheques	6,486,789	6,495,513
<b>Total Cash and Cash Equivalents</b>	<b>\$ 21,175,395</b>	\$ 21,126,190

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as otherwise approved by the Canada Mortgage and Housing Corporation, with any interest earned to be credited as revenue to the Operating and Replacement Reserve.

**Externally restricted - Operating Reserve:**

At the year end, the reserve was fully funded (2021: fully funded)).

**Externally restricted - Replacement Reserve:**

At the year end, the reserve was underfunded by \$478,448 (2021: fully funded).

This underfunded shortfall stems from a direct funding allocation which is expected to be received in May 2022.

**Internally restricted - Sacred Bath Site:**

Consists of money set aside for the purposes of cultural related expenditures.

**Internally restricted - Capital projects:**

Consists of money set aside for the purpose of funding various capital projects.

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**3. CASH AND CASH EQUIVALENTS (continued)**

**Banking facilities:**

The First Nation has a facility arrangement with Bank of Montreal secured by a general security agreement expiring on October 29, 2024 and \$1,450,000 in band council resolutions of guarantee. The facility includes:

- i) A \$3,201,450 fixed rate demand loan for the construction of the community hall and a \$214,407 fixed rate loan for the construction of 12-unit rental housing as described in note 15.
- ii) \$1,000,000 authorized overdraft lending product at prime plus 0.75%.
- iii) \$100,000 in authorized credit card facilities with standard fees and rates.

**4. ACCOUNTS RECEIVABLE**

	<b>2022</b>	<b>2021</b>
<b>Due from members:</b>		
Rent receivable	\$ 1,946,037	\$ 1,855,469
Member loans	56,966	54,447
	<b>2,003,004</b>	1,909,916
<b>Due from Government and other Government Organizations:</b>		
Indigenous Services Canada	47,547	-
Canada Mortgage and Housing Corporation	526,142	26,145
Department of Fisheries and Oceans	307,924	226,493
First Nation Health Authority	274,142	212,193
Public Services Rebate receivable	63,690	25,958
Province of BC	92,742	450
	<b>1,312,187</b>	491,239
<b>Due from others:</b>		
Coast Salish Employment & Training Society	51,386	-
First Nations Education Steering Committee	103,308	270,627
Vancouver Island University	128,615	-
Other	527,890	559,426
	<b>811,199</b>	830,053
Allowance for doubtful accounts	<b>4,126,390</b>	3,231,208
	<b>(2,100,403)</b>	(2,021,284)
	<b>\$ 2,025,987</b>	\$ 1,209,924

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**Snuneymuxw First Nation**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES TO STATEMENTS**

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**March 31, 2022**

**See Auditor's Report**

**5. DUE FROM RELATED ENTITIES**

	<b>2022</b>	<b>2021</b>
Petroglyph Development Group Limited Partnership	\$ 159,572	\$ 122,158
Salpac Fisheries Limited Partnership	28,367	11,814
Thlap'qwum Community Settlement Trust	611,292	-
Tuytaxun General Store Ltd.	268,854	268,775
	<hr/>	<hr/>
	\$ 1,068,085	\$ 402,747

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

Note payable due from the Thlap'qwum Community Settlement Trust is unsecured, bearing interest at 1.6%, with no set terms of repayment.

**6. NOTE RECEIVABLE FROM PDG LP**

On February 24, 2021, the First Nation loaned \$10,211,667 to Petroglyph Development Group LP on an interest only basis. On March 2, 2022, the loan was amended to include monthly blended payments of \$47,814 with a computed interest rate of 3.36% and maturity date of June 1, 2032.

**7. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES**

The First Nation's investment in government business enterprises consist of the following:

	<b>2022</b>	<b>2021</b>
Tuytaxun General Store Ltd. - 100%	\$ 73,701	\$ 135,998
Petroglyph Development Group Ltd. - 100%	(49,149)	(35,673)
	<hr/>	<hr/>
	\$ 24,552	\$ 100,325

The financial information for Petroglyph Development Group Ltd. and Tuytaxun General Store Ltd. are not audited. The financial results of these entities have been recorded in the Consolidated Financial Statements using the modified equity method in accordance with Canadian public sector accounting standards. In addition, Canadian public sector accounting standards require disclosure of the condensed supplementary financial information of these entities; however, Chief and Council chose not to disclose this information outside of Snuneymuxw membership as this public disclosure may impact their competitive edge in conducting the business affairs of these entities.

Please refer to the independent auditor's report for the basis of qualified opinion.

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**8. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS**

The First Nation owns 99% of the units of Petroglyph Development Group Limited Partnership and 49.90% of the units of Salpac Fisheries Limited Partnership. The investment in these partnerships are as follows:

	<b>2022</b>	<b>2021</b>
Petroglyph Development Group Limited Partnership	\$ 22,768,248	\$ 20,704,649
Salpac Fisheries Limited Partnership	541,144	444,535
	<b>\$ 23,309,392</b>	<b>\$ 21,149,184</b>

The financial information for Petroglyph Development Group Limited Partnership for the year ended December 31, 2020 and 2021 are audited. The financial results of Petroglyph Development Group Limited Partnership and Salpac Fisheries Limited partnership have been recorded in the Consolidated Financial Statements using the modified equity method in accordance with Canadian public sector accounting standards. In addition, Canadian public sector accounting standards require disclosure of the condensed supplementary financial information of these entities; however, Chief and Council chose not to disclose this information outside of Snuneymuxw membership as this public disclosure may impact their competitive edge in conducting the business affairs of these entities.

Please refer to the independent auditor's report for the basis of qualified opinion.

**9. INVESTMENTS - OTHER**

The First Nation owns units of BC First Nations Gaming Revenue Sharing Limited Partnership and shares of BCFN GRS GP Inc. The investment in these organizations are shown below and are reported on a cost basis:

	<b>2022</b>	<b>2021</b>
BC First Nations Gaming Revenue Sharing Limited Partnership	\$ 100	\$ 100
BCFN GRS GP Inc.	10	10
	<b>\$ 110</b>	<b>\$ 110</b>

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**10. INVESTMENTS IN SPECIFIC LAND CLAIMS**

The First Nation has capitalized expense balances resulting from ongoing negotiations surrounding the following specific land claims:

	<b>2022</b>	<b>2021</b>
Douglas Treaty Village Claim at False Narrows	\$ 24,642	\$ 24,642
Douglas Treaty Village Claim at Harbour Park	24,642	24,642
Douglas Treaty Village Claim at Departure Bay	91,592	87,092
Douglas Treaty Village Claim at Milestone River	24,642	24,642
Douglas Treaty Village Claim at Teytexen	476,999	368,636
	<hr/>	<hr/>
	\$ 642,517	\$ 529,654

**11. TRUST MONEYS**

	<b>2022</b>	<b>2021</b>
Ottawa Trust Accounts (a)	\$ 63,182	\$ 117,163
FNFA Secured Revenues Trust Account (b)	31,758	-
	<hr/>	<hr/>
	\$ 94,940	\$ 117,163

(a) The Ottawa Trust 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 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.

(b) The FNFA Secured Revenues Trust Account represents advance payments made regarding the FNFA loan (see note 16). This account is managed by Computershare.

**12. DEBT RESERVE FUND**

The First Nation entered into a financing arrangement with First Nations Finance Authority (FNFA). Terms of this agreement include FNFA holding back 5% of the total loan balance in a separate interest-bearing debt reserve fund.

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**13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2022</b>	2021
Accounts payable and accrued liabilities	\$ 1,548,731	\$ 1,263,084
Payroll liabilities	295,004	503,382
	<b>1,843,735</b>	<b>1,766,466</b>

**14. DEFERRED REVENUE**

	<b>2022</b>	2021
Indigenous Services Canada	\$ 13,925,698	\$ 15,272,735
BC Housing	91,016	-
Coast Guard's Community Participation and Co-Development Contribution Program	-	123,178
First Nations Health Authority	26,796	64,145
Province of BC	43,814	137,682
Other	247,339	285,497
	<b>\$ 14,334,663</b>	<b>\$ 15,883,237</b>

**15. DUE TO RELATED ENTITIES**

	<b>2022</b>	2021
Petroglyph Development Group Ltd.	\$ 1	\$ 1
Thlap'qwum Community Settlement Trust	-	19,104
	<b>\$ 1</b>	<b>\$ 19,105</b>

Advances due to related entities are unsecured and without interest or any fixed terms of repayment.

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**16. LONG-TERM DEBT**

	<b>2022</b>	<b>2021</b>
Post 96 - Phase 1 - All Nations Trust - Mortgage payable with payments of \$2,276 per month including interest at 1.97% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on October 1, 2032 and renewal on December 1, 2022.	\$ <b>260,796</b>	\$ 282,755
Post 96 - Phase 2 - All Nations Trust - Mortgage payable with payments of \$4,073 per month including interest at 2.22 % per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on November 1, 2033 and renewal on January 1, 2024.	<b>502,221</b>	539,552
Post 96 - Phase 3 - All Nations Trust - Mortgage payable with payments of \$3,904 per month including interest at 2.14% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on March 1, 2034 and renewal on March 1, 2024.	<b>495,693</b>	531,562
Post 96 - Phase 4 - All Nations Trust - Mortgage payable with payments of \$4,410 per month including interest at 1.86% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on April 1, 2034 and renewal on April 1, 2024.	<b>572,514</b>	614,402
Post 96 - Phase 5 - All Nations Trust - Mortgage payable with payments of \$3,425 per month including interest at 0.68% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on July 1, 2035 and renewal on August 1, 2025.	<b>523,722</b>	561,123

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**16. LONG-TERM DEBT (continued)**

Post 96 - Phase 6 - All Nations Trust - Mortgage payable with payments of \$5,715 per month including interest at 0.74% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on February 1, 2036 and renewal on February 1, 2026.	<b>906,723</b>	968,360
Post 96 - Phase 7 - All Nations Trust - Mortgage payable with payments of \$4,963 per month including interest at 0.69% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on May 1, 2035 and renewal on June 1, 2025.	<b>749,402</b>	803,590
Post 96 - Phase 8 - All Nations Trust - Mortgage payable with payments of \$2,547 per month including interest at 1.13% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on July 1, 2036 and renewal on June 1, 2026.	<b>404,262</b>	430,099
Post 96 - Phase 9 - All Nations Trust - Mortgage payable with payments of \$2,290 per month including interest at 1.13% per annum, secured by a ministerial guarantee from Indigenous Services Canada. Matures on July 1, 2036 and renewal on June 1, 2026.	<b>363,595</b>	386,833
Bank of Montreal - Fixed rate term loan with payments of \$23,101 per month including interest at 3.51% per annum. Matures January 31, 2025.	<b>3,201,450</b>	3,363,224
Bank of Montreal - Fixed rate term loan with payments of \$3,386 per month including interest at 3.12% per annum. Matures on January 31, 2024.	<b>180,576</b>	214,407

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**16. LONG-TERM DEBT (continued)**

First Nation's Finance Authority (FNFA) - Fixed rate term loan including interest of 3.06% with payments of \$55,486 per month including fixed interest of \$31,809 per month. Loan matures on June 1, 2032 and is secured by the First Nation's revenue stream from BC Gaming Revenue Sharing LP. See (a) below.

<b>12,450,323</b>	<b>12,474,000</b>
<b>\$ 20,611,277</b>	<b>\$ 21,169,907</b>

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(a) On March 2, 2022, FNFA loan was converted into a Bond Series Promissory Note. Principal payments are transferred to a sinking fund account and accrues interest which will be used to pay off the loan at maturity. The balance indicated is net of the loan balance and sinking fund.

Future principal payments for subsequent years are as follows:

2023	\$ 1,070,233
2024	1,775,640
2025	3,836,619
2026	2,049,087
2027	850,016
Subsequent years	11,029,682
	<hr/>
	\$ 20,611,277

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**17. CAPITAL LEASE OBLIGATION**

Vehicle lease, bearing interest at 6.95% per annum, repayable in monthly payments of \$3,050 ending in February, 2025 and secured by the vehicle.

Future aggregate payments for the next five years are as follows:

2023	\$ 36,594
2024	36,594
2025	33,548
2026	-
2027	-
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	\$ 106,737

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**18. SPECIFIC LAND CLAIMS LOANS**

The amounts below consist of various promissory notes signed on different dates. The promissory notes are due the earlier of five years from signing date or the date on which the claim is settled. If the loan becomes due and payable under the terms of the promissory notes while the claim is still in negotiation, the loan repayment dates will be extended by the earlier of five years, or a period deemed appropriate to coincide with the anticipated claim settlement date.

	<b>2022</b>	<b>2021</b>
Douglas Treaty Village Claim at False Narrows	\$ 25,284	\$ 25,284
Douglas Treaty Village Claim at Harbour Park	25,284	25,284
Douglas Treaty Village Claim at Departure Bay	92,234	92,234
Douglas Treaty Village Claim at Milestone River	25,284	25,284
Douglas Treaty Village Claim at Teytexen	377,181	377,181
	<hr/> <b>\$ 545,267</b>	<hr/> <b>\$ 545,267</b>

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**19. TANGIBLE CAPITAL ASSETS**

	2022										Net Book Value
	Beginning Cost	Additions	Disposal	Ending Cost	Beginning Accumulated Depreciation	Depreciation	Disposals	Ending Accumulated Depreciation	Depreciation		
Buildings and renovations	38,679,638	\$ 3,095,508	\$ 6,037	41,769,109	\$ 11,996,181	\$ 1,315,388	\$ 3,015	\$ 13,308,554	\$ 28,460,555		
Automotive equipment	1,500,220	31,833	116,360	1,415,693	706,748	228,521	54,972	880,297	535,396		
Furniture and equipment	1,434,143	117,800	519,843	1,032,100	967,173	90,299	462,105	595,369	436,731		
Boats	206,698	267,689	72,698	401,689	52,671	56,789	39,661	69,799	331,890		
Infrastructure	14,262,414	1,257,216	17,150	15,502,480	4,390,806	465,515	6,092	4,850,229	10,652,251		
Land	662,620	-	-	662,620	-	-	-	-	-	662,620	
	<b>\$ 56,745,733</b>	<b>\$ 4,770,046</b>	<b>\$ 732,088</b>	<b>\$ 60,783,691</b>	<b>\$ 18,113,579</b>	<b>\$ 2,156,512</b>	<b>\$ 565,845</b>	<b>\$ 19,704,248</b>	<b>\$ 41,079,443</b>		

	2021										Net Book Value
	Beginning Cost	Additions	Disposal	Ending Cost	Beginning Accumulated Depreciation	Depreciation	Disposals	Ending Accumulated Depreciation	Depreciation		
Buildings and renovations	36,870,250	\$ 1,809,388	\$ -	38,679,638	\$ 10,676,737	\$ 1,319,444	\$ -	\$ 11,996,181	\$ 26,683,457		
Automotive equipment	1,291,922	366,463	158,165	1,500,220	643,098	219,157	155,507	706,748	793,472		
Furniture and equipment	1,346,335	87,808	-	1,434,143	859,627	107,544	-	967,173	466,970		
Boats	110,617	132,981	36,900	206,698	72,755	6,287	26,371	52,671	154,027		
Infrastructure	13,897,385	365,029	-	14,262,414	3,919,426	471,380	-	4,390,806	9,871,608		
Land	662,620	-	-	662,620	-	-	-	-	-	662,620	
	<b>\$ 54,179,129</b>	<b>\$ 2,761,669</b>	<b>\$ 195,065</b>	<b>\$ 56,745,733</b>	<b>\$ 16,171,643</b>	<b>\$ 2,123,812</b>	<b>\$ 181,878</b>	<b>\$ 18,113,579</b>	<b>\$ 38,632,154</b>		

Included in Automotive equipment is \$178,849 (2021 - \$222,683) capitalized under leases. Related accumulated depreciation is \$104,358 (2021 - \$90,186).

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**20. PREPAID EXPENSES**

Included in prepaid expenses is \$877,783 held by the City of Nanaimo in trust to be applied against the cost of new connections on IR4 that become due to the City under the provisions of the Water Servicing Agreement and the Sewer Use Agreement. Interest is earned on this balance commensurate with the amount of interest earned by the City from its bank.

**21. ACCUMULATED SURPLUS**

Accumulated surplus is comprised of the following:

	2022	2021
Restricted		Restated
Ottawa Trust Fund	\$ 63,182	\$ 117,163
Enterprise Fund	24,472,194	22,387,759
Housing Reserve	940,764	425,759
Unrestricted		
Operations	4,142,038	1,298,726
Investments in tangible capital assets	34,355,777	31,502,851
	<hr/> <b>\$ 63,973,955</b>	<hr/> <b>\$ 55,732,258</b>

**22. CONTINGENT LIABILITIES**

Snuneymuxw 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, in the normal course of its operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's financial statements.

As at March 31, 2022, the total ministerial housing loan guarantees provided to financial institutions for loans to individual members are in the amount of \$2,397,420 and the outstanding balances for these loans are \$251,933.

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**23. EXPENSES BY OBJECT**

The following is a summary of expenses by object.

	2022 Budget	2022	2021 Restated
Advertising	\$ -	\$ -	\$ 1,850
Bad debt expense	- -	88,437	156,901
Bank charges and interest	125,200	133,072	154,562
Basic needs	1,632,780	1,855,172	2,038,826
Community support and cultural awareness	1,722,894	1,062,791	1,075,579
Consultants and contractors	9,719,577	6,558,230	4,461,175
Depreciation expense	- -	2,161,907	2,123,813
Insurance	315,892	259,186	255,602
Interest on long-term debt and capital leases	- -	338,830	76,566
Equipment lease	51,363	24,546	24,906
Equipment purchases	612,049	430,299	608,922
Guardian financial assistance	6,000	4,832	5,767
Honorariums	391,550	361,730	383,675
IT/Computer	125,000	120,486	146,023
Licenses fees and dues	14,500	11,127	13,499
Meetings expense	223,038	107,443	137,233
Office and other	38,999	14,385	22,236
Professional fees	659,874	423,069	504,741
Repairs and maintenance	1,275,265	1,080,393	755,393
Supplies	1,093,388	467,064	208,678
Travel	256,603	191,646	143,736
Tuition and training	2,381,154	2,117,598	1,837,923
Utilities	356,051	284,397	253,143
Wages and benefits	6,229,280	5,657,838	5,354,221
Construction, property and equipment acquisition	- -	(4,770,046)	(2,761,669)
	<b>\$ 18,984,432</b>	<b>\$ 17,983,301</b>	

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**24. PRIOR PERIOD ADJUSTMENTS**

Subsequent to the release of the March 31, 2021 Snuneymuxw First Nation Summary Financial Statements, financial information was obtained regarding the Thlap'qwum Community Settlement Trust. Snuneymuxw First Nation is the sole beneficiary of this trust. It was identified that trust income had been recorded on a cash basis as opposed to an accrual basis. Furthermore, financial information for the investment in Salpac Fisheries Limited Partnership for 2021 was released. The effects of correcting for these are detailed below:

**SUMMARY STATEMENT OF FINANCIAL POSITION**

	2021 As previously stated	Changes	2021 Restated
<b>Financial assets</b>			
Investment in Government Business Partnerships	21,092,478	56,706	21,149,184
<b>Financial liabilities</b>			
Due to related entities	1	19,104	19,105
<b>Net financial assets</b>	<b>15,910,184</b>	<b>37,602</b>	<b>15,947,786</b>
<b>Accumulated surplus</b>	<b>\$ 55,694,656</b>	<b>37,602</b>	<b>\$ 55,732,258</b>

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**24. PRIOR PERIOD ADJUSTMENTS (continued)**

**SUMMARY STATEMENT OF OPERATIONS**

	<b>2021</b>		<b>2021</b>
	<i>As previously stated</i>	<i>Changes</i>	<i>Restated</i>
<b>Revenue</b>			
Gain from Gov. Business Partnerships	1,518,527	56,706	1,575,233
Thlap'qwum Community Settlement Trust	1,053,929	(573,033)	480,896
	<u>2,572,456</u>	<u>(516,327)</u>	<u>2,056,129</u>
<b>Annual surplus</b>	3,933,327	(516,327)	3,417,000
<b>Accumulated surplus, beginning previously stated</b>	51,761,329	-	51,761,329
<b>Prior period adjustment</b>	-	553,929	553,929
<b>Accumulated surplus, beginning of year restated</b>	51,761,329	553,929	52,315,258
<b>Accumulated surplus, end of year</b>	<u>\$ 55,694,656</u>	<u>37,602</u>	<u>\$ 55,732,258</u>

**SUMMARY STATEMENT OF NET FINANCIAL ASSETS (DEBT)**

	<b>2021</b>		<b>2021</b>
	<i>As previously stated</i>	<i>Changes</i>	<i>Restated</i>
<b>Annual surplus</b>	\$ 3,933,327	\$ (516,327)	\$ 3,417,000
<b>Increase in net financial assets</b>	3,223,356	\$ (516,327)	2,707,029
<b>Net financial assets at beginning of year</b>	12,686,828	\$ 553,929	13,240,757
<b>Net financial assets at end of year</b>	<u>\$ 15,910,184</u>	<u>\$ 37,602</u>	<u>\$ 15,947,786</u>

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#### **25. BUDGET INFORMATION**

Budgeted figures are unaudited and have been derived from the estimates approved by the Chief and Council for comparison purposes. Individual program operations not showing budget information does not mean budgets were not prepared but rather that their amounts were not readily determinable.

#### **26. RELATED PARTY TRANSACTIONS**

During the year ended March 31, 2022, the First Nation entered into transactions with related parties as follows:

1. The First Nation charged nil (2021: \$24,000) for rent to Tuytaxun General Store Ltd. The First Nation also purchased \$31 (2021: \$464) in supplies from Tuytaxun General Store Ltd.
2. The First Nation charged \$66,785 for rent (2021: \$83,481) and \$13,000 (2021: \$40,000) for waste removal services to Petroglyph Development Group Limited Partnership. The First Nation also charged \$255,718 for cost recoveries (2021: \$28,979).
3. The First Nation paid \$32,594 for fuel purchases (2021: \$1,694) to Snuneymuxw Market Ltd., a subsidiary of Petroglyph Development Group Limited Partnership.

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

#### **27. COMPARATIVE AMOUNTS**

Certain comparative amounts have been reclassified to conform with the current year's presentation.

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# Snuneymuxw First Nation

## CONSOLIDATED FINANCIAL STATEMENTS

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#### 28. FINANCIAL INSTRUMENTS

##### *Risk management policy*

Snuneymuxw First Nation is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2022.

##### *Credit risk*

The carrying value of the First Nation's main financial assets represents the maximum credit risk to which the band is exposed.

##### *Liquidity risk*

Snuneymuxw First Nation considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long-term financial needs, at a reasonable cost.

##### *Market risk*

Snuneymuxw First Nation is exposed to interest rate risk on its fixed-interest and variable-interest financial instruments. Fixed-interest instruments subject the band to fair value risk while the variable-interest instruments subject it to cash flow risk.

The following table summarizes the contractual maturities of the financial liabilities as at March 31, 2022.

	Carrying Amount	Contractual cash flows	Within 1 year	2 to 5 years	Subsequent
Accounts payable and					
accrued expenses	\$ 1,843,735	\$ 1,843,735	\$ 1,843,735	\$ -	\$ -
Long-term debt	20,611,277	23,883,967	1,624,133	10,309,333	11,950,501
Lease obligation	96,371	106,737	36,594	70,142	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 22,551,383	\$ 25,834,439	\$ 3,504,462	\$ 10,379,476	\$ 11,950,501