

BEECHER BAY FIRST NATION
FINANCIAL STATEMENTS
For the year ended MARCH 31, 2021

Brynjolfson & Company
Chartered Professional Accountant

**BEECHER BAY FIRST NATION
INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2021**

CONTENT

	<u>Page</u>
Management's Statement of Responsibility	1
Independent Auditor's Report	2
Statement of Financial Position	4
Statement of Operations	5
Statement of Change In Net Financial Assets	6
Statement of Cash Flow	7
Notes to Financial Statements	8

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.

A handwritten signature in blue ink, consisting of several loops and a trailing flourish, positioned above a horizontal line.

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, 2021, 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, 2021, 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

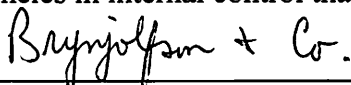
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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.



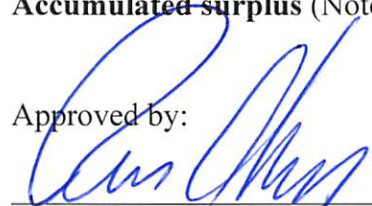
Brynjolfson & Company
Victoria, B.C.

March 7, 2022

BEECHER BAY FIRST NATION
STATEMENT OF FINANCIAL POSITION
March 31, 2021

	2021	2020
	Actual	Actual
	\$	\$
Financial assets		
Cash and cash equivalents (Note 3)	4,948,055	4,205,248
Trust funds held by federal government (Note 4)	15,276	15,349
Accounts receivable (Note 5)	1,873,152	1,533,696
Advances to related parties (Note 6)	1,555,542	1,225,842
Investment in government business enterprises (Note 7)	1,967,609	1,771,539
Investment in limited partnerships (Note 7)	70,630	70,630
Loans receivable (Note 9)	<u>30,000</u>	<u>30,000</u>
	<u>10,460,264</u>	<u>8,852,304</u>
Liabilities		
Accounts payable and accrued liabilities (Note 10)	751,574	552,514
Deferred revenue	-	700,000
Demand loans (Note 11)	813,210	866,903
Long-term debt (Note 12)	<u>524,719</u>	<u>607,578</u>
	<u>2,089,503</u>	<u>2,726,995</u>
Net financial assets (net debt)	8,370,761	6,125,309
Non-financial assets		
Tangible capital assets (Note 13)	4,936,725	4,151,007
Prepaid Expenses	<u>132,836</u>	<u>118,658</u>
	<u>5,069,561</u>	<u>4,269,665</u>
Accumulated surplus (Note 14)	<u>13,440,322</u>	<u>10,394,974</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, 2021**

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
REVENUE			
Indigenous Services Canada (ISC)	2,262,926	2,262,926	1,460,286
Prior Year ISC Recovery	-	-	(24,310)
CMHC	60,212	60,212	95,224
First Nations Health Authority	764,720	764,720	1,228,336
Fisheries and Oceans Canada	569,639	569,639	85,580
Natural Resources Canada	340,542	342,467	909,158
Ottawa Trust Fund	750	753	827
Province of B.C.	415,000	415,000	101,737
GBEs net income (loss)	-	13,687	(63,479)
Rental revenue	100,800	122,340	99,910
Other revenue	1,411,411	2,467,589	1,643,628
Interest income	15,000	11,262	81,324
Deferred revenue (FNHA)	<u>700,000</u>	<u>700,000</u>	<u>(700,000)</u>
	<u>6,641,000</u>	<u>7,730,595</u>	<u>4,918,221</u>
EXPENSES			
Administration	713,380	550,883	519,382
Education	108,097	101,648	95,912
Social Development	800,373	773,157	615,071
Land Management	360,196	297,667	409,770
Economic Development	1,994,315	2,045,331	3,894,859
Health, Day Care and Youth Group	807,925	703,949	446,413
Ottawa Trust Fund	826	826	923
Reserves – Social Housing	(18,200)	(18,180)	(18,275)
Community Infrastructure	<u>350,888</u>	<u>229,966</u>	<u>1,219,296</u>
	<u>5,117,800</u>	<u>4,685,247</u>	<u>7,183,351</u>
ANNUAL SURPLUS (DEFICIT)	<u>1,523,200</u>	3,045,348	(2,265,130)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>10,394,974</u>	<u>12,660,104</u>
ACCUMULATED SURPLUS, END OF YEAR		\$ <u>13,440,322</u>	\$ <u>10,394,974</u>

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, 2021

	2021 Actual \$	2020 Actual \$
Annual surplus (deficit))	3,045,348	(2,265,130)
Acquisition of tangible capital assets	(1,056,344)	(567,935)
Amortization of tangible capital assets	<u>270,626</u>	<u>195,834</u>
	<u>2,259,630</u>	<u>(2,637,231)</u>
Acquisition of prepaid expenses	(132,836)	(118,658)
Use of prepaid expenses	<u>118,658</u>	<u>117,149</u>
	<u>(14,178)</u>	<u>(1,509)</u>
Change in Net Financial Assets	2,245,452	(2,638,740)
Net Financial Assets, at beginning of year	<u>6,125,309</u>	<u>8,764,049</u>
Net Financial Assets, end of year	<u>8,370,761</u>	<u>6,125,309</u>

Note: 2021 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, 2021**

	2021 Actual \$	2020 Actual \$
Operating Activities		
Annual surplus (deficit)	3,045,348	(2,265,130)
Items not affecting cash		
Allowance for loan receivable impairment	-	3,200,000
Amortization of tangible capital assets	270,626	195,834
GBE net INCOME (loss)	<u>13,687</u>	<u>63,479</u>
	3,329,661	1,194,183
Change in non-cash items on statement of financial position		
Accounts receivable	(339,456)	(1,182,864)
Prepaid expenses	(14,178)	(1,509)
Accounts payable and accrued liabilities	199,060	324,631
Deferred revenue	<u>(700,000)</u>	<u>700,000</u>
	<u>2,475,087</u>	<u>1,034,441</u>
Capital Activities		
Cash used to acquire tangible capital assets	<u>(1,056,344)</u>	<u>(567,935)</u>
Investing Activities		
Loans receivable advanced	-	(800,000)
Investment in GBE	(209,757)	16,506
Advances to related parties	<u>(329,700)</u>	<u>(584,522)</u>
	<u>(539,457)</u>	<u>(1,368,016)</u>
Financing Activities		
Repayment of demand loans	(53,693)	(44,310)
First Nations debt repayment	<u>(82,859)</u>	<u>(82,044)</u>
	<u>(136,552)</u>	<u>(126,354)</u>
Increase (decrease) in cash and cash equivalents	742,734	(1,027,864)
Cash and equivalents – Beginning of year	<u>4,220,597</u>	<u>5,248,461</u>
Cash and equivalents – End of year	<u>4,963,331</u>	<u>4,220,597</u>
REPRESENTED BY:		
Cash and cash equivalents	4,948,055	4,205,248
Trust Funds held by federal government	<u>15,276</u>	<u>15,349</u>
	<u>4,963,331</u>	<u>4,220,597</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, 2021

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, 2021

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, 2021

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

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, 2021

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, 2021

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, 2021

3. CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Externally restricted		
Operating Reserve	11,065	11,065
Replacement Reserve	<u>75,891</u>	<u>75,764</u>
	<u>86,956</u>	<u>86,829</u>
Unrestricted		
Cash and banks	<u>4,861,099</u>	<u>4,118,419</u>
Total Cash and Cash Equivalents	<u>4,948,055</u>	<u>4,205,248</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 \$104,225 (2020 under funded by \$97,834).

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 \$168,866 (2020 under funded by \$150,647).

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, 2021, the First Nation has no outstanding balance.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2021

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	2021 Total	2020 Total
	\$	\$	\$	\$	\$
Revenue	827	753	826	754	827
Capital	<u>14,522</u>	<u>-</u>	<u>-</u>	<u>14,522</u>	<u>14,522</u>
	<u>15,349</u>	<u>753</u>	<u>826</u>	<u>15,276</u>	<u>15,349</u>

5. ACCOUNTS RECEIVABLE

	2021 \$	2020 \$
Due from members		
Members advances	<u>2,763</u>	<u>2,763</u>
Due from others		
Others receivable	<u>290,301</u>	<u>341,610</u>
Due from government organizations		
ISC	28,542	19,736
CMHC	13,309	104,131
CRD (Capital Regional District)	136,412	-
CSETS	8,166	19,649
First Nations Health Authority	374,606	700,000
Govt of Canada	400,696	226,429
Department of Fisheries and Oceans	240,283	119,378
Transport Canada	<u>378,074</u>	<u>-</u>
	<u>1,580,088</u>	<u>1,189,323</u>
	<u>1,873,152</u>	<u>1,533,696</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2021

6. ADVANCES TO RELATED PARTIES

	2021	2020
	\$	\$
Due from related parties		
1106670 BC Ltd (Centre Mountain Joint Venture)	272,713	236,880
CMBP Project Management Ltd.	954,378	838,557
Sc'ianew Development Corporation	101,167	92,750
Spirit Bay Development LLP	248,044	-
Salish Strait Seafoods Ltd.	-	23,000
M'inuw'ilum Marina LP	(20,760)	34,655
	<u>1,555,542</u>	<u>1,225,842</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 PARTNERHIP

	2021	2020
	\$	\$
Government Business Enterprise:		
Salish Strait Seafood Ltd.	427,201	231,131
1106670 B.C. Ltd.	503,954	503,954
Sc'ianew Development Corporation	<u>1,036,454</u>	<u>1,036,454</u>
	<u>1,967,609</u>	<u>1,771,539</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, 2021 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 31/21	<u>\$2,650,603</u>	<u>\$514,594</u>	<u>\$981,271</u>	<u>\$(912,837)</u>	<u>\$2,136,009</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2021

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.

	2021 \$	2020 \$
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	<u>30,000</u>	<u>30,000</u>
	<u>30,000</u>	<u>30,000</u>

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021 \$	2020 \$
Accounts payable and accrued liabilities	682,661	505,128
Accrued vacation pay	34,038	28,678
Due to government agencies	<u>34,875</u>	<u>18,708</u>
	<u>751,574</u>	<u>552,514</u>

11. DEMAND LOAN

	2021 \$	2020 \$
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>813,210</u>	<u>866,903</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2021

12. LONG TERM DEBT

	2021 \$	2020 \$
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	177,688	198,489
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	105,567	127,514
CMHC Phase 3 housing loan is secured by a guarantee from ISC, payable at \$2,801 per month including principal and interest at 1.69% per annum, matures on July 1, 2024 and is renewable on July 1, 2024	108,671	140,106
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>132,793</u>	<u>141,469</u>
	<u>524,719</u>	<u>607,578</u>

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

2022	83,742
2023	85,185
2024	86,654
2025	87,542
2026	58,820

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2021

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	Amorti- zation	Closing Balance	2021 Balance	2020 Balance
Housing	2,612,632	-	2,612,632	2,110,136	130,632	2,240,768	371,864	502,496
Office Building	171,161	566,066	737,227	63,566	27,802	91,368	645,859	107,595
Furniture & equip	120,571	165,812	286,383	35,594	27,376	62,970	223,413	84,977
Water chlorinator	101,621	-	101,621	56,873	3,387	60,260	41,361	44,748
Vehicle	155,493	66,483	221,976	36,080	22,199	58,279	163,697	119,413
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	216,859	118,802	335,661	210,300	16,305	226,605	109,056	6,559
Application software	40,710	139,181	179,891	40,710	27,836	68,546	111,345	-
Boat and canoe	<u>301,779</u>	<u>-</u>	<u>301,779</u>	<u>64,340</u>	<u>15,089</u>	<u>79,429</u>	<u>222,350</u>	<u>237,439</u>
TOTALS	\$ <u>8,102,841</u>	<u>1,056,344</u>	<u>9,159,185</u>	<u>3,951,834</u>	<u>270,626</u>	<u>4,222,460</u>	<u>4,936,725</u>	<u>4,151,007</u>

* There were no disposals during the year.

14. ACCUMULATED SURPLUS (DEFICIT)

	2021 \$	2020 \$
Operation surplus (deficit)	8,560,182	6,317,792
Reserve Funds	360,047	373,010
Investment in Tangible Capital Assets	<u>4,520,093</u>	<u>3,704,172</u>
	<u>13,440,322</u>	<u>10,394,974</u>

15. RELATED PARTY TRANSACTIONS

During the year, the First Nation advanced \$115,821 to CMBP Project Management Ltd. in order to support its corporate partnership in a joint venture known as the Centre Mountain Joint Venture, which pertains to the development of an industrial site.

During the year, the First Nation advanced \$8,417 in property tax payments and legal fees on behalf of Scia'new Nation Investment Corp. in order to support on-going business activity in the forest industry.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2021

During the year, the First Nation advanced \$35,833 to 1106670 BC Ltd. to support 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.

During the year, the First Nation received \$55,415 from M'inum'ilum Marina Limited Partnership as repayment and future advances for marina business activity support.

During the year, the First Nation advanced \$248,044 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 \$ 524,720 (2020: \$606,739).
- 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, 2021, 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.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2021

18. COMPARATIVE FIGURES

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

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

	2021	2020
	\$	\$
Administration	277,597	270,516
Allowance for loan receivable impairment	-	3,200,000
Amortization	270,626	195,834
Community gatherings/luncheons	3,944	69,209
Culture awareness	1,940	14,250
Donations	-	897
Education	73,019	60,487
Health related expenses	7,367	14,312
Health covid-19	181,077	-
Honoraria	157,488	166,960
Insurance	39,464	39,471
Interest, principal repayment and bank charges	133,607	61,818
Materials, supplies and equipment	88,535	44,551
Office	40,157	8,103
Other	173,327	145,537
Professional fees	590,831	550,206
Rental	15,000	6,000
Repairs and maintenance	28,775	16,369
Salaries and wages	1,202,359	927,387
Social development	684,062	454,450
Sub-contracts	361,502	481,979
Training	16,205	142,689
Travel	9,789	152,688
Utilities (hydro, water, sewer)	302,895	151,193
Vehicle	25,681	8,445
	<u>4,685,247</u>	<u>7,183,351</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

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 Ending March 31, 2021

	Administration	Education	Social Development	Lands Management	Economic Development	Health, Youth and Daycare	Ottawa Trust Fund	Operating Reserve Fund Housing	Community Infrastructure	2021 Total	2020 Total
Revenue											
ISC	345,449	161,097	791,463	277,730	42,000	235,641	-	-	409,546	2,262,926	1,460,286
ISC- Recoveries	-	-	-	-	-	-	-	-	-	-	(24,310)
Deferred revenue	-	-	-	-	-	-	-	-	700,000	700,000	(700,000)
Other	1,154,715	8,000	8,910	118,431	2,244,487	876,284	753	166	342,236	4,753,982	4,232,548
GBE's net income (loss)	-	-	-	-	13,687	-	-	-	-	13,687	(50,303)
	1,500,164	169,097	800,373	396,161	2,300,174	1,111,925	753	166	1,451,782	7,730,595	4,918,221
Expenses											
Salaries and benefits	285,969	16,222	78,645	145,047	321,637	274,055	-	-	80,784	1,202,359	927,387
Sub-contracts	48,717	-	-	2,500	289,852	20,433	-	-	-	361,502	481,979
Social Development	-	-	684,062	-	-	-	-	-	-	684,062	454,450
Amortization	-	-	-	-	-	-	-	-	270,626	270,626	195,834
Allowance for loan receivable impairment	-	-	-	-	-	-	-	-	-	-	3,200,000
Other Program Expenses	216,197	85,426	10,450	150,120	1,433,842	409,461	826	(18,180)	(121,444)	2,166,698	1,923,701
	550,883	101,648	773,157	297,667	2,045,331	703,949	826	(18,180)	229,966	4,685,247	7,183,351
Annual surplus (deficit)	949,281	67,449	27,216	98,494	254,843	407,976	(73)	18,346	1,221,816	3,045,348	(2,265,130)