

BEECHER BAY FIRST NATION

FINANCIAL STATEMENTS

For the year ended MARCH 31, 2024

Brynjolfson & Company
Chartered Professional Accountant

**BEECHER BAY FIRST NATION
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MARCH 31, 2024**

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

Management's Responsibility for Financial Reporting

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

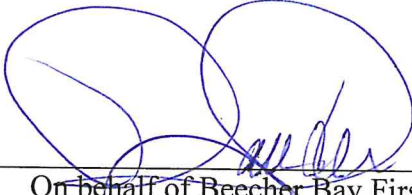
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the CPA Canada and as such include amounts that are the best estimates and judgments of management.

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

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

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

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



On behalf of Beecher Bay First Nation



Peter Brynjolfson and Company Ltd.
Chartered Professional Accountant

797 Kona Crescent
Victoria, B.C. V8X 4N9
(Tel: 250-727-7169)
(E-mail: pbrynjolfson@aol.com)

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, 2024, 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, 2024, 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.

Beecher Bay First Nation received \$5,439,245 from Indigenous Services Canada (ISC) in the year ended March 31, 2023, which was presented as deferred revenue as at the previous year-end. In the current year, significant progress was made with the completion of the architectural design of the Cultural Community Centre. Management believes that this progress is sufficient to present the entire amount received as revenue in the current year. Whether the First Nation has complied with sufficient stipulations for the revenue recognition is uncertain as there are phases of the construction to still be completed, which means that a portion of this amount might still represent a deferred revenue as at March 31, 2024. Expenditures made up to the year-end are to be reported directly to ISC.

INDEPENDENT AUDITOR'S REPORT Cont'd

Other Matter

The Entity advanced funds of \$4,734,006 to Spirit Bay Developments Limited Partnership, a related party, in the current and previous years. Management made a valuation allowance for \$3,200,000 in a previous year, so the advances to the related party at March 31, 2024 are recorded as \$1,534,006. Subsequent to the year-end, the limited partnership was placed in receivership in order for a liquidation of certain real property assets to cover outstanding liabilities. There is a material uncertainty about the collectability of the amounts advanced to the limited partnership, but management believes the valuation allowance is sufficient as at the year-end. Future events may result in actual recoveries differing from the estimated advance receivable.

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.

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.

INDEPENDENT AUDITOR'S REPORT Cont'd

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

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

Brynjolfson & Co.

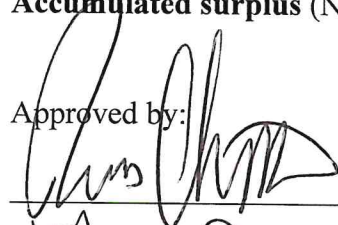
Brynjolfson & Co.
Victoria, B.C.

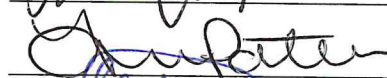
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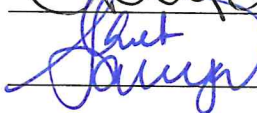
BEECHER BAY FIRST NATION
STATEMENT OF FINANCIAL POSITION
March 31, 2024

	2024	2023
	Actual	Actual
	\$	\$
Financial assets		
Cash and cash equivalents (Note 3)	12,979,083	10,126,804
Trust funds held by federal government (Note 4)	14,772	15,336
Accounts receivable (Note 5)	3,673,830	2,670,683
Advances to related parties (Note 6)	4,808,753	2,248,473
Investment in government business enterprises (Note 7)	2,268,346	2,188,968
Investment in limited partnership (Note 7)	70,630	70,630
Loans receivable (Note 9)	<u>30,000</u>	<u>30,000</u>
	<u>23,845,414</u>	<u>17,350,894</u>
Liabilities		
Accounts payable and accrued liabilities (Note 10)	2,946,699	864,653
Deferred revenue	-	5,439,245
Demand loans (Note 11)	1,519,717	726,497
Long-term debt (Note 12)	<u>268,226</u>	<u>354,817</u>
	<u>4,734,642</u>	<u>7,385,212</u>
Net financial assets	19,110,772	9,965,682
Non-financial assets		
Tangible capital assets (Note 14)	9,263,851	5,368,562
Prepaid Expenses	<u>183,695</u>	<u>118,417</u>
	<u>9,447,546</u>	<u>5,486,979</u>
Accumulated surplus (Note 16)	<u>28,558,318</u>	<u>15,452,661</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, 2024**

	<u>Budget</u>	<u>2024</u>	<u>2023</u>
REVENUE			
Indigenous Services Canada (ISC)	3,264,670	3,264,670	7,925,878
First Nations Health Authority	2,926,911	2,926,911	444,085
Fisheries and Oceans Canada	877,470	877,470	924,991
Government of Canada	2,640,705	2,640,705	774,919
BC Gaming Funds	413,192	413,192	435,412
Province of B.C.	248,300	248,300	93,750
Rental revenue	163,100	206,555	142,208
Other revenue	2,230,785	2,382,136	1,538,663
Deferred revenue (ISC)	<u>5,439,245</u>	<u>5,439,245</u>	<u>(5,439,245)</u>
	<u>18,204,378</u>	<u>18,399,184</u>	<u>6,840,661</u>
EXPENSES			
Administration	417,187	359,735	594,222
Education	155,033	173,756	164,311
Social Development	1,196,458	737,510	837,237
Land Management	748,572	748,242	760,289
Economic Development	4,578,929	3,570,296	2,665,705
Health, Day Care and Youth Group	812,363	630,035	360,275
Ottawa Trust Fund	-	1,633	1,091
Reserves – Social Housing	60,000	69,888	62,030
Community Infrastructure	<u>9,462,955</u>	<u>2,988,831</u>	<u>916,309</u>
	<u>17,431,497</u>	<u>9,279,926</u>	<u>6,361,469</u>
SURPLUS BEFORE ADJUSTMENT	<u>772,881</u>	9,119,258	479,192
ADJUSTMENT FOR CAPITAL ACQUISITIONS, NOTE 15		<u>3,986,399</u>	<u>473,313</u>
ANNUAL SURPLUS		13,105,657	952,505
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>15,452,661</u>	<u>14,500,156</u>
ACCUMULATED SURPLUS, END OF YEAR		\$ <u>28,558,318</u>	\$ <u>15,452,661</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, 2024

	2024 Actual \$	2023 Actual \$
Annual surplus	13,105,657	952,505
Acquisition of tangible capital assets	(4,201,897)	(670,357)
Amortization of tangible capital assets	<u>306,608</u>	<u>284,799</u>
	<u>9,210,368</u>	<u>566,947</u>
Acquisition of prepaid expenses	(183,695)	(118,417)
Use of prepaid expenses	<u>118,417</u>	<u>158,028</u>
	<u>(65,278)</u>	<u>39,611</u>
Change in Net Financial Assets	9,145,090	606,558
Net Financial Assets, at beginning of year	<u>9,965,682</u>	<u>9,359,124</u>
Net Financial Assets, end of year	<u><u>19,110,772</u></u>	<u><u>9,965,682</u></u>

Note: 2024 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, 2024

	2024	2023
	Actual	Actual
	\$	\$
Operating Activities		
Annual surplus	13,105,657	952,505
Amortization of tangible capital assets	306,608	284,799
	13,412,265	1,237,304
Change in non-cash items on statement of financial position		
Accounts receivable	(1,003,147)	(423,931)
Prepaid expenses	(65,278)	39,611
Accounts payable and accrued liabilities	2,082,046	229,233
Deferred revenue	(5,439,245)	5,439,245
	<u>8,986,641</u>	<u>6,521,462</u>
Capital Activities		
Cash used to acquire tangible capital assets	(4,201,897)	(670,357)
Investing Activities		
Investment in GBE	(79,378)	(125,755)
Advances to related parties	(2,560,280)	(608,940)
	<u>(2,639,658)</u>	<u>(734,695)</u>
Financing Activities		
Demand loans additions	1,519,717	-
Repayment of demand loans	(726,497)	(30,910)
First Nations debt repayment	(86,591)	(85,575)
	<u>706,629</u>	<u>(116,485)</u>
Increase in cash and cash equivalents	2,851,715	4,999,925
Cash and equivalents – Beginning of year	<u>10,142,140</u>	<u>5,142,215</u>
Cash and equivalents – End of year	<u>12,993,855</u>	<u>10,142,140</u>
REPRESENTED BY:		
Cash and cash equivalents	12,979,083	10,126,804
Trust Funds held by federal government	14,772	15,336
	<u>12,993,855</u>	<u>10,142,140</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, 2024

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 Investment 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, 2024

3. 1106670 BC Ltd - a wholly owned GBE, incorporated in August 2013; it has a March 31st year end.
4. Spotiel Marine Services Ltd. (formerly 1149741 BC Ltd) – a wholly owned GBE; 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) **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.

e) **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, 2024

f) **Tangible Capital Assets**

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

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

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

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

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

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.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

g) 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.

h) 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.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

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.

i) 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.

3. CASH AND CASH EQUIVALENTS

	2024	2023
	\$	\$
Externally restricted		
Operating Reserve – CMHC Housing	88,445	86,184
Replacement Reserve – CMHC Housing	284,723	276,905
Property Taxation Contingency Reserve	57,700	52,700
Deferred Revenue (ISC)	-	5,439,245
	<u>430,868</u>	<u>5,855,034</u>
Unrestricted		
Cash and banks	<u>12,548,214</u>	<u>4,271,770</u>
Total Cash and Cash Equivalents	<u>12,979,083</u>	<u>10,126,804</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

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	2024 Total	2023 Total
	\$	\$	\$	\$	\$
Revenue	814	1,069	1,633	250	814
Capital	<u>14,522</u>	<u>-</u>	<u>-</u>	<u>14,522</u>	<u>14,522</u>
	<u>15,336</u>	<u>1,069</u>	<u>1,633</u>	<u>14,772</u>	<u>15,336</u>

5. ACCOUNTS RECEIVABLE

	2024	2023
	\$	\$
Due from members		
Members advances	<u>6,532</u>	<u>6,713</u>
Due from others		
Others receivable	<u>308,133</u>	<u>446,953</u>
Due from government organizations		
BC First Nations Gaming	-	435,412
CSETS	92,730	42,000
Canada Ltd. Partnership	172,140	-
Department of Fisheries and Oceans	438,640	575,051
Environment and Climate Change Canada	100,000	-
Govt of Canada Natural Resources	1,922,855	306,428
Nil'To Child and Family Services	300,000	-
Transport Canada PEMSA	<u>332,800</u>	<u>858,126</u>
	<u>3,359,165</u>	<u>2,217,017</u>
	<u>3,673,830</u>	<u>2,670,683</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

6. ADVANCES TO RELATED PARTIES

	2024	2023
	\$	\$
Due from related parties		
1106670 BC Ltd (Centre Mountain Joint Venture)	546,492	118,277
CMBP Project Management Ltd.	954,379	954,379
Sc'ianew Investment Corporation	117,309	117,309
Spirit Bay Development LLP	1,534,006	1,068,007
Spotiel Marine Services	1,633,498	-
M'inuw'ilum Marina LP	<u>23,069</u>	<u>(9,499)</u>
	<u>4,808,753</u>	<u>2,248,473</u>

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

7. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES AND LIMITED PARTNERHIPS

	2024	2023
	\$	\$
Government Business Enterprise:		
Salish Strait Seafood Ltd.	724,695	645,317
1106670 B.C. Ltd.	507,197	507,197
Sc'ianew Investment Corporation	<u>1,036,454</u>	<u>1,036,454</u>
	<u>2,268,346</u>	<u>2,188,968</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, 2024 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 31/24	<u>\$4,304,230</u>	<u>\$680,754</u>	<u>\$1,984,891</u>	<u>\$1,374,559</u>	<u>\$3,623,476</u>

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.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

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.

	2024	2023
	\$	\$
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

	2024	2023
	\$	\$
Accounts payable and accrued liabilities	2,890,157	798,311
Accrued vacation pay	13,309	22,169
Due to government agencies	<u>43,233</u>	<u>44,173</u>
	<u>2,946,699</u>	<u>864,653</u>

11. DEMAND LOANS

	2024	2023
	\$	\$
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.	-	726,497
Vancity operating loan is payable at \$6,700 per month including interest at prime plus 1.5% per annum and is secured by a general security agreement.	716,392	-

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

11. DEMAND LOANS Cont'd

	2024	2023
Vancity operating loan is payable at \$8,200 per month including interest at prime plus 1.5% per annum and is secured by a general security agreement.	<u>803,325</u>	<u>-</u>
	<u>1,519,717</u>	<u>726,497</u>

12. LONG TERM DEBT

	2024 \$	2023 \$
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	38,132	60,781
CMHC Phase 2 housing loan is secured by a guarantee from ISC, payable at \$2,146 per month including principal and interest at 3.58% per annum, matures on December 1, 2028 and is renewable on December 1, 2028	112,731	134,698
CMHC Phase 3 housing loan is secured by a guarantee from ISC, payable at \$2,792 per month including principal and interest at 1.69% per annum, matures on July 1, 2024 and is renewable on July 1, 2024	11,141	44,200
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>106,222</u>	<u>115,138</u>
	<u>268,226</u>	<u>354,817</u>

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

2025	65,626
2026	47,545
2027	32,784
2028	33,777
2029	28,049

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

13. SOCIAL HOUSING RESERVES

a) Replacement Reserve

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$19,000 (2023 - \$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 (CDIC) 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 replacement reserve was under funded by \$99,811 (2023 – underfunded by \$167,440).

b) Operating Reserve

Under the terms of the agreement 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 and/or invested only in accounts or instruments insured by the CDIC or as may otherwise be approved by CMHC from time to time. At year end, the operating reserve was underfunded by \$50,198 (however adequate funds were held in a non-reserve operating bank account); 2023 under funded by \$33,457).

14. 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	2024 Balance	2023 Balance
Housing	2,612,632	-	2,612,632	2,435,089	16,151	2,451,240	161,392	177,543
Community Bldgs	1,117,602	1,800,789	2,918,391	156,572	32,602	189,174	2,729,217	961,030
Furniture & equip	432,483	9,056	441,539	147,950	43,006	190,956	250,583	284,533
Water chlorinator	101,621	-	101,621	67,036	3,387	70,423	31,198	34,585
Vehicle	265,194	44,961	310,155	107,024	31,016	138,040	172,115	158,170
Infrastructure dev	2,298,108	-	2,298,108	-	-	-	2,298,108	2,298,108
Subdivision dev	-	164,675	164,675	-	-	-	164,675	-
Water system dev	749,672	367,800	1,117,472	-	-	-	1,117,472	749,672
Sewer systems	1,334,235	-	1,334,235	1,334,235	-	1,334,235	-	-
Marina equipment	427,623	95,670	523,293	261,696	23,756	285,452	237,841	165,927
Marine equipment	231,876	-	231,876	23,188	23,188	46,376	185,500	208,688
Application software	179,891	11,700	191,591	96,382	30,176	126,558	65,033	83,509
Boat and canoe	359,279	1,707,246	2,066,525	112,482	103,326	215,808	1,850,717	246,797
TOTALS	<u>\$10,110,216</u>	<u>4,201,897</u>	<u>14,312,113</u>	<u>4,741,654</u>	<u>306,608</u>	<u>5,048,262</u>	<u>9,263,851</u>	<u>5,368,562</u>

* There were no disposals during the year.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

15. ADJUSTMENT FOR CAPITAL ACQUISITIONS

Capital acquisitions have been included as an expense item in the Statement of Operations in order to be consistent with the capital funding reports provided to Indigenous Services Canada. For the required presentation under public sector accounting standards, the expense is reversed, capitalized and amortized accordingly.

16. ACCUMULATED SURPLUS

	2024	2023
	\$	\$
Operation surplus	18,867,028	9,711,961
Reserve Funds	580,877	616,686
Investment in Tangible Capital Assets	<u>9,110,413</u>	<u>5,124,014</u>
	<u>28,558,318</u>	<u>15,452,661</u>

17. RELATED PARTY TRANSACTIONS

During the year, the First Nation advanced \$1,633,498 for operating expenses on behalf of Spotiel Marine Services Ltd. in order to support on-going business activity in the marine industry. The advances consisted of cash proceeds from an \$800,000 operating loan received from Vancity Credit Union as well as various operating cash disbursements made on behalf of the company by the First Nation.

During the year, the First Nation advanced \$428,215 to 1106670 BC Ltd. to the 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 paid \$32,568 to M'inum'ilum Marina Limited Partnership in support of marina business activity.

During the year, the First Nation advanced \$465,609 to Spirit Bay Developments Limited Partnership primarily in support of 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.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

18. 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 \$ 267,787 (2023: \$354,817).
- 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, 2024, the First Nation has provided guarantees for a total of \$240,000 for two members.

19. 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.

20. COMPARATIVE FIGURES

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

21. BUDGETED FIGURES

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

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

22. EXPENSES BY OBJECT

	2024	2023
	\$	\$
Amortization	306,608	284,799
Community gatherings/luncheons	28,452	9,728
Culture awareness	18,505	7,149
Education	132,964	121,757
Honoraria	223,268	303,934
Insurance	60,253	54,246
Interest, principal repayment and bank charges	103,694	150,455
Materials, supplies and equipment	78,120	111,796
Office	22,752	12,271
Other	585,741	676,517
Professional fees	657,802	1,233,456
Rental	72,995	34,970
Repairs and maintenance	50,906	24,776
Salaries and wages	1,612,856	1,634,111
Social development	542,308	603,348
Sub-contracts	337,848	266,133
Training	23,350	89,429
Travel	108,316	85,353
Utilities (hydro, water, sewer)	<u>321,801</u>	<u>183,926</u>
	<u>5,288,539</u>	<u>5,888,154</u>

23. 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.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

23. SEGMENTED INFORMATION Cont'd

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.

23. SEGMENTED DISCLOSURE

Beecher Bay First Nation Schedule of Segmented Operations For the Year Ended March 31, 2024											
	Administration	Education	Social Development	Lands Management	Economic Development	Health, Youth and Daycare	Ottawa Trust Fund	Reserve Funds Housing	Community Infrastructure	Equity Capital Assets	Total
Revenue											
ISC	258,076	155,033	1,102,659	358,043	-	-	-	-	1,390,859	-	7,925,878
Deferred revenue	-	-	-	-	-	-	-	-	5,439,245	-	(5,439,245)
Other	820,452	5,593	104,863	457,838	4,677,613	805,357	1,069	29,079	2,682,335	-	4,231,516
GBE's net income (loss)	-	-	-	-	111,070	-	-	-	-	-	122,512
	1,078,528	160,626	1,207,522	815,881	4,788,683	805,357	1,069	29,079	9,512,439	-	6,840,661
Expenses											
Salaries, wages & benefits	266,614	20,875	156,302	193,988	609,812	181,927	-	-	183,338	-	1,634,111
Social Development	-	-	542,308	-	-	-	-	-	-	-	603,348
Amortization	-	-	-	-	-	-	-	-	-	306,608	284,799
Other Program Expenses	93,121	152,881	38,900	554,254	2,960,485	448,108	1,633	69,888	2,805,493	-	4,124,008
Equity Capital - Note 15	-	-	-	-	-	-	-	-	-	(4,293,007)	(758,112)
	359,735	173,756	737,510	748,242	3,570,297	630,035	1,633	69,888	2,988,831	(3,986,399)	5,888,154
Annual surplus (deficit)	718,793	(13,130)	470,012	67,639	1,218,386	175,322	(564)	(40,809)	6,523,608	3,986,399	952,507