

BEECHER BAY FIRST NATION
FINANCIAL STATEMENTS
For the year ended MARCH 31, 2025

Brynjolfson CPA Inc.
Chartered Professional Accountant

**BEECHER BAY FIRST NATION
INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2025**

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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 CPA Inc., 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 line, positioned above a horizontal line.

On behalf of Beecher Bay First Nation



Brynjolfson CPA Inc.
Chartered Professional Accountant

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Victoria, B.C. V8X 5M2
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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, 2025, 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, 2025, 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.

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, 2025 are recorded as \$1,948,103. 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.

INDEPENDENT AUDITOR'S REPORT Cont'd

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.

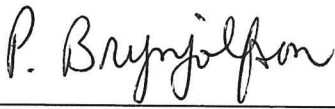
I also:

- 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.
- 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.

INDEPENDENT AUDITOR'S REPORT Cont'd

- 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.



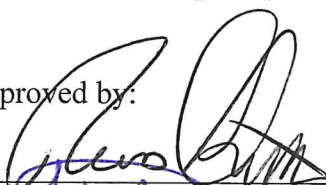
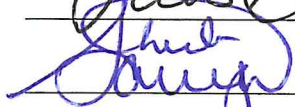
Brynjolfson CPA Inc.
Victoria, B.C.

November 6, 2025

BEECHER BAY FIRST NATION
STATEMENT OF FINANCIAL POSITION
March 31, 2025

	2025 Actual \$	2024 Actual \$
Financial assets		
Cash and cash equivalents (Note 3)	10,085,308	12,979,083
Trust funds held by federal government (Note 4)	15,334	14,772
Accounts receivable (Note 5)	1,339,891	3,673,830
Advances to related parties (Note 6)	7,875,944	4,808,753
Investment in government business enterprises (Note 7)	2,339,675	2,268,346
Investment in limited partnership (Note 7)	70,630	70,630
Loans receivable (Note 9)	<u>30,000</u>	<u>30,000</u>
	<u>21,756,782</u>	<u>23,845,414</u>
Liabilities		
Accounts payable and accrued liabilities (Note 10)	2,779,898	2,946,699
Demand loans (Note 11)	1,457,039	1,519,717
Long-term debt (Note 12)	<u>203,095</u>	<u>268,226</u>
	<u>4,440,032</u>	<u>4,734,642</u>
Net financial assets	17,316,750	19,110,772
Non-financial assets		
Tangible capital assets (Note 14)	15,074,087	9,263,851
Prepaid Expenses	<u>159,554</u>	<u>183,695</u>
	<u>15,233,641</u>	<u>9,447,546</u>
Accumulated surplus (Note 16)	<u>32,550,391</u>	<u>28,558,318</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, 2025**

	<u>Budget</u>	<u>2025</u>	<u>2024</u>
Revenue			
Indigenous Services Canada (ISC)	3,531,374	3,531,374	3,264,670
First Nations Health Authority	1,511,274	1,511,274	2,926,911
Fisheries and Oceans Canada	1,387,124	1,390,270	877,470
Government of Canada	948,486	978,486	2,640,705
BC Gaming Funds	312,885	312,885	413,192
Province of B.C.	166,300	166,300	248,300
Rental revenue	97,875	104,959	206,555
Other revenue	3,434,240	3,582,888	2,377,148
Deferred revenue (ISC)	-	-	5,439,245
	<u>11,389,558</u>	<u>11,578,436</u>	<u>18,394,196</u>
Expenses			
Administration	1,180,303	685,795	347,254
Education	169,377	228,433	173,756
Social Development	1,288,555	856,109	737,510
Land Management	851,749	790,979	748,242
Economic Development	4,612,675	2,578,973	3,577,786
Health, Day Care and Youth Group	527,909	520,381	630,035
Ottawa Trust Fund	1,050	493	1,633
Reserves – Social Housing	-	17,686	69,888
Community Infrastructure	<u>2,757,940</u>	<u>7,782,881</u>	<u>2,988,834</u>
	<u>11,389,558</u>	<u>13,461,730</u>	<u>9,274,938</u>
Surplus/(Deficit), before capital acquisition adjustment	<u>-</u>	(1,883,294)	9,119,258
Adjustment for capital acquisitions, Note 15		<u>5,875,367</u>	<u>3,986,399</u>
Annual surplus		3,992,073	13,105,657
Accumulated surplus, beginning of year		<u>28,558,318</u>	<u>15,452,661</u>
Accumulated surplus, end of year		\$ <u>32,550,391</u>	\$ <u>28,558,318</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, 2025

	2025 Actual \$	2024 Actual \$
Annual surplus	3,992,073	13,105,657
Acquisition of tangible capital assets	(6,080,372)	(4,201,897)
Amortization of tangible capital assets	<u>270,136</u>	<u>306,608</u>
	<u>(1,818,163)</u>	<u>9,210,368</u>
Acquisition of prepaid expenses	(159,554)	(183,695)
Use of prepaid expenses	<u>183,695</u>	<u>118,417</u>
	<u>24,141</u>	<u>(65,278)</u>
Change in Net Financial Assets	(1,794,022)	9,145,090
Net Financial Assets, at beginning of year	<u>19,110,772</u>	<u>9,965,682</u>
Net Financial Assets, end of year	<u>17,316,750</u>	<u>19,110,772</u>

Note: 2025 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, 2025**

	2025 Actual \$	2024 Actual \$
Operating Activities		
Annual surplus	3,992,073	13,105,657
Amortization of tangible capital assets	<u>270,135</u>	<u>306,608</u>
	4,262,208	13,412,265
Change in non-cash items on statement of financial position		
Accounts receivable	2,333,939	(1,003,147)
Prepaid expenses	24,141	(65,278)
Accounts payable and accrued liabilities	(166,801)	2,082,046
Deferred revenue	<u>-</u>	<u>(5,439,245)</u>
	<u>6,453,487</u>	<u>8,986,641</u>
Capital Activities		
Cash used to acquire tangible capital assets	<u>(6,080,371)</u>	<u>(4,201,897)</u>
Investing Activities		
Investment in GBE	(71,329)	(79,378)
Advances to related parties	<u>(3,067,191)</u>	<u>(2,560,280)</u>
	<u>(3,138,520)</u>	<u>(2,639,658)</u>
Financing Activities		
Demand loans additions	-	1,519,717
Repayment of demand loans	(62,678)	(726,497)
First Nations debt repayment	<u>(65,131)</u>	<u>(86,591)</u>
	<u>(127,809)</u>	<u>706,629</u>
Increase in cash and cash equivalents	(2,893,213)	2,851,715
Cash and equivalents – Beginning of year	<u>12,993,855</u>	<u>10,142,140</u>
Cash and equivalents – End of year	<u>10,100,642</u>	<u>12,993,855</u>
REPRESENTED BY:		
Cash and cash equivalents	10,085,308	12,979,083
Trust Funds held by federal government	<u>15,334</u>	<u>14,772</u>
	<u>10,100,642</u>	<u>12,993,855</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, 2025

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 (GBE) 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, 2025

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.
5. M'inuw'ilum Marina Inc. – 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 December 31st year end.
3. Spotiel Marine Services Limited Partnership – 99% owned limited partnership interest set-up to provide services to local vessels of Kotug Canada.

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.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

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.

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.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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.

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.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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.

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.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

3. CASH AND CASH EQUIVALENTS

	2025	2024
	\$	\$
Externally restricted		
Operating Reserve – CMHC Housing	90,773	88,445
Replacement Reserve – CMHC Housing	292,900	284,723
Property Taxation Contingency Reserve	<u>82,331</u>	<u>57,700</u>
	<u>466,004</u>	<u>430,868</u>
Unrestricted		
Cash and banks	<u>9,619,304</u>	<u>12,548,215</u>
Total Cash and Cash Equivalents	<u>10,085,308</u>	<u>12,979,083</u>

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	2025 Total	2024 Total
	\$	\$	\$	\$	\$
Revenue	250	1,057	495	812	250
Capital	<u>14,522</u>	<u>-</u>	<u>-</u>	<u>14,522</u>	<u>14,522</u>
	<u>14,772</u>	<u>1,057</u>	<u>495</u>	<u>15,334</u>	<u>14,772</u>

5. ACCOUNTS RECEIVABLE

	2025	2024
	\$	\$
Due from members		
Members advances	<u>4,078</u>	<u>6,532</u>
Due from others		
Others receivable	<u>460,088</u>	<u>308,133</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

5. ACCOUNTS RECEIVABLE (cont'd)

	2025	2024
Due from funding organizations		
CSETS	66,426	92,730
Canada Ltd. Partnership	172,140	172,140
Department of Fisheries and Oceans	13,231	438,640
Environment and Climate Change Canada	100,000	100,000
Govt of Canada Natural Resources	22,855	1,922,855
Indigenous Services Canada	280,632	-
Nil'To Child and Family Services	-	300,000
Transport Canada PEMSA	<u>551,800</u>	<u>332,800</u>
	1,207,084	3,359,165
Less: allowance for funding recoveries	<u>(331,359)</u>	<u>-</u>
	<u>1,339,891</u>	<u>3,673,830</u>

6. ADVANCES TO RELATED PARTIES

	2025	2024
	\$	\$
Due from related parties		
1106670 BC Ltd (Centre Mountain Joint Venture)	2,526,346	546,492
CMBP Project Management Ltd.	954,379	954,379
Sc'ianew Development Corporation	141,534	117,309
Spirit Bay Development LLP	1,948,103	1,534,006
Spotiel Marine Services	2,305,582	1,633,498
M'inuw'ilum Marina LP	<u>-</u>	<u>23,069</u>
	<u>7,875,944</u>	<u>4,808,753</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

	2025	2024
	\$	\$
Government Business Enterprise:		
Salish Strait Seafood Ltd.	796,024	724,695
1106670 B.C. Ltd.	507,197	507,197
Sc'ianew Development Corporation	<u>1,036,454</u>	<u>1,036,454</u>
	<u>2,339,675</u>	<u>2,268,346</u>
Limited Partnership:		
M'inuw'ilum Marina LP	<u>70,630</u>	<u>70,630</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

As at the date of the Independent Auditor's Report, current 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, 2025 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 31/25	\$4,711,827	\$731,709	\$1,802,106	\$1,328,118	\$3,980,118

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.

	2025 \$	2024 \$
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

	2025 \$	2024 \$
Accounts payable and accrued liabilities	1,827,905	2,827,348
Due to MMLP (flow-through from Kotug Canada)	312,461	-
Holdbacks	609,080	76,118
Due to government agencies	<u>30,452</u>	<u>43,233</u>
	<u>2,779,898</u>	<u>2,946,699</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

11. DEMAND LOANS

	2025	2024
	\$	\$
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.	690,872	716,392
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>766,167</u>	<u>803,325</u>
	<u>1,457,039</u>	<u>1,519,717</u>

12. LONG TERM DEBT

	2025	2024
	\$	\$
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	15,310	38,132
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	90,543	112,731
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
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>97,242</u>	<u>106,222</u>
	<u>203,095</u>	<u>268,226</u>

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

12. LONG TERM DEBT (cont'd)

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

2026	\$47,545	2028	\$33,777	2030	\$9,288
2027	\$32,784	2029	\$28,409		

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 \$14,500 (2024 - \$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 \$95,208 (2024 – underfunded by \$99,811).

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 \$51,615 (2024 under funded by \$50,198).

14. TANGIBLE CAPITAL ASSETS

	COST			AMORTIZATION				
	Opening Balance	Additions	Closing Balance	Opening Balance	Amorti- zation	Closing Balance	2025 Balance	2024 Balance
Housing	2,612,632	-	2,612,632	2,451,240	43,759	2,494,999	117,633	161,392
Community Bldgs	2,918,391	6,086,393	9,004,784	189,174	32,601	221,775	8,783,009	2,729,217
Furniture & equip	441,539	-	441,539	190,956	42,656	233,612	207,927	250,583
Water chlorinator	101,621	-	101,621	70,423	3,387	73,810	27,811	31,198
Vehicle	310,155	-	310,155	138,040	28,855	166,895	143,260	172,115
Infrastructure dev	2,298,108	31,521	2,329,629	-	-	-	2,329,629	2,298,108
Subdivision dev	164,675	416,737	581,412	-	-	-	581,412	164,675
Water system dev	1,117,472	230,268	1,347,740	-	-	-	1,347,740	1,117,472
Sewer systems	1,334,235	-	1,334,235	1,334,235	-	1,334,235	-	-
Marina equipment	523,293	-	523,293	285,452	30,643	316,095	207,198	237,841
Marine equipment	231,876	-	231,876	46,376	23,188	69,564	162,312	185,500
Application software	191,591	-	191,591	126,558	30,176	156,734	34,857	65,033
Boat and canoe	2,066,525	(684,549)	1,381,976	215,808	34,870	250,678	1,131,298	1,850,717
TOTALS	<u>\$14,312,113</u>	<u>6,080,370</u>	<u>20,392,483</u>	<u>5,048,262</u>	<u>270,135</u>	<u>5,318,397</u>	<u>15,074,086</u>	<u>9,263,851</u>

* There were no disposals during the year.

BEECHER BAY FIRST NATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

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

	2025	2024
	\$	\$
Operation surplus	16,971,415	18,867,028
Reserve Funds	593,196	580,877
Investment in Tangible Capital Assets	<u>14,985,780</u>	<u>9,110,413</u>
	<u>32,550,391</u>	<u>28,558,318</u>

17. RELATED PARTY TRANSACTIONS

During the year, the First Nation advanced \$672,084 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 various operating cash disbursements made on behalf of the company by the First Nation.

During the year, the First Nation advanced \$1,979,854 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 received \$337,079 from Kotug on behalf of M'inum'ilum Marina Limited Partnership; the flow-through funds have been recorded as a payable to the Limited Partnership in support of the marine business activity.

During the year, the First Nation advanced \$413,529 to Spirit Bay Developments Limited Partnership in support of its property development business activity.

During the year, the First Nation advanced \$24,225 to Sc'ianew Development Coporation in support of its on-going 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, 2025

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 \$ 213,882 (2024: \$267,787).
- 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, 2025, 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, 2025

22. EXPENSES BY OBJECT

	2025	2024
	\$	\$
Amortization	270,135	306,608
Band member support	959,063	-
Community gatherings/luncheons	26,450	28,452
Culture awareness	7,266	18,505
Education	181,378	132,964
Funding recovery (ISC vessel purchase prior year)	521,359	-
Honoraria	172,343	223,268
Insurance	68,295	60,253
Interest, principal repayment and bank charges	79,937	103,694
Materials, supplies and equipment	163,212	78,120
Other	347,023	681,488
Professional fees	921,632	657,802
Repairs and maintenance	31,093	50,906
Salaries and wages	1,739,772	1,612,856
Social development	492,008	542,308
Sub-contracts	1,115,646	337,848
Training	12,819	23,350
Travel	135,719	108,316
Utilities (hydro, water, sewer)	341,213	321,801
	<u>7,586,363</u>	<u>5,288,539</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, 2025

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, 2025											
	Administration	Education	Social Development	Lands Management	Economic Development	Health, Youth and Daycare	Ottawa Trust Fund	Reserve Funds Housing	Community Infrastructure	Equity Capital Assets	2024 Total
Revenue											
ISC	319,418	167,377	1,129,373	365,662	-	-	-	-	1,549,545	-	3,264,670
Deferred revenue	-	-	-	-	-	-	-	-	-	-	5,439,245
Other	901,361	2,000	159,182	482,875	4,756,796	534,331	1,057	25,005	1,184,454	-	9,579,211
GBE's net income (loss)	-	-	-	-	-	-	-	-	-	-	111,070
	1,220,779	169,377	1,288,555	848,537	4,756,796	534,331	1,057	25,005	2,733,999	-	18,394,196
Expenses											
Salaries, wages & benefits	304,310	25,137	177,562	189,124	747,878	151,463	-	-	144,248	-	1,612,856
Social Development	-	-	492,008	-	-	-	-	-	-	-	542,308
Amortization	-	-	-	-	-	-	-	-	-	270,135	306,608
Other Program Expenses	381,485	203,296	186,539	601,858	1,831,095	368,918	493	17,686	7,638,633	-	7,119,775
Equity Capital - Note 15	-	-	-	-	-	-	-	-	-	(6,145,505)	(4,293,007)
	685,795	228,433	856,109	790,982	2,578,973	520,381	493	17,686	7,782,881	(5,875,370)	5,288,540
Annual surplus (deficit)	534,984	(59,056)	432,446	57,555	2,177,823	13,950	564	7,319	(5,048,882)	5,875,370	13,105,656