

2021-2022



BC FIRST NATIONS
JUSTICE COUNCIL

Annual Report

The BC First Nations Justice Council is a non-profit organization founded by BC First Nation leaders

bcfnjc.com

From the Chair

We raise our hands to the extraordinary leaders of the past and present who continue to make fundamental change to the justice system and clear the path to a different reality for Indigenous peoples in BC. March 2022 marks the second year since the BC First Nations Justice Strategy (the Strategy) was signed. I am pleased to present this annual report which reviews the accomplishments of the BC First Nations Justice Council (BCFNJC) for the 2021 – 2022 year.

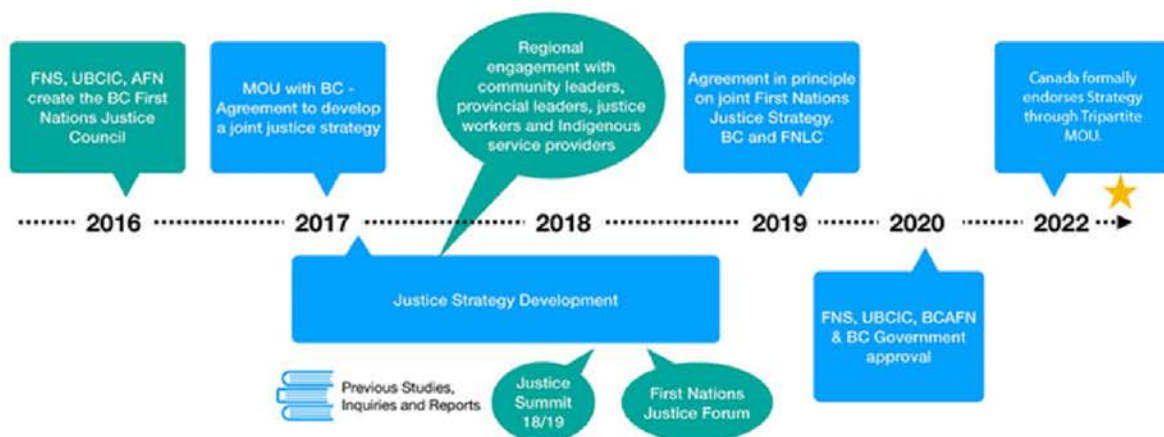
This year marked significant growth and has set anew pace for the BCFNJC. We added a Manager of Human Resources to facilitate this level of growth, by March 31st, we were at 32 staff members. We are working diligently to continue staffing vital positions and to develop capacity in a mindful manner, looking back with gratitude as we began the year with nine employees.

With the support of both Hereditary and Elected Leadership, we continue to make significant strides towards the next stages to fully implement the Strategy. Through the establishment of three Indigenous Justice Centres (IJC's), a Virtual Indigenous Justice Centre (VIJC), and the expanded availability of Gladue reports in the province, we have been able to continue delivering on the following key functions:

1. Keep Indigenous people safe by reducing incarceration.
2. Divert Indigenous people to a healthy path away from justice system involvement.
3. Make the justice system experience more Indigenous through supporting Indigenous legal orders, healing traditions, and ways of knowing.
4. Make it easier for Indigenous people to navigate complex justice systems and to obtain meaningful, culturally sensitive, support.

As this vitally important work of the BCFNJC continues, outlined in the Strategy, it is important to know that the commitment to rebuild Indigenous legal structures and to decolonize existing models of justice has never been stronger than it is today. However, there is still a lot of work to be done to create meaningful and transformative change.

Indigenous people continue to lead the way, with strong provincial partners. The Council over the last year set out to bring the federal government on board to elicit change at a national level and on matters under federal jurisdiction. On January 20th, 2022, the Honourable David Lametti, Minister of Justice and Attorney General of Canada, the Honourable David Eby, Attorney General of British Columbia, and Council Members, signed the tripartite Memorandum of Understanding (MOU) between the BCFNJC, British Columbia, and Canada. This partnership will enable meaningful transformation within the justice system and supports the recognition and implementation of Indigenous justice systems in British Columbia.



The work, though challenging at times, is future focused. We continue to seize the opportunity of the provincial and federal governments' political alignment and must not lose sight of ensuring the commitment to the full implementation of the strategy is realized. We are proud of what we have built together as BC First Nations to address the crisis facing many Indigenous individuals, families, and communities.

We are working hard to uphold justice through self-determination, and to end the colonial era of control over Indigenous peoples of this land. We continue to work towards meaningful change that advances healing and improves the experiences of Indigenous citizens that interact with the justice system. We remain committed to ensuring that we work to create a more hopeful and better future for our children, grandchildren, and generations to come.

Douglas White (Kwulasultun) QC, Chair



From the Executive Director

This was another year of development and growth for our team throughout the province. All three of our Indigenous Justice Centres moved into their own spaces to accommodate the growth of staff and increase in client engagement. The Virtual Indigenous Justice Centre launched in October 2021, enabling us to provide legal services to clients around the province.

BCFNJC worked with Legal Aid BC and assumed on April 1st, 2021 responsibility to write Gladue reports for Indigenous people throughout the province. To facilitate that transition, we created a new training program for Gladue writers and offered it for the first time in partnership with the Nicola Valley Institute of Technology.

In the summer, BCFNJC signed a tripartite agreement with the Province of BC and the Government of Canada to support the implementation of the Justice Strategy, and to include BCFNJC in the development of the National Indigenous Justice Strategy.

We contributed significantly to the work of the Special Committee on Reforming the Police Act (SCORPA) in BC through the submission of a comprehensive report and participation in the engagement process. BCFNJC is hopeful that the SCORPA recommendations will be implemented in a tangible way, with First Nations' input.

A multidisciplinary team has started the work on an Indigenous Women's Justice Plan as visioned in Strategy 11. Along the way, we have had support from the Ministry of the Attorney General's Indigenous Justice Policy & Legislation Division, which provided BCFNJC additional capacity to do our important work.

Emerging from the worst of COVID restraints, we were able to hire new staff throughout the province who are fiercely dedicated to this work. BCFNJC is thankful to our staff members and Council who continue to give their time and talents to further the implementation of the Strategy.

Gaelene Askeland, Executive Director

Who we are and what we do.

In 2016, the BC Assembly of First Nations (BCAFN), the First Nations Summit (FNS), and the Union of BC Indian Chiefs (UBCIC), working together as the First Nations Leadership Council, created the BC First Nations Justice Council with the mandate of addressing the overrepresentation of Indigenous peoples in the justice and child welfare systems.

There are five (5) directors of the BC First Nations Justice Council. The FNS, BCAFN and the UBCIC each appoint one director, and two are collectively appointed.

Douglas White (Kwulasultun), QC, Chair

Boyd Peters (Xoyet thet), Director

Annita McPhee, Director

Rosalie Yazzie, Vice-Chair, Director

Kory Wilson (Puglid), Director



First Nations in BC have provided a clear mandate to the BC First Nations Justice Council to:

- Challenge approaches that contribute to the over-representation of First Nations children and youth in care;
- Transform the justice system to significantly reduce the growing overrepresentation of incarcerated First Nations woman and men; and,
- Productively engage with government to advance effective strategies that can achieve better outcomes for Indigenous people in the justice system.

Vision

Mission

We are guided by many factors including ancestral practices, customs, and traditions.

The BC First Nations Justice Council supports the well-being of future generations by transforming the status quo today - upholding self-determination, reclaiming legal traditions and addressing systemic injustice.

Values

1

Culture: We draw upon our ancestral practices, customs and traditions to shape transformative change.

2

Safety: We support the holistic physical, emotional, and cultural security and well-being of our citizens and staff through our behaviours, services, and policies.

3

Respect: We uphold human dignity in all interactions and honour the diversity of teachings and perspectives of BC First Nations. Our work draws upon and integrates the strengths of both First Nations and western legal traditions.

4

Empowerment: Our strategies, advocacy and services are grounded in the principle of self-determination and the goal of increasing the freedom of our Nations and citizens to make their own decisions.

5

Trust: Our processes and actions create stability and credibility internally amongst our staff and Council members, between the Council and our communities and citizens, and with our partners.

6

Trust: Our work has meaningful and material impact that advances healing and improves the experiences of BC First Nations citizens that interact with the justice system.

Implementing the BC First Nations Justice Strategy

2021 – 2022 Implementation Overview

The BC First Nations Justice Council continues to make significant strides regarding the implementation of the Strategy. We have accomplished a lot over the last year, but much more needs to be done as we carve the path forward.

Expand and invest in a comprehensive network of Indigenous Justice Centres

The BC First Nations Justice Strategy mapped out a goal to create 15 Indigenous Justice Centres (IJC) in BC. BCFNJC's first three IJC's - in Prince George, Prince Rupert, and the Nicola Valley (Merritt) - became operational in mid-2020.

The three IJC's in operation continue to build on and provide wrap-around services for Indigenous people in conflict with Canadian law. Each of our IJC's is unique, built and staffed with a view to the host community's needs and vision for legal services. Beyond services provided by the IJC's, these centres offer employment opportunities for individuals from the Nations served, as well as other Indigenous people and allies who understand Indigenous histories, culture, and laws.

Although the BCFNJC plans to open more brick-and-mortar IJC's in the coming years, it has been made clear that many areas of the province remain underserved or not served at all. The BCFNJC recognized these gaps in service, prompting the creation of the Virtual Indigenous Justice Centre (VIJC) in 2021.

Strategy 4

The Virtual Indigenous Justice Centre (VIJC) is a telephone and web-based, no-cost legal service provider for Indigenous people across BC. The service helps our people navigate the justice system, which is often complex, intimidating, and in many instances, culturally unsafe.

Services provided at our IJCs and VIJC include legal advice and representation on child protection and criminal law matters; advocacy and support for dealing with agencies such as the RCMP (Royal Canadian Mounted Police), social services and the Ministry of Children and Family Development (MCFD); Gladue report writing and aftercare; referrals, and more.

We know that access to justice for our people requires more than 15 physical IJCs, and we are actively advocating for solutions targeted at addressing this. As we expand the scope of this crucial initiative, Council continues to establish meaningful engagement with the rights and title holders of prospective IJC host territories to ensure the process unfolds in a good way. We have a focus and intention in the coming years to add more brick-and-mortar locations to continue growing the BCFNJC service delivery network in the province.

Indigenous Justice Centre Locations

Prince George IJC

102 - 1085 3rd Avenue
Prince George, BC
V2L 1R3
T: 250-645-5519
E: pginfo@bcfnjc.com

Prince Rupert IJC

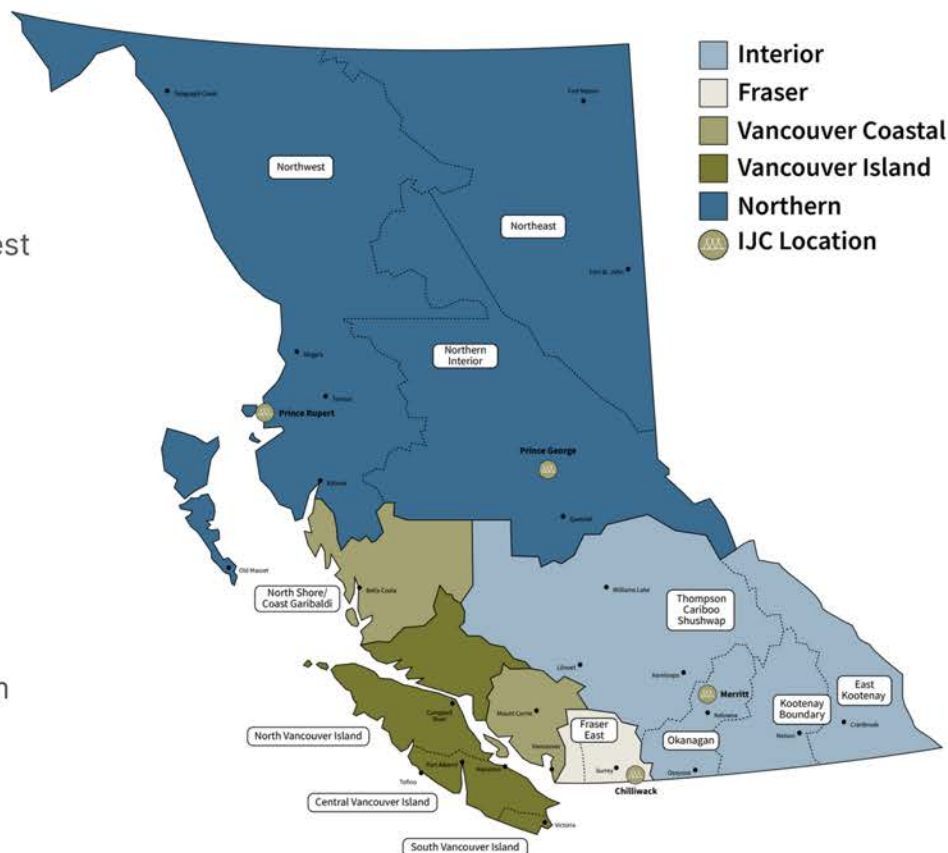
200 - 515 3rd Avenue West
Prince Rupert, BC
V8J 1L9
T: 778-622-3563
E: prininfo@bcfnjc.com

Merritt IJC

1999 Voght Street
Merritt, BC
V1K 1B8
T: 236-575-3004
E: merrittinfo@bcfnjc.com

Virtual IJC

T: 1-866-786-0081
E: virtual@bcfnjc.com

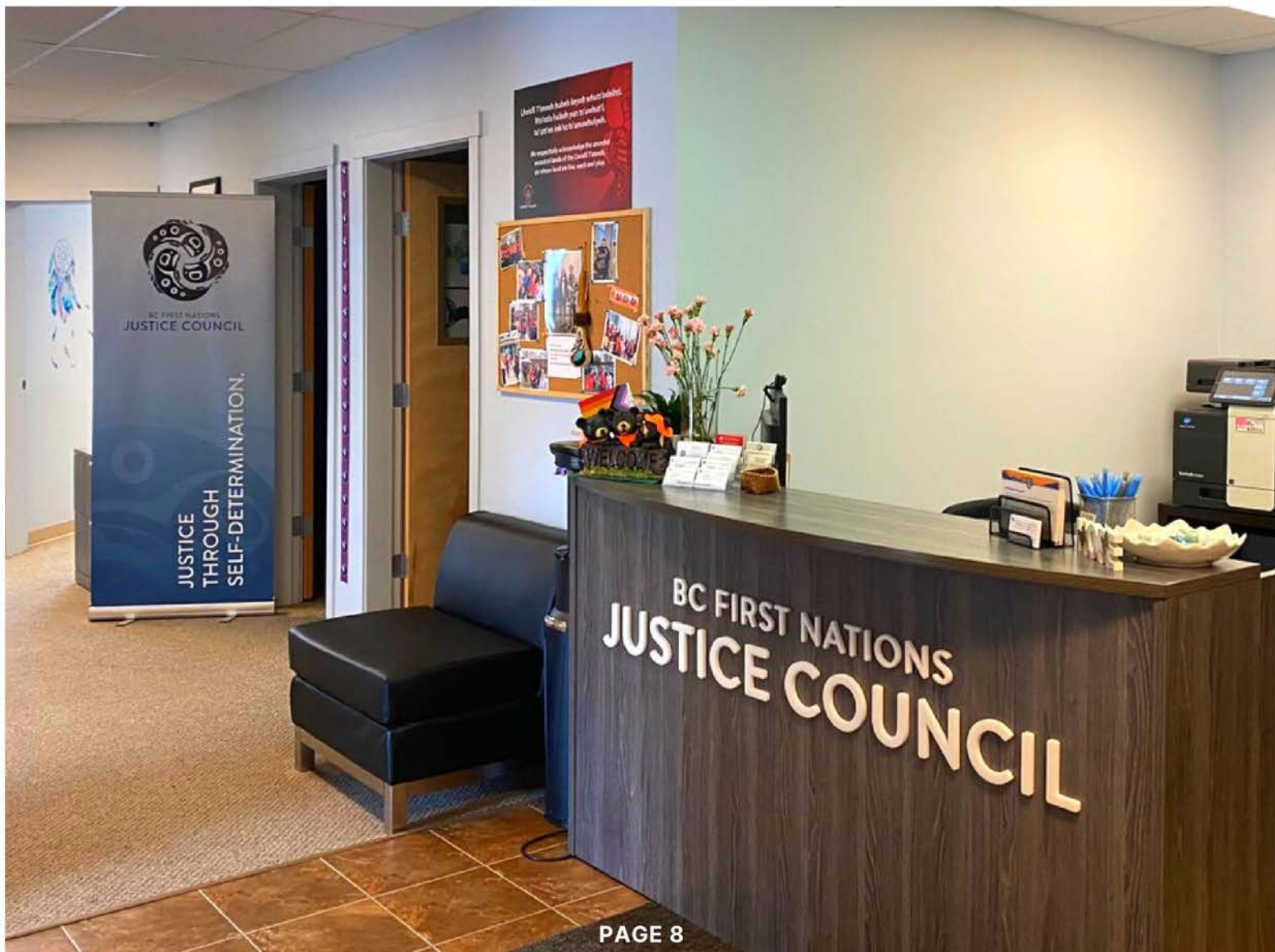


Establishing First Nations Legal Services

The Indigenous Justice Centres (IJC) as well as an Indigenous controlled and decolonized approach to legal aid are key components to establishing trust in the Canadian legal system. It is imperative that legal services for Indigenous people are designed, delivered, and directed by Indigenous people.

Together with our partners, BCFNJC is working on the transition of legal aid service provision from Legal Aid BC to BCFNJC. We will continue to provide updates as this important work unfolds.

Strategy 5



Gladue Services

When we developed the Justice Strategy, we knew things needed to change drastically. This needed to begin with Indigenous people leading and overseeing the pre-existing work being done in BC.

On April 1, 2021, responsibility for Gladue report writing transitioned from Legal Aid BC to BCFNJC under our Gladue Services Division. In the first year since the transition, BCFNJC saw a 30% increase in requests for Gladue reports, and we more than doubled the number of Gladue reports delivered to the Courts.

The demand for Gladue services continues to grow and remains a priority. We are focused on the road ahead and plan to bring exciting changes to our approach to Gladue in the years to come.

Gladue Stories

A young client was abandoned as a child and raised in foster care. With both an extensive youth and adult criminal record tied to addiction to substances, they spent a total of four years in jail and were facing a federal custodial sentence on an assault with a weapon charge. With a Gladue report from the BCFNJC, this client received a six-month conditional sentence, which was served successfully. As part of the healing plan, they completed residential alcohol and drug counselling and are now enrolled in a post-secondary trades program.

The BCFNJC received a letter from a social worker employed by Correctional Services Canada (CSC) sharing the profound impact that a Gladue report had on them. The letter explained that, by reading the client's file from CSC, they were afraid to meet with them. After reading the Gladue report, they were excited to meet the person, as the report reminded them that this individual was a human, had friends and hobbies, and was so much more than what brought them to CSC.

Gladue Stories

An 18-year-old was charged with a first offense for assaulting their partner.

This individual grew up in an unstable home, witnessing drug, alcohol, and domestic abuse as a daily norm. The family moved often, creating an unstable home. Their parents separated when they were young, and their mother began a new relationship with an abusive and controlling individual.

Instability and a volatile home life had resulted in depression and anxiety. As a teenager, this person followed a similar path through substance use. The only positive role model and the person that gave them guidance in their life was their grandmother. When their grandmother passed away, they fell into an abyss and became disconnected from their culture.

After leaving school, leaving home, and beginning to couch surf, continuing to lead a self-destructive lifestyle, they landed themselves before the courts. Feeling great remorse, they quit using substances, as they "didn't want to turn out like their dad or stepdad."

Wanting to break the intergenerational trauma of the family, this person started healing and came into sobriety for two and a half years. They received a Port application for longshoring, completed training and currently works 4 days a week. This person is saving 80% of their earnings to put a down payment on a house.

At sentencing, the judge recognized the first offence, but also the serious nature of the behaviour that substantiated the charge. Nevertheless, through self-discipline, sobriety, and steady employment; showing deep remorse for their actions, an apology letter to the victim and a Gladue Report, they received an absolute discharge.

First Nations Women

BCFNJC strives to advance the needs of women, youth, and children within the justice and family protection systems in support of Indigenous self-determination.

Strategy 11 mandates the development an Indigenous Women’s Justice Plan that incorporates key findings from the MMIWG2S+ Final Report and Calls for Justice, the Truth and Reconciliation Commission Calls to Action and many other research papers from Indigenous academics.

The plan is designed to set out clear, shared approaches to end the realities faced by First Nations women as victims of crime. The plan will also include a strategy to address the challenges of intimate partner violence and the range of issues caused by enforcement of no contact orders, administrative offenses and providing safety to victims of violence in communities.

In 2021 the Indigenous Women’s Justice Plan (IWJP) working group was formed. This interdisciplinary group of female lawyers and academics of different ages and backgrounds was brought together to create an advisory group of subject matter experts to provide input as the plan is written. The group is guided by the MMIWG Final Report and the Master List of Recommendations. Swift work is expected in the coming fiscal year.

Strategy 11



First Nations Courts

There are eight First Nations courts in British Columbia that are used only for sentencing. One challenge with this approach is Indigenous people may be tempted to plead guilty, regardless of their culpability or the availability of a legal defence, in order to access culturally appropriate justice services. This approach needs to change, as different processes and procedures, including more culturally appropriate and healing based processes, are needed at all stages of the criminal law process.

BCFNJC envisions First Nations courts as a place where Indigenous law and jurisdiction are applied by traditional processes and institutions. Strategy 12 seeks to reform the current structure by actualizing Indigenous laws and establishing new systems. Conversations with Rights holders, as well as justice system participants (the Judiciary, BC Prosecution Service and the defence bar) were commenced in this fiscal year and will continue in 2022-23.

Strategy 12



Knowledge Keepers and their roles in justice

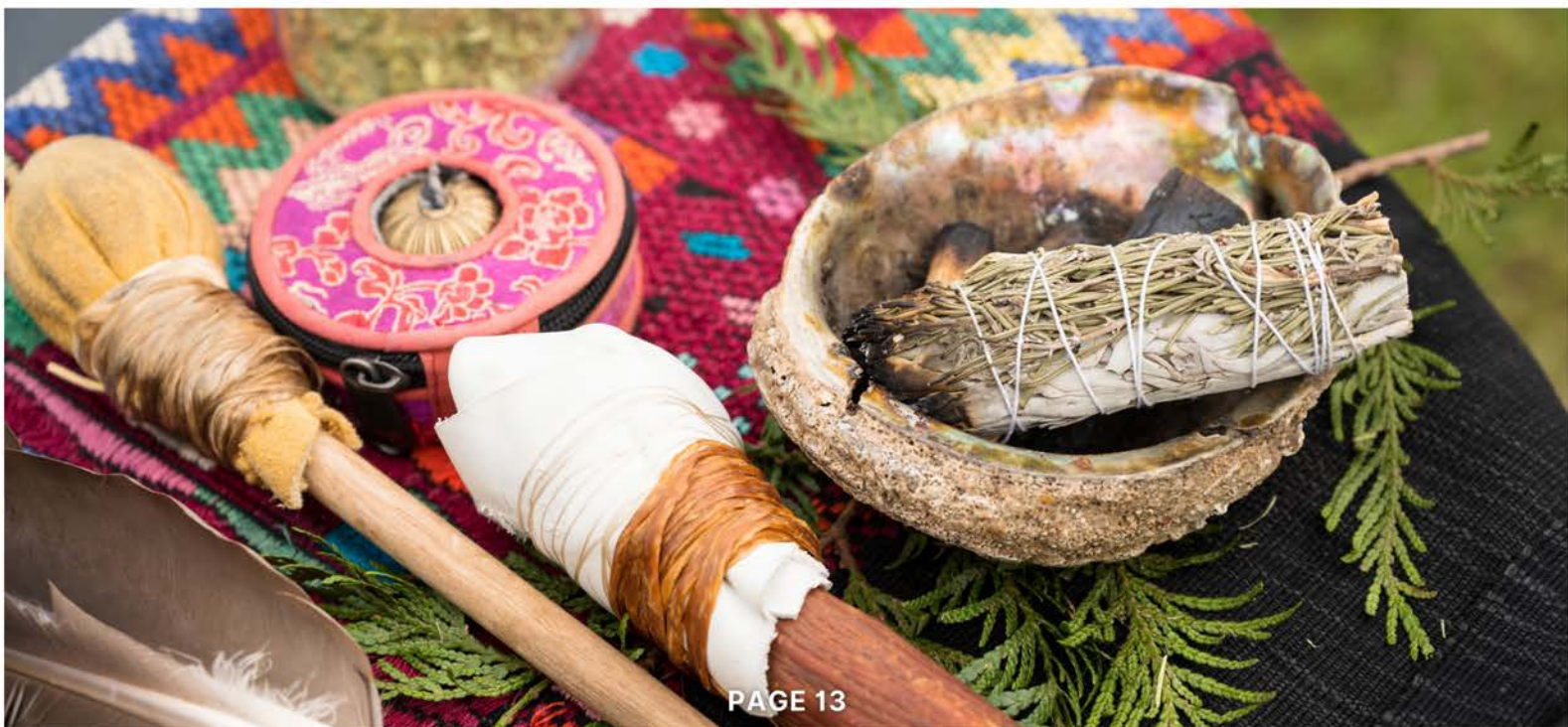
A critical aspect of reforming the existing justice system, and ensuring culturally safe and meaningful transformation, is to rebuild First Nations justice institutions and legal orders. The role to be held by Knowledge Keepers is highlighted in the strategy, as both track 1 and track 2.

Knowledge Keepers are integral to reform, in both criminal justice and child welfare. This year, BCFNJC started hosting Knowledge Keepers in Residence at our Indigenous Justice Centres, ensuring services provided in the centres are culturally grounded.

The vision of Strategy 2 and First Nations self-determination of justice systems and institutions requires BCFNJC to develop meaningful and reciprocal relationships with Knowledge Keepers, Elders, Ceremonial Leaders, and all those who hold knowledge of the laws of BC First Nations.

Strategy 21 mandates the creation of a Knowledge Keepers Council, one that can support all sectors of the justice system. We are steadfast to put them forward to lead with their guidance, teachings, and inclusion as we implement the strategy and continue in this work.

Strategies 2 & 21



Tri-Partite Agreement

A justice system that improves public safety and community well-being while addressing the challenges faced by Indigenous peoples is something that all Canadians can be proud to support. Revitalizing Indigenous legal traditions and eliminating systemic racism and discrimination from our justice system will benefit everyone in Canada.

On January 20, 2022, the Honourable David Lametti, Minister of Justice and Attorney General of Canada, the Honourable David Eby, Attorney General of British Columbia, and Doug White, Chair of the BC First Nations Justice Council (BCFNJC), announced the signing of a tripartite memorandum of understanding (MOU) to support the implementation of the BC First Nations Justice Strategy, as well as funding to support Indigenous Justice Centres in British Columbia.

Through this MOU, BCFNJC, governments of British Columbia and Canada have committed to working together by focusing on advancing shared priorities relating to Indigenous justice. This includes addressing the overrepresentation of Indigenous peoples in the justice system and enhancing restorative justice and First Nations-led community justice programs. Guided by the principles outlined in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and by an integrative, holistic, and comprehensive approach, this work will focus on addressing all forms of interactions between Indigenous peoples and the justice system.

“An ever-growing disproportionate number of Indigenous people are in our jails, with the fastest growing population behind bars being Indigenous girls. We need to be doing things differently to address this profound crisis and disturbingly enduring provincial and national trend. We have already taken significant steps guided by Indigenous people themselves through BCFNJC and local First Nations to move to a justice system that better recognizes the unique justice needs of Indigenous people.

I am glad that the Government of Canada will join British Columbia in our partnership with the BCFNJC to further support our commitments to real reform that will make a positive difference for people and communities across our province.”

The Honourable David Eby, QC
Attorney General of British Columbia

This memorandum of understanding and funding commitment is a critical first step, but much work still remains. We have a long road ahead of us, but we also have a strong First Nations Strategy to guide us and partners who support us. We look forward to working with both the federal and BC provincial government to transform the justice system for Indigenous peoples.”

Douglas White (Kwulasultun), QC
Chair - BC First Nations Justice Council



“All Indigenous people deserve fair and just treatment in our justice system. Our government is committed to advancing and supporting approaches, such as the establishment of Indigenous Justice Centres and the BC First Nations Justice Strategy, that help address systemic racism and the disproportionate representation of Indigenous peoples in the justice system. I look forward to collaborating with the province of British Columbia and the BCFNJC on this important work.”

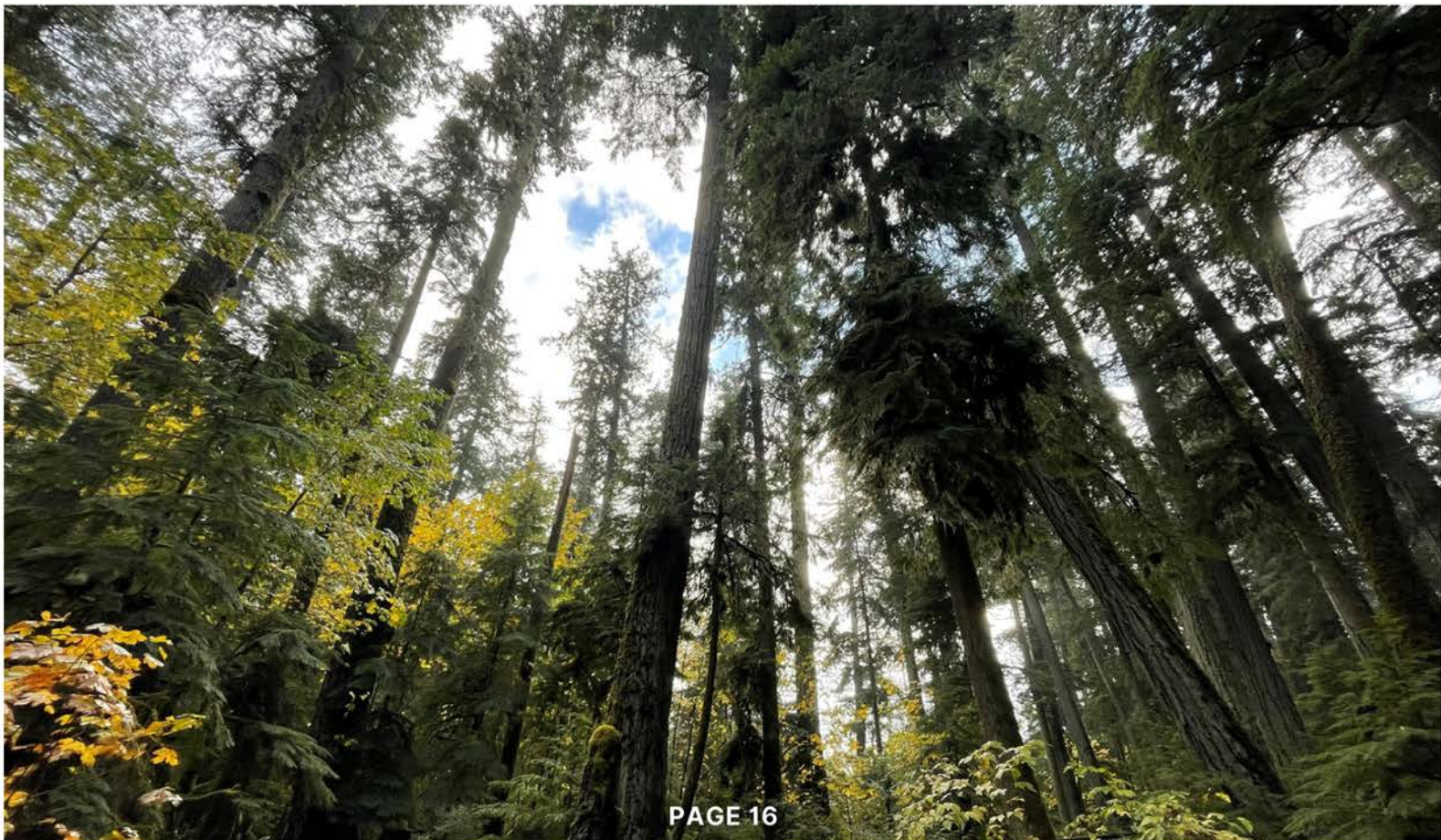
Honourable David Lametti, PC, QC, MP
Minister of Justice and Attorney General of Canada

First Nations Policing

There is no group of people in BC who have been more adversely affected by policing than Indigenous peoples. Nevertheless, Indigenous people have historically had little voice when it comes to matters of policing and community safety. We are working to address these historic wrongs and, in accordance with Strategy 22, have engaged all policing service providers in the province to begin a new relationship.

We have heard from many Rights holders who are seeking to fundamentally restructure policing for their communities, and for our people more broadly. This work is a priority for the BCFNJC, and we take it seriously. We are in communication with those tasked with implementing the recommendations of the Special Committee on Reforming the Police Act (SCORPA), and we anticipate playing a formal role in this critical work. We are also engaging with Canada in this respect. While changes to the colonial approach to policing are necessary and overdue, the BCFNJC acknowledges that tinkering with the existing system is not enough: we need a system designed for us, by us. This is the essential work outlined in Strategy 22.

Strategy 22



Financial Statement

FNJC First Nations Justice Council
Financial Statements
For the Year Ended March 31, 2022

FNJC First Nations Justice Council
Financial Statements
For the Year Ended March 31, 2022

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In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society 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.



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Independent Auditor's Report

To the Members of the Board of the FNJC First Nations Justice Council
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the FNJC First Nations Justice Council doing business as the BC First Nations Justice Council (the "Society"), which comprise the statement of financial position as at March 31, 2022, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2022, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Comparative Information

Without modifying our opinion, we draw attention to Note 2 of the financial statements which describes that the Society adopted Canadian accounting standards for not-for-profit organizations on April 1, 2021 with a transition date of April 1, 2020. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at March 31, 2021 and April 1, 2020 and the statement of operations, changes in net assets and cash flows for the year ended March 31, 2021 and related disclosures. We were not engaged to report on the comparative information, and as such, it is neither audited or reviewed.

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 accounting standards for not-for-profit organizations, 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.



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

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

BDO Canada LLP

Chartered Professional Accountants
Kelowna, British Columbia
June 30, 2022

FNJC First Nations Justice Council Statement of Financial Position			
	March 31, 2022	(unaudited) March 31, 2021	(unaudited) April 1, 2020
Assets			
Current			
Cash and cash equivalents (Note 3)	\$ 1,574,695	\$ 480,694	\$ 322,931
Accounts receivable	13,166	6,138	-
Prepaid expenses	51,564	12,376	45,470
	<u>1,639,425</u>	<u>499,208</u>	<u>368,401</u>
Property and equipment (Note 4)	<u>98,515</u>	<u>60,977</u>	<u>18,369</u>
	<u>\$ 1,737,940</u>	<u>\$ 560,185</u>	<u>\$ 386,770</u>
Liabilities and Net Assets			
Current			
Accounts payable and accrued liabilities (Note 5)	\$ 314,225	\$ 164,417	\$ 120,730
Deferred revenue (Note 6)	<u>1,337,246</u>	<u>332,500</u>	<u>120,500</u>
	<u>1,651,471</u>	<u>496,917</u>	<u>241,230</u>
Net Assets			
Invested in plant and equipment	98,515	60,977	18,369
Unrestricted net assets	<u>(12,046)</u>	<u>2,291</u>	<u>127,171</u>
	<u>86,469</u>	<u>63,268</u>	<u>145,540</u>
	<u>\$ 1,737,940</u>	<u>\$ 560,185</u>	<u>\$ 386,770</u>
On behalf of the Council:			
_____ Director	_____ Director		

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

FNJC First Nations Justice Council Statement of Changes in Net Assets				
For the year ended March 31	Invested in Plant and Equipment	Unrestricted Net Assets	2022	(Unaudited) 2021
Balance, beginning of the year	\$ 60,977	\$ 2,291	\$ 63,268	\$ 145,540
Excess (deficit) of revenues over expenses	(38,825)	62,026	23,201	(82,273)
Purchase of plant and equipment	76,363	(76,363)	-	-
Balance, end of the year	\$ 98,515	\$ (12,046)	\$ 86,469	\$ 63,267

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

FNJC First Nations Justice Council Statement of Operations		
For the year ended March 31	2022	(Unaudited) 2021
Revenue		
Province of British Columbia	\$ 3,035,182	\$ 1,741,750
Government of Canada	530,571	-
Law Foundation of British Columbia	463,845	250,000
Other funding	13,471	-
	<u>4,043,069</u>	<u>1,991,750</u>
Expenses		
Administrative contracts	98,572	354,306
Advertising and promotion	29,584	3,375
Amortization	38,826	16,416
Contract Gladue reporting	436,403	4,930
Council and Elder Honorarium	127,670	139,226
Insurance	5,754	5,636
Interest and bank charges	11,931	542
Memberships and licences	281	150
Office	197,178	132,290
Professional fees	405,236	285,212
Rental	130,475	39,427
Repairs and maintenance	12,067	-
Travel	146,852	5,174
Utilities	44,356	23,418
Wages and benefits	2,334,683	1,063,921
	<u>4,019,868</u>	<u>2,074,023</u>
Excess (deficit) of revenue over expenses	\$ 23,201	\$ (82,273)

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

FNJC First Nations Justice Council Statement of Cash Flows		
For the year ended March 31	2022	(Unaudited) 2021
Cash flows from operating activities		
Cash receipts from funders	\$ 5,040,766	\$ 2,197,612
Cash paid to suppliers, contractors and employees	(3,870,402)	(1,980,824)
	<u>1,170,364</u>	<u>216,788</u>
Cash flows from investing activities		
Acquisition of plant and equipment	(76,363)	(59,025)
Net increase in cash	1,094,001	157,763
Cash, beginning of the year	<u>480,694</u>	<u>322,931</u>
Cash, end of the year	<u>\$ 1,574,695</u>	<u>\$ 480,694</u>

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

FNJC First Nations Justice Council
Notes to Financial Statements

March 31, 2022

1. Significant Accounting Policies

Nature of Operations BC First Nations Justice Council (the "Society") is incorporated under the laws of the British Columbia Societies Act. The Society is a not-for-profit entity and is exempt from income tax under section 149 of the Tax Act.

The Society represents First Nations in BC on justice-related issues to bring about transformative change to the legal system.

Basis of Accounting The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Revenue Recognition The Society follows the deferral method of accounting for contributions. Contributions received which are subject to external restrictions are recognized as revenues in the year in which the related disbursements are incurred. Unrestricted contributions are recognized as revenues in the year in which they were received.

Cash and Cash Equivalents Cash and cash equivalents consist of cash on hand, bank balances, and funds held in trust.

Use of Estimates The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Property and Equipment Property and equipment are stated at cost less accumulated amortization. Amortization is provided on a straight-line and declining basis over the assets' estimated lives as follows:

	Method	Rate
Computer equipment	Declining balance	55%
Furniture and equipment	Declining balance	20%
Leasehold improvements	Straight-line	5 years

Financial Instruments Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported either at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument.

FNJC First Nations Justice Council Notes to Financial Statements

March 31, 2022

2. First-time Adoption

Effective April 1, 2021, the Society adopted the requirements of the accounting framework, Canadian accounting standards for not-for-profit organizations (ASNIPO) or Part III of the CPA Canada Handbook - Accounting. These are the Society's first financial statements prepared in accordance with this framework and the transitional provisions of Section 1501, *First-time adoption by not-for-profit organizations*, have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions. The accounting policies set out in Note 1 - Significant Accounting Policies have been applied in preparing the financial statements for the year ended March 31, 2022, the comparative information presented in these financial statements for the year ended March 31, 2021 and in the preparation of an opening ASNIPO balance sheet at the date of transition of April 1, 2020.

The Society issued financial statements for the year ended March 31, 2021 using a financial reporting framework appropriate for a notice to reader engagement. The adoption of ASNIPO resulted in adjustments to the previously reported liabilities, net assets, excess of revenues over expenses, and cash flows of the Society. Net assets at the transition date remain unchanged.

A reconciliation of the net excess (deficiency) of revenue over expenses reported in the Society's most recently issued financial statements to its excess (deficiency) of contributions over expenses under ASNIPO for the same period is as follows:

	<u>2021</u>
Excess (deficit) of revenues over expenses, Pre-changeover Accounting Standards	\$ 129,727
Change to contribution revenue	<u>(212,000)</u>
Excess (deficit) of revenues over expenses, ASNIPO	<u>\$ (82,273)</u>

As discussed above, to be in line with Canadian accounting standards for not-for-profit organizations, the Society adjusted the contributions recorded in the year. Previously, the Society had recorded restricted contributions to income on a cash basis. This change has been accounted for retrospectively and the comparative statements for the prior period have been restated.

3. Cash and Cash Equivalents

Cash and cash equivalents includes externally restricted cash held in trust of \$120,500 (2021 - \$120,500) that is restricted in its use for Provincial First Nations Justice Forum and Regional Engagements.

FNJC First Nations Justice Council
Notes to Financial Statements

March 31, 2022

4. Property and Equipment

	2022		(Unaudited) 2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 83,879	\$ (36,831)	\$ 34,519	\$ (9,493)
Furniture and equipment	54,511	(11,027)	27,507	(3,531)
Leasehold improvements	19,959	(11,976)	19,959	(7,984)
	158,349	(59,834)	81,985	(21,008)
	<u>\$ 98,515</u>		<u>\$ 60,977</u>	

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$58,462 (2021 - 92,420).

6. Deferred Revenue

Deferred revenue consists of contracts and grants received to pay for expenditures relating to different programs provided by the Society. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made, and the obligations of the funding agreements are met.

	Balance, beginning of year	Contributions received	Revenue recognized	Balance, end of year
Deferred revenue	\$ 332,500	\$ 5,033,842	\$ (4,029,096)	\$ 1,337,246

7. Bank Indebtedness

The Society has available to it a bank revolving loan facility. This bears interest at prime + 1% per annum and has a facility limit of \$75,000. As at March 31, 2022, the amount drawn on the credit facility was \$Nil (2021 - \$Nil).

FNJC First Nations Justice Council
Notes to Financial Statements

March 31, 2022

8. BC Society Act Disclosure

The Societies Act (British Columbia) requires certain information to be reported with regards to remuneration of employees, contractors and directors. Included in wages and benefits on the statement of operations are 9 employees (2021 - 4) with remuneration over \$75,000. The total salaries paid to these individuals for the year ended March 31, 2022 was \$871,603 (2021 - \$368,076). Included in professional fees are honorarium payments of \$127,670 (2021 - \$139,226).

9. Related Party Transactions

The following table summarizes the Society's related party transactions for the year:

	2022	(Unaudited) 2021
Payments to entities controlled by Council members	\$ 78,469	\$ 30,266
Payments to direct family members of the Council members	\$ 9,000	\$ 11,139

10. Commitments and Contingencies

The Society has entered into agreements for operating lease of premises ending in the March 31, 2028 fiscal year.

The minimum annual lease payments over the next five years are as follows:

2023	\$ 197,781
2024	123,670
2025	123,477
2026	85,108
2027	83,238
	<u>\$ 613,274</u>

11. Economic Dependence

During the current year, the Society received funding from 3 funders representing 99.67% of total contributions received (2021 - 2 funders representing 100% of contributions received). The remainder of the funding received is from foundations and private sources. If any of these primary funding agencies should substantially curtail their funding, it would be of detriment to some programs which the Society operates.

FNJC First Nations Justice Council
Notes to Financial Statements

March 31, 2022

12. Comparative Figures

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

13. Financial Instrument Risk

The Society holds various forms of financial instruments. The nature of these instruments and the Society's operations expose the Society to liquidity risk. The Society manages its exposure to this risk by operating in a manner that minimizes its exposure to the extent practical.

Credit risk

The Society is exposed to credit risk arising from all of its bank accounts being held at one financial institution and deposits are only insured up to \$100,000.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Society will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

The Society's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

The Society's ability to obtain funding from external sources may be restricted if the Society's financial performance and conditions deteriorate.

Management has determined that the Society is not significantly exposed to liquidity risk given its secured funding sources. There have been no changes from the previous year of policies, procedures and methods to measure the risk.



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