

**West Moberly First Nations**  
**Consolidated Financial Statements**  
**March 31, 2022**

# West Moberly First Nations

## CONTENTS

	<u>Page</u>
<b>MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING</b>	1
<b>INDEPENDENT AUDITOR'S REPORT</b>	2 - 3
Consolidated Statement of Financial Position	4
Consolidated Statement of Financial Activities	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Consolidated Statement of Changes in Accumulated Surplus - Schedule 1	8
Consolidated Statement of Tangible Capital Assets - Schedule 2	9
Consolidated Statement of Financial Activities by Program - Schedule 3	10
Consolidated Statement of Expenditures by Object - Schedule 4	11
Notes to the Consolidated Financial Statements	12 - 23

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the West Moberly First Nations are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

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

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for the financial statements. The Nation's Council carries out this responsibility principally through its meetings with management and the external auditors. Discussion on the internal controls over the financial reporting process, auditing matters, and financial reporting issues to satisfy that each party is discharging its responsibilities properly, and to review the financial statements, and the external auditor's report.

The consolidated financial statements have been audited by Doyle & Company Chartered Professional Accountants in accordance with Canadian generally accepted auditing standard on behalf of the members of the Nation. Doyle & Company Chartered Professional Accountants have full and free access to the Council.

*Original signed by:* \_\_\_\_\_

Chief

*Original signed by:* \_\_\_\_\_

Councillor

*Original signed by:* \_\_\_\_\_

Councillor

*Original signed by:* \_\_\_\_\_

Councillor

*Original signed by:* \_\_\_\_\_

Councillor

Allan J. Grykuliak, CPA, CA\*  
Scott T. Mockford, CPA, CA\*  
Allen Lee, CPA, CMA\*  
Jason Bondarevich, CPA, CA\*  
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## INDEPENDENT AUDITOR'S REPORT

To the Chief and Council

### Opinion

We have audited the financial statements of the **West Moberly First Nations** (the "Nations") which comprise the statement of financial position as at March 31, 2022, and the statements of financial activities, change in net financial 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 West Moberly First Nations as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### 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 Nations 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.

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

Management is responsible for the preparation and fair presentation of these 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 these financial statements, management is responsible for assessing the Nations ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Nations or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Nations financial reporting process.

## INDEPENDENT AUDITOR'S REPORT CONTINUED

### 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.

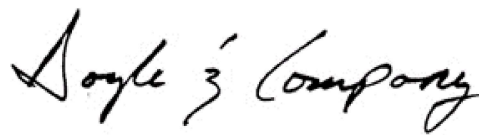
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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 Nations 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 Nations 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 Nation 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.

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.

Edmonton, Alberta  
September 6, 2022



Chartered Professional Accountants

**West Moberly First Nations**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2022**

	2022	2021
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	16,780,161	6,849,699
Restricted cash (Note 3)	865,207	444,340
Investments (Note 4)	8,456,484	8,051,769
Accounts receivable (Note 5)	2,245,785	2,901,840
Inventory (Note 6)	419,912	329,532
Investment in First Nation Controlled Entities (Note 7)	15,155,624	10,572,517
	<b>43,923,173</b>	29,149,697
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	1,039,809	940,098
Deferred contributions (Note 9)	22,364,499	8,520,072
Treaty loan payable (Note 10)	3,278,585	3,278,585
Long-term liabilities (Note 11)	2,658,436	3,212,863
Replacement reserves (Note 12)	819,083	398,628
	<b>30,160,412</b>	16,350,246
<b>NET FINANCIAL ASSETS</b>	<b>13,762,761</b>	12,799,451
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	14,830,783	13,215,306
Prepaid expenses	209,346	43,475
	<b>15,040,129</b>	13,258,781
<b>ACCUMULATED SURPLUS (Schedule 1 and Note 16)</b>	<b>28,802,890</b>	26,058,232

**Approved by the First Nations:**

\_\_\_\_\_  
*Original signed by:* Chief

\_\_\_\_\_  
*Original signed by:* Councillor

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*Original signed by:* Councillor

\_\_\_\_\_  
*Original signed by:* Councillor

\_\_\_\_\_  
*Original signed by:* Councillor

The accompanying notes form part of these financial statements.

**West Moberly First Nations**  
**Consolidated Statement of Financial Activities**  
**For the year ended March 31, 2022**

	2022 Actual \$	2021 Actual \$
<b>REVENUE</b>		
Indigenous Services Canada (ISC)	3,423,839	3,507,208
First Nations Health Authority (FNHA)	569,843	681,316
Canada Mortgage and Housing Corporation (CMHC)	4,687,423	174,093
Province of British Columbia	10,935,639	2,826,786
Environment Canada	1,500,000	1,200,000
Treaty 8 Heritage Trust	300,000	300,000
Oil and Gas Commission	598,316	649,925
Industrial contracts	2,272,638	5,521,875
Interest and investment income	260,781	164,382
Other revenue	7,512,457	5,657,079
Revenue deferred from previous period	8,520,072	5,314,697
Revenue deferred to subsequent period	(22,364,499)	(8,520,072)
	<b>18,216,509</b>	<b>17,477,289</b>
<b>EXPENDITURES</b>		
Administration	990,156	1,006,346
Capital Projects	644,921	349,919
Chief and Council	3,617,327	3,184,764
Community Operations	543,197	673,420
Community Wellbeing Initiative	179,212	206,637
Culture	66,530	8,056
Dakki Centre	343,699	259,918
Dunne-za Lodge	120,689	86,489
Economic Development	53,933	161,692
Education	1,105,778	1,087,391
Emergency management	50,591	-
Health - First Nations Health Authority	633,935	927,232
Health - Other	133,700	101,518
Housing	710,228	419,480
Lands	3,553,301	2,177,360
Social Development	271,787	277,031
Specific Claims - Agriculture Benefits	(27,080)	(558,654)
Specific Claims - Trapline	6,411	225
Specific Claims - Treaty Land Entitlement	1,185,932	653,763
Specific Claims - Western Boundary	5,573	109,906
West Moberly First Nation Holdings Inc.	1,483,775	660,235
0944996 BC Ltd - Golf Course	348,765	331,285
	<b>16,022,360</b>	<b>12,124,013</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER REVENUE (EXPENDITURES)</b>	<b>2,194,149</b>	<b>5,353,276</b>
<b>OTHER REVENUE (EXPENDITURES)</b>		
Amortization	(686,808)	(631,759)
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>1,507,341</b>	<b>4,721,517</b>

The accompanying notes form part of these financial statements.

**West Moberly First Nations**  
**Consolidated Statement of Change in Net Financial Assets**  
**For the year ended March 31, 2022**

	2022 \$	2021 \$
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>2,744,658</b>	5,699,549
Acquisition of tangible capital assets	<b>(2,302,285)</b>	(534,682)
Amortization of tangible capital assets	<b>686,808</b>	631,759
	<b>(1,615,477)</b>	97,077
Acquisition of prepaid assets	<b>(209,346)</b>	(43,476)
Use of prepaid assets	<b>43,475</b>	26,965
	<b>(165,871)</b>	(16,511)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>963,310</b>	5,780,115
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>12,799,451</b>	7,019,336
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>13,762,761</b>	12,799,451

The accompanying notes form part of these financial statements.



**West Moberly First Nations**  
**Consolidated Statement of Cash Flows**  
**For the year ended March 31, 2022**

	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from funding agencies and other income	32,716,991	19,095,036
Cash paid to suppliers and employees	(14,851,203)	(11,122,462)
	17,865,788	7,972,574
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances (to) from business entities	(4,583,107)	(3,503,526)
(Increase) Decrease in investments	(404,715)	605,660
Increase (decrease) in replacement reserves	420,455	69,683
(Increase) decrease of inventory	(90,380)	(146,550)
Purchase of capital assets	(2,302,285)	(534,682)
	(6,960,032)	(3,509,415)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of capital lease obligation	-	(31,015)
Long-term liabilities repaid	(554,427)	(425,604)
Increase in long-term liabilities	-	165,510
	(554,427)	(291,109)
<b>INCREASE IN CASH DURING THE YEAR</b>	10,351,329	4,172,050
<b>CASH, Beginning of Year</b>	7,294,039	3,121,989
<b>CASH, End of Year</b>	17,645,368	7,294,039
<b>Cash is represented by:</b>		
Cash	16,780,161	6,849,699
Restricted cash (Note 3)	865,207	444,340
	17,645,368	7,294,039

The accompanying notes form part of these financial statements.

**West Moberly First Nations**  
**Schedule of Changes in Accumulated Surplus - Schedule 1**  
**For the year ended March 31, 2022**

	Unrestricted Surplus	Equity in Capital Assets	Equity in Enterprise Fund	Equity in Trust Funds	2022 Total	2021 Total
	\$	\$	\$	\$	\$	\$
<b>BALANCE, Beginning of Year</b>	<b>5,437,549</b>	<b>10,002,443</b>	<b>10,572,528</b>	<b>45,712</b>	<b>26,058,232</b>	<b>20,358,683</b>
Excess of revenue over expenditures	1,507,341	-	1,236,905	412	2,744,658	5,699,549
Current funds advanced to (from) subsidiaries	(3,346,191)	-	3,346,191	-	-	-
Current funds used for tangible capital assets	(2,302,285)	2,302,285	-	-	-	-
Annual amortization expense	686,808	(686,808)	-	-	-	-
Long-term liabilities repaid	(554,427)	554,427	-	-	-	-
Change in accumulated surplus	(4,008,754)	2,169,904	4,583,096	412	2,744,658	5,699,549
<b>BALANCE, End of Year</b>	<b>1,428,795</b>	<b>12,172,347</b>	<b>15,155,624</b>	<b>46,124</b>	<b>28,802,890</b>	<b>26,058,232</b>

The accompanying notes form part of these financial statements.

**West Moberly First Nations**  
**Consolidated Statement of Tangible Capital Assets - Schedule 2**  
**For the year ended March 31, 2022**

	Land \$	Automotive \$	Buildings \$	Computers \$	Equipment \$	2022 Total \$	2021 Total \$
<b>COST:</b>							
Balance, Beginning of Year	1,741,894	1,254,184	14,714,395	106,115	1,672,934	19,489,522	18,954,840
Acquisition of tangible capital assets	-	-	1,752,141	2,480	547,664	2,302,285	534,682
Balance, End of Year	1,741,894	1,254,184	16,466,536	108,595	2,220,598	21,791,807	19,489,522
<b>ACCUMULATED AMORTIZATION:</b>							
Balance, Beginning of Year	-	800,604	4,211,412	102,843	1,159,357	6,274,216	5,642,457
Annual amortization	-	136,074	441,229	1,666	107,839	686,808	631,759
Balance, End of Year	-	936,678	4,652,641	104,509	1,267,196	6,961,024	6,274,216
<b>NET BOOK VALUE</b>	<b>1,741,894</b>	<b>317,506</b>	<b>11,813,895</b>	<b>4,086</b>	<b>953,402</b>	<b>14,830,783</b>	<b>13,215,306</b>
2021 NET BOOK VALUE	1,741,894	453,580	10,502,983	3,272	1,672,934	13,215,306	

The accompanying notes form part of these financial statements.

# West Moberly First Nations

## Consolidated Statement of Financial Activities by Program - Schedule 3

For the year ended March 31, 2022

	ISC Revenue \$	2021		2022			2021	
		Deferred Revenue	Deferred Revenue	Other Revenue	Total Revenue	Total Expenditures	Surplus (Deficit)	Surplus (Deficit)
			\$	\$	\$	\$	\$	\$
Administration	503,605	-	-	49,211	552,816	990,156	(437,340)	(505,586)
Capital Projects	611,316	1,180,256	(639,149)	-	1,152,423	644,921	507,502	(63,221)
Chief and Council	-	-	(10,000,000)	16,701,753	6,701,753	3,617,327	3,084,426	6,621,340
Community Operations	777,508	-	(234,584)	273	543,197	543,197	-	-
Community Wellbeing Initiative	377,800	-	(198,588)	-	179,212	179,212	-	-
Culture	-	-	-	10,800	10,800	66,530	(55,730)	74,819
Dakii Centre	-	-	-	120,586	120,586	343,699	(223,113)	(199,740)
Dunne-za Lodge	-	-	-	88,900	88,900	120,689	(31,789)	(79,088)
Economic Development	15,817	-	-	38,116	53,933	53,933	-	(56,585)
Education	556,344	-	-	232,964	789,308	1,105,778	(316,470)	(181,189)
Emergency Management	-	-	-	47,063	47,063	50,591	(3,528)	-
Health - First Nations Health Authority	164,500	105,272	(170,504)	545,484	644,752	633,935	10,817	45,553
Health - Other	-	30,000	(79,307)	337,550	288,243	133,700	154,543	82,273
Housing	-	-	(3,091,963)	5,028,646	1,936,683	710,228	1,226,455	(13,163)
Lands	-	7,204,544	(7,950,404)	4,818,253	4,072,393	3,553,301	519,092	142,167
Social Development	416,949	-	-	32	416,981	271,787	145,194	-
Specific Claims - Agriculture Benefits	-	-	-	257,390	257,390	(27,080)	284,470	722,029
Specific Claims - Trapline	-	-	-	-	-	6,411	(6,411)	(225)
Specific Claims - Treaty Land Entitlement	-	-	-	-	-	1,185,932	(1,185,932)	(578,713)
Specific Claims - Western Boundary	-	-	-	-	-	5,573	(5,573)	(109,906)
West Moberly First Nation Holdings Inc.	-	-	-	137,241	137,241	1,483,775	(1,346,534)	(341,682)
0944996 BC Ltd - Golf Course	-	-	-	222,835	222,835	348,765	(125,930)	(205,807)
	3,423,839	8,520,072	(22,364,499)	28,637,097	18,216,509	16,022,360	2,194,149	5,353,276

The accompanying notes form part of these financial statements.

**West Moberly First Nations**  
**Consolidated Statement of Expenditures by Object - Schedule 4**  
**For the year ended March 31, 2022**

	2022	2021
	\$	\$
<b>EXPENDITURES</b>		
Advertising	2,309	2,655
Amortization	686,808	631,759
Bad debts	29,953	5,265
Bank charges and penalties	81,811	25,619
Concession purchases	62,596	44,042
Contractors and consultants	3,349,040	2,046,755
Distributions from trust	118,281	113,410
Donations	47,633	16,446
Elders	289,554	292,967
Equipment rental	121,199	301,463
Freight	105,342	6,914
Honorariums	34,670	100,508
Insurance	257,064	188,527
Interest on long term debt	85,087	97,030
Meeting costs	18,055	19,219
Office, memberships and registration fees	289,462	238,863
Prizes and gifts	120,349	68,701
Professional fees	1,778,429	1,339,025
Program expenses	1,564,760	1,066,447
Property taxes	10,165	13,008
Rent	27,590	19,589
Repairs and maintenance	427,237	175,133
Supplies	903,948	572,315
Training	21,350	8,510
Travel and vehicle expenses	382,143	320,609
Utilities and telephone	248,405	226,590
Wages and employee benefits	5,645,928	4,814,403
<b>TOTAL EXPENDITURES</b>	<b>16,709,168</b>	<b>12,755,772</b>

The accompanying notes form part of these financial statements.

# West Moberly First Nations

## Notes to the Consolidated Financial Statements

March 31, 2022

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### NATURE OF OPERATIONS

West Moberly First Nations (the "Nation") provides local government, education and social development services to its members and was established under the Indian Act (Canada).

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

These consolidated financial statements include the assets, liabilities, and results of operations of West Moberly First Nations (the "First Nations") and all related entities and organizations subject to control by Chief and Council. No inclusion has been made of assets, liabilities, revenues or expenses of First Nations members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of Chief and Council.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government, as established by the Public Sector Accounting and Audit Boards ("PSAB"), which encompasses the following principles:

#### (a) Fund Accounting

The West Moberly First Nations uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the financial statements. Details of the operations of each fund are set out in the supplementary schedules. The West Moberly First Nations maintains the following funds:

- The Operating Fund which reports the general activities of the First Nations Administration.
- The Capital Asset Fund which reports the capital assets of the First Nations, together with their related financing.
- The Enterprise Fund which reports the investment made in controlled entities.
- The Trust Fund which reports on trust funds owned by the First Nations and held by third parties.

#### (b) Reporting Entity and Principles of Financial Reporting

The West Moberly First Nations reporting entity includes the West Moberly First Nations government and all related entities which are accountable to the First Nations and are either owned, controlled or have significant influence by the First Nations and which are not dependent on the First Nations for their continuing operations are included in the summary financial statements using the modified equity method. These include:

- Dunne-za Economic Development Corporation
- Dunne-za Ventures Limited Partnership
- EBA Developments Limited Partnership
- West Moberly First Nations Investments Inc.
- West Moberly Indigiinet Internet Service Inc.
- Papewewin Development Limited Partnership.
- Black Diamond Cygnus Limited Partnership
- Twin Sisters Native Plants Nursey Limited Partnership
- Six Nations Ventures Limited Partnership

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

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**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued**

**(b) Reporting Entity and Principles of Financial Reporting - continued**

Three other Government Organizations, which are controlled by the First Nation, are included in the financial statements using the consolidation method. Under the consolidation method, the assets, liabilities, revenue and expenses of the those organizations have been consolidated and all inter-company balances have been eliminated on consolidation. Those Organizations are:

- West Moberly First Nation Holdings Inc.
- 09244996 B.C. Ltd.
- West Moberly First Nations Agricultural Benefits Settlement Trust

**(c) Cash**

Cash and cash equivalents consist of cash in bank accounts and temporary investments with maturities of three months or less.

**(d) Revenue Recognition**

Government transfers and grant revenue are recognized as the First Nations becomes entitled to the funding under the terms of applicable funding agreements and are recorded in the period in which the recourses are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

Other revenue, including rent and lease revenue, sales of goods and provision of services are recognized in the period the goods or services are provided and the related proceeds are received or receivable.

**(e) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

**(f) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a declining balance basis over the estimated useful life as follows:

	Years
Automotive	3-10
Buildings	25-50
Computers	3-5
Equipment	5-20

Annual amortization is charged in the year of acquisition and not in the year of disposal.

Assets under construction are not amortized until the asset is available for productive use.

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

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**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued**

**(g) Investments**

Investments are recorded fair market value.

**(h) Inventory Valuation**

Inventories are valued at the lower of cost and net realizable value. Concession is cost on a first-in first-out basis. Cattle inventory is costed on a weighted average basis.

**(i) Trust Funds**

The Ottawa Trust Accounts 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.

First Nation trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds.

**(j) Financial Instruments**

**(i) Measurement of financial instruments**

The Nation initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Nation subsequently measures all of its financial assets and liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, restricted cash, investments, and accounts receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred contributions, treaty loan payable, long-term liabilities, and replacement reserve.

**(ii) Impairment**

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed the original cost. The amount of the reversal is recognized in operations.



**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

**2. MEASUREMENT UNCERTAINTY**

The preparation of financial statements in conformity with Canadian Accounting Standards for Public Sector Accounting Board requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Provisions are made for slow moving and obsolete inventory.

Amortization is based on the estimated useful lives of the tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the revenue or expenses in the period in which they become known. Actual results could differ from those estimates.

**3. RESTRICTED CASH**

	<b>2022</b>	<b>2021</b>
	\$	\$
Trust Funds		
Band Capital	<b>2,789</b>	2,789
Band Revenue	<b>43,335</b>	42,923
Canada Mortgage and Housing Corporation	<b>819,083</b>	398,628
	<b>865,207</b>	444,340

**4. INVESTMENTS**

	<b>2022</b>		<b>2021</b>	
	<b>FMV</b>	<b>Cost</b>	<b>FMV</b>	<b>Cost</b>
	\$	\$	\$	\$
Scotia Wealth Management				
Cash	<b>10,178</b>	<b>10,178</b>	7,333	7,333
Equities	<b>5,406,159</b>	<b>3,946,985</b>	4,910,302	4,759,552
Fixed income	<b>3,040,147</b>	<b>3,204,629</b>	3,134,134	3,107,610
	<b>8,456,484</b>	<b>7,161,792</b>	8,051,769	7,874,495

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

**5. ACCOUNTS RECEIVABLE**

	2022	2021
	\$	\$
Trade	1,075,508	1,507,861
Canada Mortgage and Housing Corporation	507,323	7,323
Canada Mortgage and Housing Corporation - supplemental funding	57,714	57,714
Province of British Columbia	-	450,000
Members	583,226	858,551
GST	22,014	20,391
	<b>2,245,785</b>	<b>2,901,840</b>

**6. INVENTORY**

	2022	2021
	\$	\$
Cattle	415,657	323,657
Concession	4,255	5,875
	<b>419,912</b>	<b>329,532</b>

Total inventory expensed in the period was \$66,276 (2021 - \$47,294).

**7. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES**

	2022	2021
	\$	\$
<b>Dunne-za Economic Development Corporation - 100% interest</b>		
Shares	100	100
Accumulated deficit in earnings	(100)	(100)
	-	-
<b>Dunne-za Economic Development Corporation - 100% interest</b>		
Shares	100	100
Accumulated deficit in earnings	(100)	(100)
	-	-

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

**7. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES - continued**

	2022 \$	2021 \$
<b>Dunne-za Ventures Limited Partnership - 99.9% interest</b>		
Units	999	999
Advances	450	450
Accumulated surplus in earnings	3,362,764	2,593,649
	<b>3,364,213</b>	<b>2,595,098</b>
<b>Black Diamond Cygnus Limited Partnership - 50% interest</b>		
Units	500	500
Advances	(500)	(500)
Accumulated surplus in earnings	2,840,500	2,139,500
	<b>2,840,500</b>	<b>2,139,500</b>
<b>West Moberly First Nations Investments Inc. - 100% interest</b>		
Shares	100	100
Advances	6,990,214	3,836,471
Accumulated equity in earnings	58,981	49,576
	<b>7,049,295</b>	<b>3,886,147</b>
<b>West Moberly Indigiinet Internet Service Inc. - 50% interest</b>		
Shares	10	10
Advances	207,474	216,883
Accumulated deficit in earnings	(88,154)	(92,859)
	<b>119,330</b>	<b>124,034</b>
<b>Six Nations Ventures Limited Partnership - 16.67% interest</b>		
Shares	10	10
Accumulated equity in earnings	322,893	343,405
	<b>322,903</b>	<b>343,415</b>
<b>Twin Sisters Native Plants Nursery Limited Partnership - 49.9% interest</b>		
Units	10	10
Advances	389,376	187,509
Accumulated equity in earnings	119,978	266,485
	<b>509,364</b>	<b>454,004</b>
<b>Papawewin Developments Limited Partnership - 99.9% interest</b>		
Units	999	999
Advances	1,157,134	1,157,134
Accumulated deficit in earnings	(208,114)	(127,814)
	<b>950,019</b>	<b>1,030,319</b>
<b>Total investment in controlled entities</b>	<b>15,155,624</b>	<b>10,572,517</b>

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

**7. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES - continued**

Financial information for each of the entities for their respective 2021/2022 year-ends are as follows:

	Assets	Liabilities	Revenues	Net Earnings (Loss)
	\$	\$	\$	\$
Dunne-za Ventures LP (99.9%)	4,028,725	653,561	3,938,326	3,698,995
Black Diamond West Moberly LP (50%)	11,208,000	8,934,000	38,142,000	1,493,000
West Moberly Investments Inc. (100%)	7,110,933	7,051,852	590,474	9,406
WM Indigiinet Internet Service Inc. (50%)	176,287	87,596	53,625	9,409
Papawewin Developments LP. (99.9%)	1,157,134	-	-	(80,300)
Six Nations Ventures Inc. (16%)	1,974,006	54,165	622,444	(123,074)
Twin Sisters Native Plants Nursery (49.9%)	874,150	634,236	526,431	(392,205)

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2022	2021
	\$	\$
Trade	1,000,985	823,090
Canada Revenue Agency - source deductions	38,824	63,734
Indigenous Services Canada	-	53,274
	1,039,809	940,098

**9. DEFERRED CONTRIBUTIONS**

	2022	2021
	\$	\$
Canadian Housing Mortgage Corporation	3,091,963	-
Environment Canada	1,577,947	1,200,000
First Nations Health Authority	170,504	105,272
Indigenous Services Canada	1,072,319	1,180,256
Industrial Agreements	5,848,608	5,242,319
Province of British Columbia	10,603,158	792,225
	22,364,499	8,520,072

**10. TREATY LOAN PAYABLE - INDIGENOUS SERVICES CANADA**

The promissory note due to Indigenous Services Canada is \$3,278,585 (2021 - \$3,278,585) and is repayable on the date on which the claim is settled. The promissory note is interest free unless the Nation defaults or the loan reaches maturity.

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

**11. LONG-TERM LIABILITIES**

	2022 \$	2021 \$
CIBC Mortgage, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$495 including interest charged at 6.7%.	<b>17,215</b>	21,832
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$1,825 including interest charged at 1.43%.	<b>65,486</b>	86,112
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$1,995 including interest charged at 1.67%.	<b>26,136</b>	49,642
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$1,320 including interest charged at 1.143%.	<b>43,847</b>	53,682
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$1,182 plus interest charged at 1.12%.	<b>170,790</b>	182,581
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$3,944 including interest charged at 1.82%.	<b>599,871</b>	636,414
Bank of Nova Scotia loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in bi-weekly instalments of \$875 including interest charged at 2.15%.	<b>94,204</b>	115,479
Bank of Nova Scotia loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in bi-weekly instalments of \$1,403 including interest charged at 2.41%.	<b>71,144</b>	87,854
Bank of Nova Scotia loan, secured by buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly bi-weekly of \$175 including interest charged at 2.15%.	<b>21,053</b>	25,111
Bank of Nova Scotia loan, secured by a building, with a net book value of \$3,839,930, repayable in monthly instalments of \$6,250 including interest charged at prime plus 0.50%.	<b>531,250</b>	606,250

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

**11. LONG-TERM LIABILITIES - continued**

Bank of Nova Scotia loan, secured by equipment, with a net book value of \$210,375, repayable in monthly instalments of \$4,598 including interest charged at prime plus 1%.	<b>87,353</b>	142,523
Bank of Nova Scotia loan, buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$1,802 including interest charged at 2%.	<b>244,491</b>	258,132
Bank of Nova Scotia loan, buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$1,802 including interest charged at prime plus 0.5%. This loan was paid off during the year.	-	132,389
Bank of Nova Scotia loan, buildings and ministerial guarantee of the Minister of Indigenous Services Canada, repayable in monthly instalments of \$4,695 including interest charged including interest charged at prime plus 0.5%. This loan was paid off during the year.	-	56,320
Farm Credit Canada, loans secured by first mortgage over property with a net book value of \$1,729,500, repayable in annual installments of \$108,713 including interest of 4% maturing 2028 to 2032.	<b>685,596</b>	758,542
	<b>2,658,436</b>	3,212,863
Less: current portion of long-term liabilities	<b>350,796</b>	418,162
	<b>2,307,640</b>	2,794,701

Interest paid on long-term liabilities amounted to \$85,087 (2021 - \$97,030) during the year.

Future principal repayments on long-term liabilities are estimated as follows:

	\$
2023	<b>350,796</b>
2024	<b>322,589</b>
2025	<b>295,392</b>
2026	<b>279,248</b>
2027	<b>247,211</b>
Thereafter	<b>1,163,200</b>
	<b>2,658,436</b>

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

**12. REPLACEMENT RESERVES**

Under the terms of the agreement with CMHC, the First Nations is required to make annual deposits equal to required contributions to a replacement reserve account. These funds, along with accumulating interest, are to be held in a separate bank account. The funds in this account may only be used as approved by CMHC. Withdraws are credited to accumulated interest first and then principal.

Under agreements with CMHC, the First Nations may also establish an operating reserve to fund the ongoing operating costs of the rental housing project financed by CMHC. Required contributions to the operating reserve are equal to the amount by which revenues for the year from the CMHC rental housing project exceed all costs and expenditures incurred during the year related to the CMHC housing project.

**13. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2022 \$	2021 \$
Tangible capital assets (Schedule 2)	21,791,807	19,489,522
Accumulated amortization (Schedule 2)	(6,961,024)	(6,274,216)
Long-term liabilities (Note 11)	(2,658,436)	(3,212,863)
	<b>12,172,347</b>	<b>10,002,443</b>

**14. EQUITY IN ENTERPRISE FUND**

	2022 \$	2021 \$
Balance, beginning of year	10,572,528	7,069,000
Net advances to controlled entities	3,346,191	2,526,026
Earnings from controlled entities	1,236,905	977,502
Balance, end of year	<b>15,155,624</b>	<b>10,572,528</b>

**15. EQUITY IN TRUST FUND**

	Revenue \$	Capital \$	Total \$
Balance, beginning of year	42,395	3,317	45,712
Earnings	-	412	412
Balance, end of year	<b>42,395</b>	<b>3,729</b>	<b>46,124</b>

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

**16. ACCUMULATED SURPLUS**

	2022	2021
	\$	\$
Unrestricted (deficit) surplus	1,428,795	5,437,549
Equity in tangible capital assets	12,172,347	10,002,443
Equity in enterprise fund	15,155,624	10,572,528
Equity in trust funds	46,124	45,712
	<b>28,802,890</b>	<b>26,058,232</b>

**17. FINANCIAL INSTRUMENTS**

**Credit Risk**

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Nation by failing to discharge an obligation. The Nation's credit risk is mainly related to accounts receivable. The Nation provides credit to its clients in the normal course of its operations and assesses on a continuous basis the accounts receivable and records any amounts that are not collectible in the allowance for doubtful accounts.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of the Nation's financial instrument will fluctuate because of changes in market prices. Some of the Nation's investments expose it to this risk which comprises currency risk, and interest rate risk.

**Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Nation has investments outside of Canada and incurs expenditures in foreign currency.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. The Nation is exposed to interest rate risk on its bank account balances and any of its fixed and/or floating interest rate financial instruments.

**Liquidity Risk**

Liquidity risk is the risk that the Nation will encounter difficulty in meeting its obligations associated with financial liabilities. The Nation manages its liquidity risk by monitoring its operating requirements and cash forecasts to ensure it has sufficient funds to fulfil its financial obligations.



**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

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**18. COMPARATIVE FIGURES**

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

**19. SIGNIFICANT EVENT**

The COVID-19 outbreak was declared a pandemic by the World Health Organization and has had significant impact on the Nation's operations through the restrictions put in place by the Canadian and provincial governments as well as municipal governments regarding, travel, isolation/quarantine orders, closure of public facilities, cancellation/postponement of programs and tax and utility deferral programs. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of public facility closures, program and service disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.