

**West Moberly First Nations  
Consolidated Financial Statements  
March 31, 2023**

# 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

# DOYLE & COMPANY

CHARTERED PROFESSIONAL  
ACCOUNTANTS

Edward Cheung, CPA, CA\*  
Scott T. Mockford, CPA, CA\*  
Allen Lee, CPA, CMA\*  
Jason Bondarevich, CPA, CA\*  
\*Operates as a Professional Corporation

11210 – 107 Avenue N.W.  
Edmonton, Alberta T5H 0Y1  
Tel (780) 452-2300, Fax (780) 452-2335

## 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, 2023, 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, 2023, 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

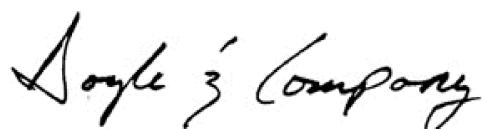
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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



February 7, 2024  
11210 - 107 Avenue  
Edmonton, Alberta T5H 0Y1

Chartered Professional Accountants

**West Moberly First Nations**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2023**

	2023	2022
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	<b>29,946,520</b>	16,622,048
Restricted cash (Note 3)	468,970	918,900
Investments (Note 4)	73,825,842	8,560,904
Accounts receivable (Note 5)	9,996,004	2,245,785
Inventory (Note 6)	1,123,362	419,912
Investment in First Nation Controlled Entities (Note 7)	<b>18,153,017</b>	15,155,624
	<b>133,513,715</b>	43,923,173
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	947,352	1,039,809
Deferred contributions (Note 9)	<b>31,960,133</b>	22,364,499
Treaty loan payable (Note 10)	-	3,278,585
Long-term liabilities (Note 11)	2,285,648	2,658,436
	<b>35,193,133</b>	29,341,329
<b>NET FINANCIAL ASSETS</b>	<b>98,320,582</b>	14,581,844
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	19,773,478	14,830,783
Prepaid expenses	84,856	209,346
	<b>19,858,334</b>	15,040,129
<b>ACCUMULATED SURPLUS (Schedule 1 and Note 17)</b>	<b>118,178,916</b>	29,621,973

**Approved by the First Nations:**

*Original Signed by:*

Chief

*Original Signed by:*

Councillor

*Original Signed by:*

Councillor

*Original Signed by:*

Councillor

*Original Signed by:*

Councillor

**West Moberly First Nations**  
**Consolidated Statement of Financial Activities**  
**For the year ended March 31, 2023**

	2023 Actual \$	2022 Actual \$
<b>REVENUE</b>		
Indigenous Services Canada (ISC)	4,535,896	3,423,839
First Nations Health Authority (FNHA)	546,297	569,843
Canada Mortgage and Housing Corporation (CMHC)	88,965	4,687,423
Province of British Columbia	24,839,111	10,935,639
Environment Canada	-	1,500,000
Settlement - Site C	17,333,708	-
Settlement - Treaty Land Entitlement (TLE)	92,526,063	-
Treaty 8 Heritage Trust	197,948	300,000
Oil and Gas Commission	800,000	598,316
Industrial contracts	5,970,095	2,272,638
Interest and investment income	1,122,033	260,781
Other revenue	4,454,986	7,458,764
Revenue deferred from previous period	22,364,499	8,520,072
Revenue deferred to subsequent period	(31,960,133)	(22,364,499)
	<b>142,819,468</b>	<b>18,162,816</b>
<b>EXPENDITURES</b>		
Administration	1,231,781	990,156
Capital Projects	475,914	644,921
Chief and Council	15,132,619	3,617,327
Community Operations	1,154,706	543,197
Community Wellbeing Initiative	123,293	179,212
Culture	27,551	66,530
Dakki Centre	309,086	343,699
Dunne-za Lodge	58,022	120,689
Economic Development	134,126	53,933
Education	1,108,355	1,105,778
Emergency management	44,198	50,591
Health - First Nations Health Authority	462,478	633,935
Health - Other	254,835	133,700
Housing	1,259,724	710,228
Lands	3,644,716	3,553,301
Recognition of Indigenous Rights and Self-Determination Discussions	83,558	-
Recognition of Indigenous Rights and Self-Determination Discussions #2	182,579	-
Social Development	274,232	271,787
Specific Claims - Agriculture Benefits	590,908	(27,080)
Specific Claims - Trapline	61,226	6,411
Specific Claims - Treaty Land Entitlement	26,115,624	1,185,932
Specific Claims - Western Boundary	-	5,573
Mountain Rain Adventures	240,392	-
West Moberly First Nation Holdings Inc.	2,622,417	1,483,775
0944996 BC Ltd - Golf Course	324,410	348,765
	<b>55,916,750</b>	<b>16,022,360</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER REVENUE (EXPENDITURES)</b>	<b>86,902,718</b>	<b>2,140,456</b>
<b>OTHER REVENUE (EXPENDITURES)</b>		
Amortization	(888,678)	(686,808)
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>86,014,040</b>	<b>1,453,648</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, 2023**

	2023 \$	2022 \$
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>88,556,943</b>	2,744,658
Acquisition of tangible capital assets	(5,831,373)	(2,302,285)
Amortization of tangible capital assets	888,678	686,808
	<b>(4,942,695)</b>	(1,615,477)
Acquisition of prepaid assets	(84,856)	(209,346)
Use of prepaid assets	209,346	43,475
	<b>124,490</b>	(165,871)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>83,738,738</b>	963,310
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>14,581,844</b>	13,618,534
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>98,320,582</b>	14,581,844

**West Moberly First Nations**  
**Consolidated Statement of Cash Flows**  
**For the year ended March 31, 2023**

	2023	2022
	\$	\$
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from funding agencies and other income	144,664,883	32,716,991
Cash paid to suppliers and employees	(53,341,814)	(14,955,623)
	<b>91,323,069</b>	<b>17,761,368</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances (to) from business entities	(2,997,393)	(4,583,107)
(Increase) Decrease in investments	(65,264,938)	(404,715)
Increase (decrease) in replacement reserves	-	420,455
(Increase) decrease of inventory	(703,450)	(90,380)
Purchase of capital assets	(5,831,373)	(2,302,285)
	<b>(74,797,154)</b>	<b>(6,960,032)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in Treaty Loan payable	(3,278,585)	-
Long-term liabilities repaid	(372,788)	(554,427)
	<b>(3,651,373)</b>	<b>(554,427)</b>
<b>INCREASE IN CASH DURING THE YEAR</b>		
<b>CASH, Beginning of Year</b>	<b>17,540,948</b>	7,294,039
<b>CASH, End of Year</b>	<b>30,415,490</b>	17,540,948
<b>Cash is represented by:</b>		
Cash	29,946,520	16,622,048
Restricted cash (Note 3)	468,970	918,900
	<b>30,415,490</b>	<b>17,540,948</b>

**West Moberly First Nations**  
**Schedule of Changes in Accumulated Surplus - Schedule 1**  
**For the year ended March 31, 2023**

	Unrestricted Surplus	Equity in Tangible Capital Assets	Equity in Enterprise Fund	Equity in Trust Funds	Equity in CMHC Reserves	2023 Total	2022 Total
	\$	\$	\$	\$	\$	\$	\$
<b>BALANCE, Beginning of Year</b>	<b>(3,566,450)</b>	<b>12,172,347</b>	<b>15,155,624</b>	<b>4,987,676</b>	<b>872,776</b>	<b>29,621,973</b>	<b>26,877,315</b>
Excess of revenue over expenditures	86,014,040	-	2,540,997	1,906	-	88,556,943	2,744,658
Current funds advanced to (from) subsidiaries	(456,396)	-	456,396	-	-	-	-
Current funds used for tangible capital assets	(5,831,373)	5,831,373	-	-	-	-	-
Annual amortization expense	888,678	(888,678)	-	-	-	-	-
Long-term liabilities repaid	(372,788)	372,788	-	-	-	-	-
Equity Transfers	(63,994,538)	-	-	64,446,375	(451,837)	-	-
Change in accumulated surplus	16,247,623	5,315,483	2,997,393	64,448,281	(451,837)	88,556,943	2,744,658
<b>BALANCE, End of Year</b>	<b>12,681,173</b>	<b>17,487,830</b>	<b>18,153,017</b>	<b>69,435,957</b>	<b>420,939</b>	<b>118,178,916</b>	<b>29,621,973</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, 2023**

	Land	Automotive	Buildings & Infrastructure	Computer Equipment	Equipment	2023 Total	2022 Total
	\$	\$	\$	\$	\$	\$	\$
<b>COST:</b>							
Balance, Beginning of Year	1,741,894	1,254,184	16,485,725	108,596	2,201,408	21,791,807	19,489,522
Acquisition of tangible capital assets	457,364	145,569	4,531,677	132,687	564,076	5,831,373	2,302,285
Balance, End of Year	<b>2,199,258</b>	<b>1,399,753</b>	<b>21,017,402</b>	<b>241,283</b>	<b>2,765,484</b>	<b>27,623,180</b>	<b>21,791,807</b>
<b>ACCUMULATED AMORTIZATION:</b>							
Balance, Beginning of Year	-	936,677	4,652,641	104,509	1,267,197	6,961,024	6,274,216
Annual amortization	-	117,087	595,582	21,579	154,430	888,678	686,808
Balance, End of Year	-	<b>1,053,764</b>	<b>5,248,223</b>	<b>126,088</b>	<b>1,421,627</b>	<b>7,849,702</b>	<b>6,961,024</b>
<b>NET BOOK VALUE</b>	<b>2,199,258</b>	<b>345,989</b>	<b>15,769,179</b>	<b>115,195</b>	<b>1,343,857</b>	<b>19,773,478</b>	<b>14,830,783</b>
2022 NET BOOK VALUE	1,741,894	317,507	11,833,084	4,087	2,201,408	14,830,783	

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, 2023**

	ISC Revenue \$	2022 Deferred Revenue	2023 Deferred Revenue \$	Other Revenue \$	2023		2022 Surplus (Deficit) \$
					Total Revenue \$	Total Expenditures \$	
Administration	546,359	-	-	97,032	643,391	1,231,781	(588,390)
Capital Projects	1,091,295	639,149	(1,224,009)	-	506,435	475,914	30,521
Chief and Council	-	10,000,000	(18,214,000)	26,832,232	35,046,232	15,132,619	19,913,613
Community Operations	772,986	234,584	-	2,845	1,010,415	1,154,706	(144,291)
Community Wellbeing Initiative	669,289	198,588	(744,584)	-	123,293	123,293	-
Culture	-	-	-	5,000	5,000	27,551	(22,551)
Dakii Centre	-	-	-	248,249	248,249	309,086	(60,837)
Dunne-za Lodge	-	-	-	38,760	38,760	58,022	(19,262)
Economic Development	15,817	-	-	74,035	89,852	134,126	(44,274)
Education	548,328	-	-	470,885	1,019,213	1,108,355	(89,142)
Emergency Management	-	-	-	66,995	66,995	44,198	22,797
Health - First Nations Health Authority	68,750	170,504	(288,579)	489,014	439,689	462,478	(22,789)
Health - Other	167,073	79,307	(1,015,990)	1,233,784	464,174	254,835	209,339
Housing	-	3,091,963	-	373,767	3,465,730	1,259,724	2,206,006
Lands	-	7,950,404	(10,381,872)	7,926,868	5,495,400	3,644,716	1,850,684
Social Development	306,638	-	-	577	307,215	274,232	32,983
Specific Claims - Agriculture Benefits	-	-	-	195,505	195,505	590,908	(395,403)
Specific Claims - Trapline	-	-	-	-	-	61,226	(61,226)
Specific Claims - Treaty Land Entitlement	-	-	-	92,526,063	92,526,063	26,115,624	66,410,439
Specific Claims - Western Boundary	-	-	-	137,914	137,914	-	137,914
West Moberly First Nation Holdings Inc.	-	-	-	342,887	342,887	2,622,417	(2,279,530)
0944996 BC Ltd - Golf Course	-	-	-	156,646	156,646	324,410	(167,764)
RIRSD	115,250	-	(31,692)	-	83,558	83,558	-
RIRSD #2	234,111	-	(51,532)	-	182,579	182,579	-
Mountain Rain Adventures	-	-	(7,875)	232,148	224,273	240,392	(16,119)
	4,535,896	22,364,499	(31,960,133)	131,451,206	142,819,468	55,916,750	86,902,718
							2,140,456

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, 2023**

	2023	2022
	\$	\$
<b>EXPENDITURES</b>		
Advertising	1,971	2,309
Bad debts (recovery)	(2,725)	29,953
Bank charges and penalties	129,208	81,811
Concession purchases	74,348	62,596
Contractors and consultants	4,248,832	3,349,040
Distributions from trust	114,219	118,281
Donations	61,514	47,633
Elders	383,963	289,554
Equipment rental	135,649	121,199
Freight	134,268	105,342
Honorariums	97,653	34,670
Insurance	291,735	257,064
Interest on long term debt	54,334	85,087
Meeting costs	47,757	18,055
Office, memberships and registration fees	351,761	289,462
Prizes and gifts	324,653	120,349
Professional fees	7,317,258	1,778,429
Program expenses	7,801,453	1,564,760
Property taxes	16,038	10,165
Rent	117,558	27,590
Repairs and maintenance	680,084	427,237
Supplies	1,011,211	903,948
TLE Settlement Distribution Payments	24,750,000	-
Training	18,365	21,350
Travel and vehicle expenses	428,754	382,143
Utilities and telephone	328,761	248,405
Wages and employee benefits	6,998,128	5,645,928
<b>TOTAL EXPENDITURES</b>	<b>55,916,750</b>	<b>16,022,360</b>

The accompanying notes form part of these financial statements.

# West Moberly First Nations

## Notes to the Consolidated Financial Statements

### March 31, 2023

---

#### **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 Nursery Limited Partnership
- Six Nations Ventures Limited Partnership

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2023**

---

**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.
- Mountain Rain Adventures

**(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:

Land	0%
Buildings and infrastructure	4%
Automotive	30%
Computer equipment	30%
Equipment	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, 2023**

---

**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 inventory cost is determined on a first-in first-out basis. Cattle inventory cost is determined 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, 2023**

---

**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**

	2023	2022
	\$	\$
Trust Funds		
Band Capital	2,789	2,789
Band Revenue	45,242	43,335
Canada Mortgage and Housing Corporation - Reserves (Note 12)	<u>420,939</u>	<u>872,776</u>
	<b>468,970</b>	<b>918,900</b>

**4. INVESTMENTS**

	2023		2022	
	FMV	Cost	FMV	Cost
	\$	\$	\$	\$
Land Tenure	<b>950,000</b>	<b>950,000</b>	-	-
Scotia Wealth Management				
Cash	10,446	10,446	10,422	10,422
Equities	<b>3,477,448</b>	<b>3,123,890</b>	2,907,530	2,390,253
Fixed income	-	-	701,156	742,783
Agriculture Benefits Trust - Scotia Wealth Management				
Cash	150,134	150,134	104,420	104,420
Equities	2,185,153	1,472,827	2,498,385	1,556,732
Fixed income	<b>2,210,863</b>	<b>2,315,082</b>	2,338,991	2,461,846
Treaty Land Entitlement Trust - Scotia Wealth Management				
Cash	8	8	-	-
Fixed income	<b>64,841,790</b>	<b>64,841,790</b>	-	-
	<b>73,825,842</b>	<b>72,864,177</b>	8,560,904	7,266,456

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2023**

---

**4. INVESTMENTS - Continued**

The above amounts have been recorded at fair value. The amounts of unrealized gain included in these fair values are \$961,665 (2022 - gain of \$1,294,448). The difference between the opening and closing unrealized amounts are a loss of \$441,360 (2022 - gain of \$401,870) and have been recorded to income.

The investment portfolio consist mainly of common stocks and equivalents and a small amount of cash.

Land tenure is a general territory certificate grants the holder (Mountain Rain Adventures Inc), with exclusive control over guiding privileges in the specific guiding territory noted. The certificate expires on June 4, 2039.

**5. ACCOUNTS RECEIVABLE**

	<b>2023</b>	<b>2022</b>
	\$	\$
Trade	1,264,514	1,025,508
Indigenous Services Canada	115,250	-
Province of British Columbia	8,214,000	-
Canada Mortgage and Housing Corporation	-	557,323
Canada Mortgage and Housing Corporation - supplemental funding	7,714	57,714
Members	154,797	583,226
GST	239,729	22,014
	<b>9,996,004</b>	<b>2,245,785</b>

**6. INVENTORY**

	<b>2023</b>	<b>2022</b>
	\$	\$
Cattle	1,119,107	415,657
Concession	4,255	4,255
	<b>1,123,362</b>	<b>419,912</b>

Total inventory expensed in the period was \$77,679 (2022 - \$66,276).

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2023**

---

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

	<b>2023</b>	<b>2022</b>
	\$	\$
<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)
	-	-
<b>Dunne-za Ventures Limited Partnership - 99.9% interest</b>		
Units	999	999
Advances	450	450
Accumulated surplus in earnings	5,544,307	3,362,764
	5,545,756	3,364,213
<b>Black Diamond Cygnus Limited Partnership - 50% interest</b>		
Units	500	500
Advances	(500)	(500)
Accumulated surplus in earnings	3,473,500	2,840,500
	3,473,500	2,840,500
<b>West Moberly First Nations Investments Inc. - 100% interest</b>		
Shares	100	100
Advances	7,455,116	6,990,214
Accumulated equity in earnings	60,402	58,981
	7,515,618	7,049,295
<b>West Moberly Indigiinet Internet Service Inc. - 50% interest</b>		
Shares	10	10
Advances	198,968	207,474
Accumulated deficit in earnings	(83,901)	(88,154)
	115,077	119,330
<b>Six Nations Ventures Limited Partnership - 16.67% interest</b>		
Shares	10	10
Accumulated equity in earnings	335,517	322,893
	335,527	322,903

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2023**

---

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

**Twin Sisters Native Plants Nursery Limited Partnership - 49.9% interest**

Units	10	10
Advances	389,376	389,376
Accumulated equity in earnings	28,842	119,978
	<b>418,228</b>	<b>509,364</b>

**Papawewin Developments Limited Partnership - 99.9% interest**

Units	999	999
Advances	1,157,134	1,157,134
Accumulated deficit in earnings	(408,822)	(208,114)
	<b>749,311</b>	<b>950,019</b>

Total investment in controlled entities **18,153,017** **15,155,624**

---

Financial information for each of the entities for their respective 2022/2023 year-ends are as follows:

	<b>Assets</b>	<b>Liabilities</b>	<b>Revenues</b>	<b>Net Earnings (Loss)</b>
	\$	\$	\$	\$
Dunne-za Ventures LP (99.9%)	6,130,148	571,257	2,605,928	2,183,727
Black Diamond West Moberly LP (50%)	20,084,000	13,137,000	57,033,000	2,666,000
West Moberly Investments Inc. (100%)	7,551,341	7,490,839	800,508	1,420
WM Indigiinet Internet Service Inc. (50%)	191,053	102,362	51,311	8,506
Papawewin Developments LP. (99.9%)	1,157,134	-	-	(200,708)
Six Nations Ventures Inc. (16%)	2,081,119	86,782	1,381,826	75,746
Twin Sisters Native Plants Nursery (49.9%)	1,305,265	1,247,642	1,124,946	(9,951)

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2023</b>	<b>2022</b>
	\$	\$
Trade	712,620	947,711
Canada Revenue Agency - source deductions	103,831	38,824
Indigenous Services Canada	74,571	53,274
Prepaid rents	56,330	-
	<b>947,352</b>	<b>1,039,809</b>

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2023**

---

**9. DEFERRED CONTRIBUTIONS**

	2023	2022
	\$	\$
Canadian Housing Mortgage Corporation	-	3,091,963
Hunting deferral	7,875	-
Environment Canada	1,090,102	1,577,947
First Nations Health Authority	288,579	170,504
Indigenous Services Canada	2,051,818	1,072,319
Industrial Agreements	9,291,770	5,848,608
Province of British Columbia	19,229,989	10,603,158
	<b>31,960,133</b>	<b>22,364,499</b>

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

The promissory note due to Indigenous Services Canada is \$nil (2022 - \$3,278,585). The Treaty Loan was repaid when the Treaty Land Entitlement claim was settled.

**11. LONG-TERM LIABILITIES**

	2023	2022
	\$	\$
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%.	12,279	17,215
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%.	44,733	65,486
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%.	2,038	26,136
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%.	33,718	43,847
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%.	158,794	170,790
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%.	563,196	599,871

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2023**

---

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

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>72,475</b>	94,204
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>54,089</b>	71,144
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>16,909</b>	21,053
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>456,250</b>	531,250
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>32,183</b>	87,353
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>229,556</b>	244,491
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>609,428</b>	685,596
	<b>2,285,648</b>	2,658,436
<u>Less: current portion of long-term liabilities</u>	<b>322,537</b>	350,796
	<b>1,963,111</b>	2,307,640

Interest paid on long-term liabilities amounted to \$54,334 (2022 - \$85,087) during the year.

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

	\$
2024	322,537
2025	295,392
2026	278,279
2027	245,629
2028	240,842
Thereafter	902,969
	<b>2,285,648</b>

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2023**

---

**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.

**EQUITY IN CMHC RESERVES**

	<b>2023</b>	<b>2022</b>
	\$	\$
Balance, beginning of year	872,776	398,628
Reserve allocation for the year	27,500	27,500
CMHC special contribution to reserves	-	500,000
Transfer (to) / from operations for the year	(479,337)	(53,352)
Balance, end of year	<b>420,939</b>	<b>872,776</b>

**13. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b>2023</b>	<b>2022</b>
	\$	\$
Tangible capital assets (Schedule 2)	27,623,180	21,791,807
Accumulated amortization (Schedule 2)	(7,849,702)	(6,961,024)
Long-term liabilities (Note 11)	(2,285,648)	(2,658,436)
	<b>17,487,830</b>	<b>12,172,347</b>

**14. EQUITY IN ENTERPRISE FUND**

	<b>2023</b>	<b>2022</b>
	\$	\$
Balance, beginning of year	15,155,624	10,572,528
Net advances to controlled entities	456,396	3,346,191
Earnings from controlled entities	2,540,997	1,236,905
Balance, end of year	<b>18,153,017</b>	<b>15,155,624</b>

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2023**

---

**15. EQUITY IN TRUST FUNDS**

**Federal Funds**

	Revenue \$	Capital \$	Total \$
Balance, beginning of year	42,395	3,729	46,124
Earnings	-	1,906	1,906
Balance, end of year	42,395	5,635	48,030

**Agriculture Benefit Funds**

	2023 \$	2022 \$
Balance, beginning of year	4,941,552	4,658,608
Investment income	72,978	78,215
Capital gains	122,527	177,650
Management fees	(76,931)	(78,754)
Unrealized gains (losses)	(399,758)	224,114
Transfers to the Nation	(114,219)	(118,281)
Balance, end of year	4,546,149	4,941,552

**Treaty Land Entitlement Funds**

Balance, beginning of year	-	-
Settlement income	92,526,063	-
Repayment of Treaty Loan Payable	(2,884,285)	-
Transfers to the Nation	(24,800,000)	-
Balance, end of year	64,841,778	-
<b>Total Trust Funds</b>	<b>69,435,957</b>	4,987,676

**16. ACCUMULATED SURPLUS**

	2023 \$	2022 \$
Unrestricted surplus (deficit)	12,681,173	(3,566,450)
Equity in tangible capital assets	17,487,830	12,172,347
Equity in enterprise fund	18,153,017	15,155,624
Equity in trust funds	69,435,957	4,987,676
Equity in CMHC reserves	420,939	872,776
	<b>118,178,916</b>	29,621,973

**West Moberly First Nations**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2023**

---

**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.

**18. COMPARATIVE FIGURES**

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