ASHTON
Chartered Accountants
Business Advisors

Suite 8 – 6 Courtoreille Street
Hay River, NT X0E 1G2
PH: (867) 874-6775
FX: (867) 874-3775
Email: tashton@ashtonca.com

INDEPENDENT AUDITORS REPORT

To the Chief and Members of Council:

Unqualified Opinion

We have audited the accompanying financial statements of West Point First Nation which comprise the statement of financial position as at March 31, 2019, and 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 and other explanatory information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of West Point First Nation as at March 31, 2019 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 First Nation 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 those 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 the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation'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 First Nation'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 First Nation'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 First 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.

Ashton

ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
September 19, 2019

WEST POINT FIRST NATION
Statement of Financial Position
As at March 31, 2019

		2019		2018
Financial Assets				
Cash	$	138,570	$	31,331
Accounts receivable, Note 4		68,423		219,138
GST recoverable		4,950		5,126
		211,943		255,595
Liabilities				
Accounts payable and accrued liabilities		30,578		80,464
Deferred revenue, Note 6		54,482		84,927
		85,060		165,391
Net Financial Assets	$	126,883	$	90,204
Non-Financial Assets				
Prepaid expenses	$	4,444	$	4,444
Capital assets, Note 5		400,254		377,160
	$	404,698	$	381,604
Accumulated Surplus	$	531,581	$	471,808

Approved by the Council:

________________ Council Member

________________ Council Member

WEST POINT FIRST NATION
Statement of Operations and Changes in Accumulated Surplus
For the year ended March 31, 2019

		2019		2018
Revenue				
Government of Northwest Territories	$	**75,545**	$	106,291
Deh Cho First Nations		**94,025**		149,185
Indigenous Services Canada		**288,183**		356,361
Hay River Metis Government Council (HRMGC)		**75,000**		59,600
Other revenues and recoveries		**143,693**		59,069
Deferred revenue, opening, Schedule 1		**84,927**		-
Deferred revenue, closing, Schedule 1		**(54,482)**		(84,927)
		706,891		645,579
Expenses				
Salaries and wages		**175,791**		131,483
Professional fees		**114,726**		92,898
Supplies		**91,455**		54,951
Travel		**60,423**		49,982
Honorariums		**50,898**		81,925
Rental		**35,756**		-
Cultural event		**24,845**		31,134
Utilities		**24,350**		11,226
Administration		**13,842**		29,538
Insurance		**8,420**		5,718
Office		**8,271**		42,628
Equipment		**4,005**		31,753
Project management fees		**3,500**		48,900
Interest and bank charges		**1,930**		2,928
		618,212		615,064
Excess of revenue over expenditure before the undernoted	**$**	**88,679**	$	30,515
Other Items:				
Amortization		**28,906**		34,856
Excess of revenue over expenditure for the year	**$**	**59,773**	**$**	**(4,341)**
Accumulated Surplus, beginning of year		**471,808**		64,133
Change in opening due to change in accounting policy		**-**		412,016
Accumulated Surplus, end of year	$	**531,581**	$	471,808

WEST POINT FIRST NATION
Statement of Changes in Net Financial Assets (Debt)
For the year ended March 31, 2019

		2019		2018
Excess of revenue over expenditure for the year	$	**59,773**	$	(4,341)
Amortization of capital assets		**28,906**		34,856
Purchases of capital assets		**(52,000)**		-
Change in prepaid expenses		**-**		400
Increase in net financial assets		**36,679**		30,915
Net financial assets, beginning of year		**90,204**		59,289
Net financial assets, end of year	$	**126,883**	$	90,204

WEST POINT FIRST NATION
Statement of Cash Flow
For the year ended March 31, 2019

		2019		2018
Operating Activities				
Excess of revenue over expenditure for the year	$	**59,773**	$	(4,341)
Add back non-cash items:				
Amortization		**28,906**		34,856
Changes in non-cash working capital balances:				
Accounts receivable		**150,715**		(87,781)
Prepaid expenses		**-**		400
Accounts payable and accrued liabilities		**(49,886)**		58,973
Deferred revenue		**(30,445)**		3,418
GST recoverable		**176**		4,757
	$	**159,239**	$	10,282
Investing Activities				
Purchase of capital assets	$	**(52,000)**	$	-
Increase in cash during the year		**107,239**		10,282
Cash, beginning of year		**31,331**		21,049
Cash, end of year	$	**138,570**	$	31,331

Note 1. **Nature of operations**

West Point First Nation (the "organization") is recognized pursuant to the Indian Act as an Indian Band and as such is a non-taxable entity in the Northwest Territories.

The purpose of the West Point First Nation is the following: uphold and protect the treaty and aboriginal rights of members; to ensure that members benefit from effective programs and services in the areas of education, housing, employment, economic development, recreation, health, the environment and other essential areas; to strengthen First Nation governance within the West Point First Nation traditional land base.

Note 2. **Summary of significant accounting policies**

Cash and cash equivalents

Cash includes cash and investments with maturities at the date of purchase of less than ninety days

Revenue recognition

West Point First Nation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Buildings	4%	declining balance method
Vehicles	30%	declining balance method
Boats	15%	declining balance method
Furniture and equipment	20%	declining balance method
Computer equipment	55%	declining balance method

The organization regularly reviews its property and equipment to eliminate obsolete items.

Property and equipment acquired during the year but not put into use are not amortized until they are placed into use.

Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

WEST POINT FIRST NATION
Notes to Financial Statements
For the year ended March 31, 2019

Note 2. **Summary of significant accounting policies (*continued*)**

Contributed goods and services

Contributed goods are recorded at their fair market value at the time of the donation. During the year the organization received good in the form of a boat with a fair market value of $35,000 from Deh Cho First Nations (2018 - $nil).

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Comparative figures

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

Note 3. **Financial instruments**

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The majority of the organization's receivables are with government agencies which minimizes the risk of default.

Fair Value

The organization's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

Note 4. **Accounts receivable**

		2019		2018
Due from the Government of the Northwest Territories(GNWT)	$	**12,619**	$	219,138
Dues from Indigenous Services Canada (ISC)		**48,845**		
Other receivables		**6,559**		
Payroll advances		**400**		-
	$	**68,423**	$	219,138

Note 5. **Capital assets**

The estimated cost of capital assets is as follows:

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Buildings	$ 597,040	$ 253,677	$ **343,363**	$ 340,316
Vehicles	39,148	22,843	**16,305**	23,293
Boats	35,000	2,625	**32,375**	-
Furniture and equipment	91,785	86,956	**4,829**	6,037
Computer equipment	25,178	21,796	**3,382**	7,514
	$ 788,151	$ 387,897	$ **400,254**	$ 377,160

Note 6. **Deferred revenue**

	2019	2018
Tides Canada	$ **30,000**	$ -
Indigenous Services Canada		
Community Economic Development	**12,980**	-
Skills Link Program	**11,502**	9,927
Dene Nation Assembly	**-**	75,000
	$ **54,482**	$ 84,927

Note 7. **Economic dependence**

The organization receives base funding plus specific program funding pursuant to funding arrangements with Indigenous Services Canada, the Government of the Northwest Territories and Deh Cho First Nations. It may therefore be considered economically dependent upon government-source funding for its core operating activities.

Note 8. **Contingent liabilities**

Under the terms of the some of the contribution agreements with funders, the organization may be liable to repay any contributed funds not expended in accordance with the agreement, The organization has recorded all known unexpended contributed funds as contributions repayable, which as of March 31, 2019 was $nil.

Note 9. **Financial Instruments**

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2019.

(a) Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from its funder. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization receives substantially all of its funding from the Government of Canada Department of Indigenous Services Canada (formerly Indigenous and Northern Affairs Canada), the Government of the Northwest Territories and Deh Cho First Nations, who are considered to be highly reliable in making payments.

(b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources and accounts payable. Most funders are reliable at paying the amounts collectible allowing sufficient cash available to pay amounts owing so liquidity risk is low.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its bank accounts. In Management's opinion, the risk from interest rate exposure to the organization is low.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

Note 10. **Change in accounting policy**

The organization changed its accounting policy for reporting capital assets to coordinate with the Public Sector Accounting Standards 3150 " Tangible Capital Asset". Under this standard, capital assets are to be amortized annually and recorded on the face of the statement of financial position at the net book value. In the past the organization have expensed all capital asset purchases. The adoption of this policy has been retroactively restated for comparative purposes.

Note 10. **Change in accounting policy (*continued*)**

Retroactive restatement involved an adjustment to the opening balances for the 2018 fiscal year as follows:

		opening balances - 2018
Buildings	$	580,040
Vehicles		39,148
Furniture and equipment		91,785
Computer equipment		25,178
Increase (Decrease) in book value of capital assets	$	736,151
Accumulate amortization of buildings	$	(225,544)
Accumulated amortization of vehicles		(5,872)
Accumulated amortization of furniture and equipment		(84,239)
Accumulate amortization of computer equipment		(8,480)
(Increase) Decrease in accumulate amortization	$	(324,135)
(Increase) Decrease Retained earnings	$	(412,016)

Going forward all capital assets will be reported on the statement of financial position and will be amortize over the useful life of the asset as set out in the policy under Note 2. The changes recorded in the current year impacted the financial statements as follows:

		2019		2018
Buildings	$	**17,000**	$	-
Boat		**35,000**		-
Total capital asset additions in the year	$	**52,000**	$	-
Accumulate amortization of buildings	$	**13,953**	$	14,180
Accumulated amortization of vehicles		**6,988**		9,983
Accumulated amortization of boats		**2,625**		0
Accumulated amortization of furniture and equipment		**1,207**		1,509
Accumulate amortization of computer equipment		**4,133**		9,184
Total accumulated amortization of capital assets	$	**28,906**	$	34,856
Amortization expense	$	**28,906**	$	34,856