

## INDEPENDENT AUDITOR'S REPORT

**To the Chief and Members of Council:**

### **Opinion**

We have audited the accompanying financial statements of West Point First Nation which comprise the statement of financial position as at March 31, 2021, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of West Point First Nation as at March 31, 2021 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 Qualified Opinion**

In common with many not-for-profit organizations, the West Point First Nation expends a portion of their funding revenues on cash and cash equivalent transactions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these expenses was limited to the amounts recorded in the records of the West Point First Nation. Therefore, we were not able to determine whether any adjustment might be necessary to excess of revenues over expenses and cash flows from operations for the year ended March 31, 2021, current assets and net assets as at March 31, 2021.

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 qualified audit 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

## Independent Auditor's Report to the West Point First Nation (continued)

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  
Chartered Professional Accountants  
Business Advisors

Hay River, NT  
October 1, 2021

**WEST POINT FIRST NATION**  
**Statement of Financial Position**  
**As at March 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>Financial Assets</b>		
Cash	\$ 178,398	\$ 165,867
Accounts receivable, Note 4	114,500	109,686
GST recoverable	5,035	2,746
	<b>297,933</b>	278,299
<b>Liabilities</b>		
Accounts payable and accrued liabilities	19,891	20,081
Government remittances payable	3,845	734
Deferred revenue, Note 6	127,018	127,110
	<b>150,754</b>	147,925
<b>Net Financial Assets</b>	<b>\$ 147,179</b>	\$ 130,374
<b>Non-Financial Assets</b>		
Prepaid expenses	\$ 15,332	\$ 11,500
Capital assets, Note 5	380,667	403,183
	<b>\$ 395,999</b>	\$ 414,683
<b>Accumulated Surplus</b>	<b>\$ 543,178</b>	\$ 545,057

Approved by the Council:

 Council Member  
 Council Member

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**As at March 31, 2021**

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 Council Member

**WEST POINT FIRST NATION**  
**Statement of Operations and Changes in Accumulated Surplus**  
**For the year ended March 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Government of the Northwest Territories	\$ 232,213	\$ 238,361
Deh Cho First Nations	161,605	86,499
Indigenous Services Canada	523,272	290,617
Hay River Metis Government Council	-	-
Other revenues and recoveries	86,657	37,140
Contributions repayable	-	-
Deferred revenue, opening, Schedule 1	127,110	54,482
Deferred revenue, closing, Schedule 1	(127,018)	(127,110)
	<b>1,003,839</b>	579,989
<b>Expenses</b>		
Salaries and wages	198,956	189,917
Professional fees	73,179	100,356
Travel	68,484	62,924
Supplies	44,736	61,260
Honorariums	59,299	45,575
Administration	18,715	21,889
Utilities	21,256	21,814
Equipment	-	21,000
Insurance	11,559	4,432
Office	262,384	11,200
Repairs and maintenance	17,708	10,167
Cultural event	19,741	9,949
Miscellaneous	171,530	4,816
Bad debt expense (recovery)	-	-
Rental	15,503	2,412
Project management fees	-	-
Interest and bank charges	(1,526)	1,580
Subcontractors	150	150
	<b>981,674</b>	569,441
<b>Excess of revenue over expenditure before the undernoted</b>	<b>\$ 22,165</b>	\$ 10,548
Other Items:		
Purchase of capital assets	-	30,045
Amortization of capital assets	(24,044)	(27,117)
<b>Excess of revenue over expenditure for the year</b>	<b>\$ (1,879)</b>	\$ 13,476
Accumulated Surplus, beginning of year	<b>545,057</b>	531,581
Accumulated Surplus, end of year	<b>\$ 543,178</b>	\$ 545,057

**WEST POINT FIRST NATION**  
**Statement of Changes in Net Financial Assets (Debt)**  
**For the year ended March 31, 2021**

	<b>2021</b>	<b>2020</b>
Excess of revenue over expenditure for the year	\$ (1,879)	\$ 13,476
Amortization of capital assets	24,044	27,117
Purchase of capital assets	(1,528)	(30,045)
<u>Change in prepaid expenses</u>	<u>(3,832)</u>	<u>(7,057)</u>
Increase in net financial assets	16,805	3,491
<u>Net financial assets, beginning of year</u>	<u>130,374</u>	<u>126,883</u>
Net financial assets, end of year	\$ 147,179	\$ 130,374

**WEST POINT FIRST NATION**  
**Statement of Cash Flow**  
**For the year ended March 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>Operating Activities</b>		
Excess of revenue over expenditure for the year	\$ (1,879)	\$ 13,476
Add back non-cash items:		
Amortization of capital assets	24,044	27,117
Changes in non-cash working capital balances:		
Accounts receivable	(4,814)	(41,264)
Prepaid expenses	(3,832)	(7,056)
Accounts payable and accrued liabilities	(190)	(9,763)
Payroll taxes payable	3,111	-
Deferred revenue	(92)	72,628
GST recoverable	(2,289)	2,204
	<b>14,059</b>	<b>57,342</b>
<b>Investing Activities</b>		
Purchase of capital assets	(1,528)	(30,045)
Increase in cash during the year	12,531	27,297
Cash, beginning of year	165,867	138,570
Cash, end of year	<b>\$ 178,398</b>	<b>\$ 165,867</b>

# WEST POINT FIRST NATION

## Notes to Financial Statements

### For the year ended March 31, 2021

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#### 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, 2021**

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

Contributed goods and services

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**

	<b>2021</b>	<b>2020</b>
Government of the Northwest Territories (GNWT)	\$ 10,140	\$ 12,018
Indigenous Services Canada (ISC)	72,323	85,473
Deh Cho First Nations	27,620	9,695
Other receivables	4,167	-
Payroll advances	250	2,500
	<b>\$ 114,500</b>	<b>\$ 109,686</b>

**WEST POINT FIRST NATION**  
**Notes to Financial Statements**  
**For the year ended March 31, 2021**

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**Note 5. Capital assets**

The estimated cost of capital assets is as follows:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Buildings	\$ 624,480	\$ 282,221	\$ 342,259	\$ 356,520
Vehicles	39,148	31,158	7,990	11,414
Boats	35,000	11,609	23,391	27,519
Furniture and equipment	95,919	89,577	6,342	6,208
Computer equipment	25,178	24,493	685	1,522
	\$ 819,725	\$ 439,058	\$ 380,667	\$ 403,183

**Note 6. Deferred revenue**

	2021	2020
Deh Cho First Nation		
Language	1,517	-
Community Mental Health	7,678	-
Indigenous Services Canada		
Athabasca Denesuline	16,645	-
Community Wellness	1,798	-
Community Economic Development	5,350	54,432
Indigenous Community	5,347	-
Nihtat Consultation	7,985	-
Professional and Institutional Development	45,714	23,870
Skills Link Program	34,984	48,808
	\$ 127,018	\$ 127,110

**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, 2021 was \$nil.

**WEST POINT FIRST NATION**  
**Notes to Financial Statements**  
**For the year ended March 31, 2021**

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**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, 2021.

**(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.