

Financial Statements of
WEST POINT FIRST NATION

March 31, 2023

WEST POINT FIRST NATION
Financial Statements
Year ended March 31, 2023

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MANAGEMENT'S REPORT

The financial statements of West Point First Nation have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of West Point First Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Chief and Council are responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Chief and Council are appointed by the members and meets periodically with management to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the financial statements are approved.

The financial statements have been audited by the independent firm of Ashton Chartered Professional Accountants. Their report to the members of West Point First Nation, stating the scope of their examination and opinion on the financial statements follows.



Chief



Manager

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, 2023, 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, 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 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, 2023, current assets and net assets as at March 31, 2023.

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

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
November 23, 2023

WEST POINT FIRST NATION
Statement of Financial Position
As at March 31, 2023

	2023	2022
Financial Assets		
Cash	\$ 320,982	\$ 317,984
Accounts receivable, Note 3	289,746	197,545
GST recoverable	5,044	5,341
	615,772	520,870
Liabilities		
Accounts payable and accrued liabilities	50,829	86,019
Contribution repayable	35,558	-
Government remittances payable	9,663	1,561
Deferred revenue, Note 5	380,920	223,815
	476,970	311,395
Net Financial Assets	\$ 138,802	\$ 209,475
Non-Financial Assets		
Prepaid expenses	\$ 5,467	\$ 4,569
Capital assets, Note 4	349,007	363,211
	\$ 354,474	\$ 367,780
Accumulated Surplus	\$ 493,276	\$ 577,255

Approved by the Council:

Ken Gage Council Member
Aucilla Hafferty Council Member

WEST POINT FIRST NATION
Statement of Operations and Changes in Accumulated Surplus
For the year ended March 31, 2023

	2023	2022
Revenue		
Government of the Northwest Territories	\$ 269,416	\$ 237,793
Government of Canada	-	-
Deh Cho First Nations	228,314	464,366
Indigenous Services Canada	448,000	1,004,295
Hay River Metis Government Council	-	-
Other revenues and recoveries	88,085	178,723
Contributions repayable	(35,558)	(11,914)
Deferred revenue, opening, Schedule 1	223,815	127,018
Deferred revenue, closing, Schedule 1	(380,921)	(223,815)
	841,151	1,776,466
Expenses		
Salaries and wages	239,904	174,825
Honorariums	77,076	61,500
Professional fees	85,746	64,537
Utilities	22,249	18,578
Office	28,210	29,378
Administration	21,457	97,915
Travel	106,611	70,369
Equipment	10,300	14,900
Sub-contractors	15,755	78,228
Interest and bank charges	1,720	12,641
Materials and supplies	173,260	1,050,781
Flood	70,442	-
Bad debt expense (recovery)	-	-
Cultural event	22,999	20,917
Insurance	13,106	13,572
Telephone and internet	840	318
Rental	3,875	2,050
Repairs and maintenance	8,777	1,246
Miscellaneous	102	7,956
	902,429	1,719,711
Excess of revenue over expenditure before the undernoted	\$ (61,278)	\$ 56,755
Other Items:		
Amortization of capital assets	(22,701)	(22,677)
Excess of revenue over expenditure for the year	\$ (83,979)	\$ 34,078
Accumulated Surplus, beginning of year	577,255	543,177
Accumulated Surplus, end of year	\$ 493,276	\$ 577,255

WEST POINT FIRST NATION
Statement of Changes in Net Financial Assets (Debt)
For the year ended March 31, 2023

	2023	2022
Excess of revenue over expenditure for the year	\$ (83,979)	\$ 34,078
Amortization of capital assets	22,701	22,677
Purchase of capital assets	(8,497)	(5,221)
<u>Change in prepaid expenses</u>	<u>(898)</u>	<u>10,762</u>
Increase in net financial assets	(70,673)	62,296
Net financial assets, beginning of year	209,475	147,179
Net financial assets, end of year	\$ 138,802	\$ 209,475

WEST POINT FIRST NATION
Statement of Cash Flow
For the year ended March 31, 2023

	2023	2022
Operating Activities		
Excess of revenue over expenditure for the year	\$ (83,979)	\$ 34,078
Add back non-cash items:		
Amortization of capital assets	22,701	22,677
Changes in non-cash working capital balances:		
Accounts receivable	(92,201)	(83,045)
Prepaid expenses	(898)	10,762
Accounts payable and accrued liabilities	(35,190)	66,128
Contribution repayable	35,558	-
Payroll taxes payable	8,102	(2,284)
Deferred revenue	157,105	96,797
GST recoverable	297	(306)
	11,495	144,807
Investing Activities		
Purchase of capital assets	(8,497)	(5,221)
Increase in cash during the year	2,998	139,586
Cash, beginning of year	317,984	178,398
Cash, end of year	\$ 320,982	\$ 317,984

WEST POINT FIRST NATION
Notes to Financial Statements
For the year ended March 31, 2023

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, 2023

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. Accounts receivable

	2023	2022
Government of the Northwest Territories (GNWT)	\$ 58,830	\$ 54,467
Indigenous Services Canada (ISC)	180,791	87,063
Deh Cho First Nations	42,255	53,947
Other receivables	4,651	1,668
Payroll advances	3,219	400
	\$ 289,746	\$ 197,545

WEST POINT FIRST NATION
Notes to Financial Statements
For the year ended March 31, 2023

Note 4. Capital assets

The estimated cost of capital assets is as follows:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Buildings	\$ 624,480	\$ 309,054	\$ 315,426	\$ 328,569
Vehicles	39,148	35,233	3,915	5,593
Boats	35,000	18,100	16,900	19,882
Furniture and equipment	99,947	92,263	7,684	5,074
Computer equipment	34,868	29,786	5,082	4,093
	\$ 833,443	\$ 484,436	\$ 349,007	\$ 363,211

Note 5. Deferred revenue

	2023	2022
Deh Cho First Nation		
Language	4,295	-
Community Mental Health	15,138	-
Government of Canada		
Development Corp. Funding	74,287	-
Other		
Canadian Heritage	6,755	-
GNWT		
Youth Contribution	2,266	-
Indigenous Services Canada		
Athabasca Denesuline	-	8,448
Hunting and Fishing	252	-
Capacity Building Initiatives	63,327	-
Pine Point Rail Bed Remediation Project	13,806	-
Indigenous Community	-	63,664
Nihtat Consultation	-	7,985
Professional and Institutional Development	-	30,705
Skills Link Program	22,095	34,543
Infrastructure and housing	177,705	70,000
PDIPI - Computers	994	8,470
	\$ 380,920	\$ 223,815

Note 6. 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.

WEST POINT FIRST NATION
Notes to Financial Statements
For the year ended March 31, 2023

Note 7. 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, 2023 was \$nil.

Note 8. 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, 2022.

(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.