

Walpole Island First Nation Presentation

November 8th, 2023



Introduction

Senior Members of Audit Team



Scott McKay
Audit Partner

Phone:
+1 (519) 953-0751

Email:
SMcKay@bdo.ca



Jason Harris
Advisory Reviewer

Phone:
+1 (226) 254-0154

Email:
JMharris@bdo.ca



Heather Jack
Manager

Phone:
+1 (519) 953-0737

Email:
HJack@bdo.ca

Presentation Content

- Overview of Audit Report
- Overview of Financial Statements
- Significant Current Year Events
- Questions & Answers

Independent Auditor's Report

Paragraph 1: Opinion

We have audited the consolidated financial statements of Walpole Island First Nation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2021, the consolidated statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Independent Auditor's Report

Paragraph 2: Opinion Continued

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2021, and its results of operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Independent Auditor's Report

Paragraph 3: 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Independent Auditor's Report

Paragraph 4: Management Responsibilities

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

Paragraph 5 and 6: Management Responsibilities Continued

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Report

Paragraph 7: Auditors Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

Independent Auditor's Report

Paragraph 8 and 9: Auditors Responsibilities Continued

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 consolidated 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.

Independent Auditor's Report

Paragraph 10 and 11: Auditors Responsibilities Continued

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 Group's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report

Paragraph 12: Auditors Responsibilities Continued

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 Group'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 consolidated 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 Group to cease to continue as a going concern.

Independent Auditor's Report

Paragraph 13 and 14: Auditors Responsibilities Continued

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

Paragraph 15: Auditors Responsibilities Continued

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.

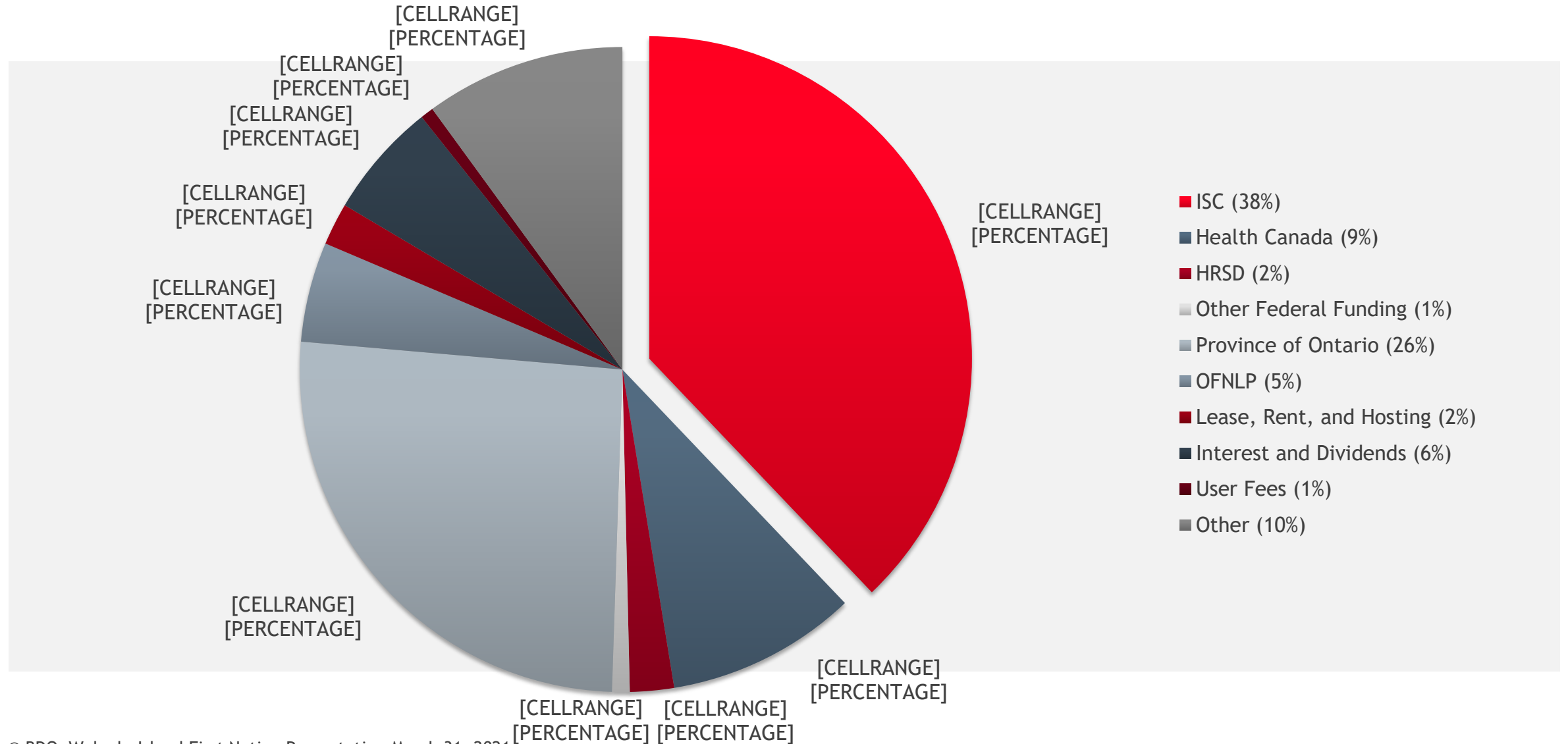
Financial Statements

Statement of Revenue and Expenditure

For the year ended March 31, 2021

	2021	2020
Total Revenue	\$42,333,002	\$44,384,200
Total Expenditure	(41,556,148)	(40,062,712)
Other Operating Items	464,943	2,641,553
Annual Surplus for Year	\$1,241,797	\$6,963,041

Breakdown of Revenue



Graph Acronyms

- ISC - Indigenous Services Canada
- HRSD - Human Resources and Skills Development
- OFNLP - Ontario First Nations Limited Partnership

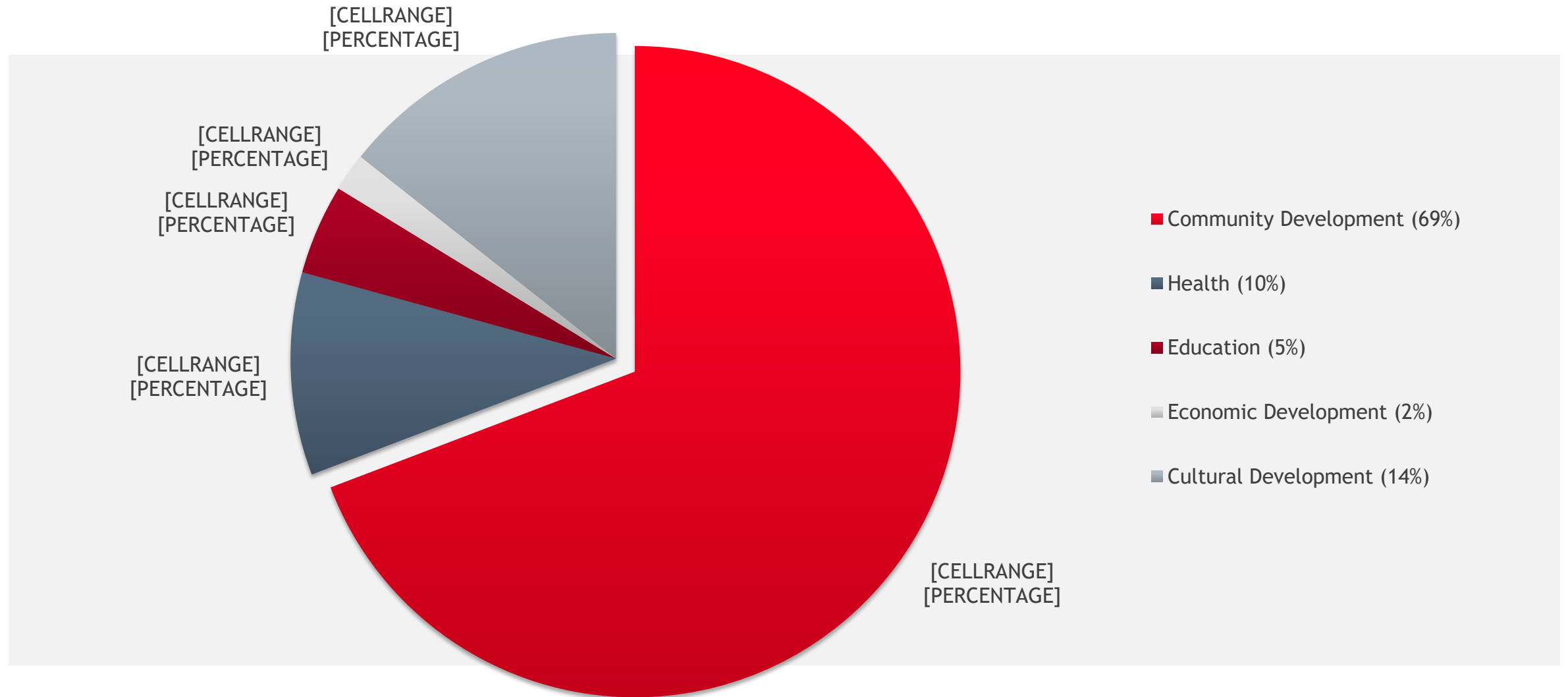
Other Revenue

Other Revenue Represented 10% of Total Revenue

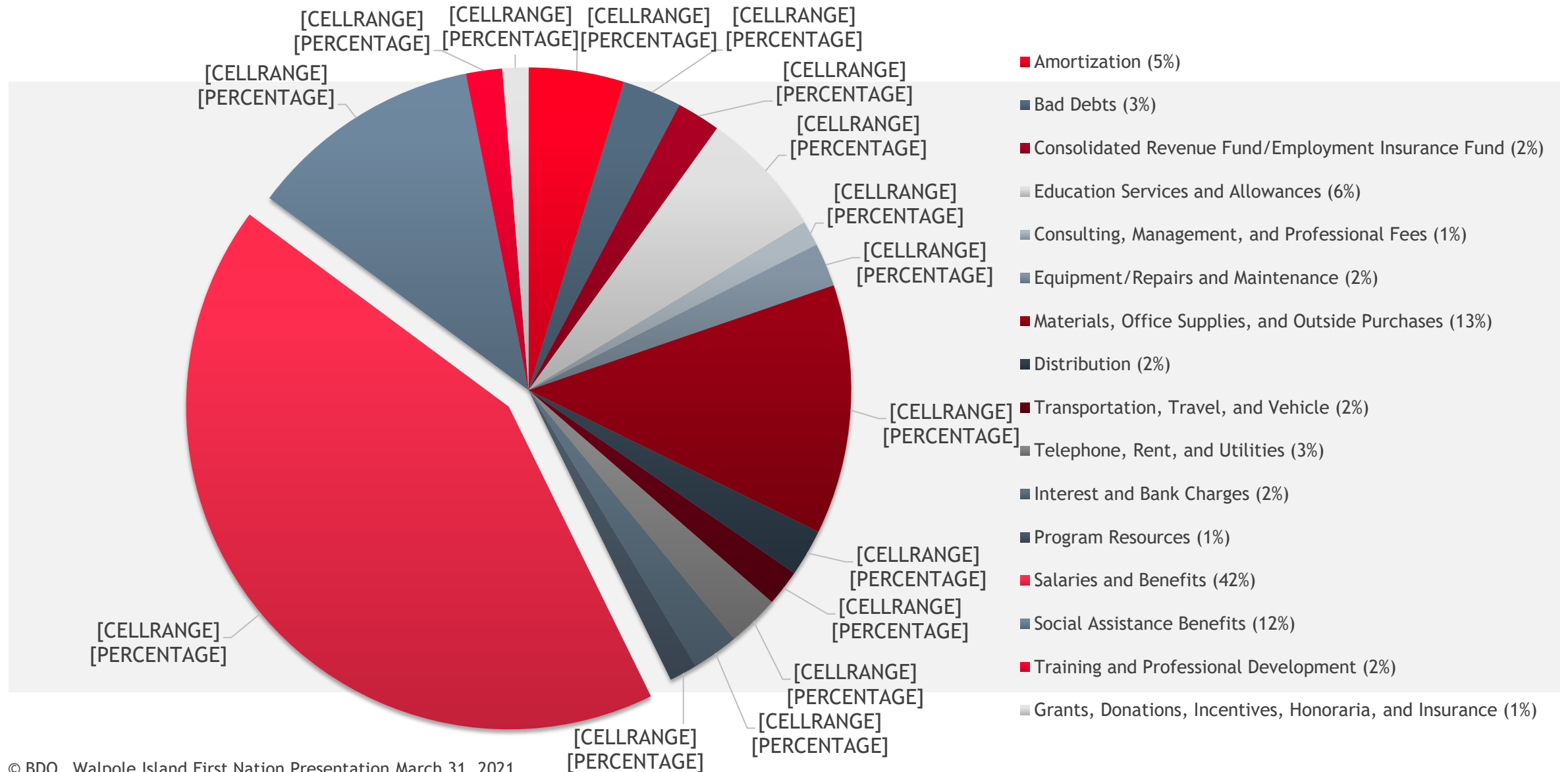
Some examples of other revenue include:

- Giiwedin Noodin FN Energy Corporation - \$2.1M
- Indigenous Education Coalition - \$348K
- Independent First Nations Alliance - \$99K

Ontario First Nations Limited Partnership \$1.8M



Breakdown of Expenses



Financial Statements

Statement of Financial Position

For the year ended March 31, 2021

	2021	2020
Financial Assets	\$91,285,437	\$85,045,529
Total Liabilities	<u>32,672,661</u>	<u>26,734,161</u>
Net Financial Assets	58,612,776	58,311,368
Non-Financial Assets	19,387,829	18,447,440
Accumulated Surplus	\$78,000,605	\$76,758,808

Financial Assets

For the year ended March 31, 2021

	2021	2020
Cash	\$43,131,110	\$34,623,219
Temporary Investments	-	4,070,797
Trust Funds in Ottawa	965,619	943,697
Accounts Receivable	6,266,132	4,747,799
Loans to Band Members	2,987,351	3,290,745
Investment in Related Parties	9,069,841	8,706,358
Investment in Energy Projects	9,653,621	9,451,151
Investment in Government Partnership	19,211,763	19,211,763
	\$91,285,437	\$85,045,529

Liabilities

For the year ended March 31, 2021

	2021	2020
Accounts Payable and Accrued Charges	\$4,290,713	\$3,123,199
Payable to Funding Sources	2,130,944	2,265,923
Deferred Revenue	9,479,637	3,063,610
Rental Deposits	11,263	10,000
Housing Commitments	729,111	643,341
Long-Term Debt	1,045,340	1,075,623
Long-Term Debt for Government Partnership	14,985,653	16,552,465
	\$32,672,661	\$26,734,161

Non-Financial Assets

For the year ended March 31, 2021

	2021	2020
Tangible Capital Assets	\$19,164,600	\$18,291,433
Prepaid Assets	223,229	156,007
	\$19,387,829	\$18,447,440

Members' Equity

For the year ended March 31, 2021

	2021	2020
Unrestricted Members' Equity	\$24,287,451	\$27,617,682
Invested in Tangible Capital Assets	18,403,502	17,500,051
Invested in Related Parties	9,069,841	8,706,358
Net Investment Energy Projects	9,653,621	9,451,151
Government Partnership	5,573,246	4,038,004
Internal Restricted Reserves	4,841,848	3,633,370
External Restricted Reserves	6,171,096	5,812,192
	\$78,000,605	\$76,758,808

Internally Restricted Fund

For the year ended March 31, 2021

Economic Development	\$20,000
Community Initiatives	1,208,478
Triangle Prairie	5,773
Waterworks	102,892
Land Purchase Future Development	40,000
Aboriginal and Treaty Rights and Defense	3,464,705
	\$4,841,848

Externally Restricted Fund

For the year ended March 31, 2021

CMHC	\$4,825
Trust Funds in Ottawa	965,619
OFNLP	5,200,652
	\$6,171,096

Significant Current Year Events

- Pandemic had an immediate and long-lasting effect
- Gas station was built

Questions & Answers