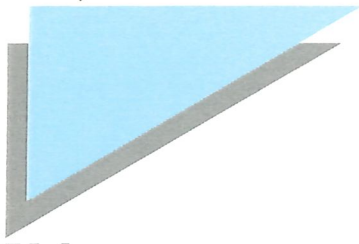


**Vohora** LLP  
*CPAs & Business Advisors*

**WET'SUWET'EN FIRST NATION**

**FINANCIAL STATEMENTS**

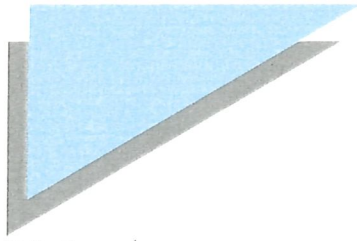
**MARCH 31, 2023**



**Vohora** LLP  
*CPAs & Business Advisors*

**WET'SUWET'EN FIRST NATION  
INDEX TO FINANCIAL STATEMENTS  
MARCH 31, 2023**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING  
INDEPENDENT AUDITOR'S REPORT  
STATEMENT OF FINANCIAL POSITION  
STATEMENT OF FINANCIAL ACTIVITIES  
STATEMENT OF CASH FLOWS  
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS  
NOTES



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## INDEPENDENT AUDITOR'S REPORT

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### TO CHIEF AND COUNCIL - WET'SUWET'EN FIRST NATION

#### Opinion

We have audited the financial statements of Wet'suwet'en First Nation, which comprise the statement of financial position as at March 31, 2023 and the statements of financial activities, cash flows and changes in net financial assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In accordance with the CICA handbook, section PS-3150, First Nation organizations are required to compile a comprehensive listing of all property and equipment owned by the organization. This has not been completed. The impact of this on the statement of financial position only affects property and equipment values and equity in property and equipment. The operating surplus is not impacted by this omission.

In our opinion, except as noted in the preceding paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Nation as at March 31, 2023 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for Opinion

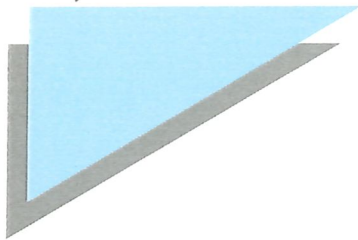
We conducted our audit in accordance with Canadian generally accepted auditing standards. We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with 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 Council 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 controls as management determines are necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Nation'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 conditions exist that do not allow for the going concern basis to be used.

Council is responsible for overseeing the Nation's financial reporting process.



**Vohora** LLP

*CPAs & Business Advisors*

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## **INDEPENDENT AUDITOR'S REPORT (*continued*)**

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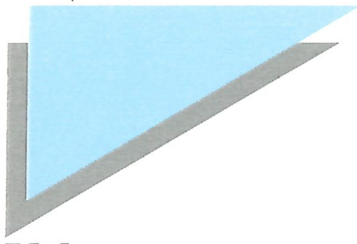
### **Auditor's Responsibility for the Audit of the Financial Statements**

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 judgement 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.



**Vohora** LLP

*CPAs & Business Advisors*

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**INDEPENDENT AUDITOR'S REPORT (*continued*)**

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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.

**Other Matter**

The financial statements for the year ended March 31, 2022 were audited by another auditor who expressed an opinion on those financial statements on August 18, 2022.

Prince Rupert, BC  
August 14, 2023

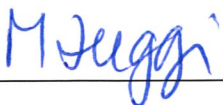
*Vohora LLP*

Chartered Professional Accountants

**WET'SUWET'EN FIRST NATION**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	6,175,704	6,195,314
Accounts receivable (note 3)	946,402	377,860
Inventory (note 1)	3,610	3,610
Ottawa Trust funds (note 4)	<u>55,844</u>	<u>53,630</u>
	<u>7,181,560</u>	<u>6,630,414</u>
<b>LIABILITIES</b>		
Accounts payable and accruals (note 5)	346,452	228,992
Deferred revenue (note 6)	54,246	-
Replacement and operating reserves (note 13)	171,965	121,802
Long-term debt (note 10)	<u>2,599,542</u>	<u>3,167,754</u>
	<u>3,172,205</u>	<u>3,518,548</u>
<b>NET FINANCIAL ASSETS</b>	<u>4,009,355</u>	<u>3,111,866</u>
<b>NON-FINANCIAL ASSETS</b>		
Property and equipment (notes 1 and 9)	10,886,287	8,665,204
Investments (note 1 and 8)	12,692,320	5,541,257
Prepaid expenses (note 7)	<u>29,132</u>	<u>59,489</u>
	<u>23,607,739</u>	<u>14,265,950</u>
	<u>27,617,094</u>	<u>17,377,816</u>
<b>NATION POSITION</b>		
Surplus (note 11)	19,274,505	11,826,736
Equity in property and equipment (note 12)	8,286,745	5,497,450
Ottawa Trust funds (note 4)	<u>55,844</u>	<u>53,630</u>
	<u>27,617,094</u>	<u>17,377,816</u>

APPROVED ON BEHALF OF COUNCIL



Chief Councillor



Nation Administrator

**WET'SUWET'EN FIRST NATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED MARCH 31**

	<b>Unaudited Budget</b>	<b>2023</b>	<b>2022</b>
	\$	\$	\$
<b>REVENUE</b>			
ISC	1,242,076	1,803,939	1,667,218
Carrier Sekani Family Services	410,721	388,038	440,810
CMHC	97,066	90,520	33,020
First Nations Health Authority	220,067	261,152	260,159
Northern Health Authority	30,000	36,800	30,250
Other and resources	3,125,925	10,275,650	4,527,036
Ottawa Trust funds	-	2,214	1,571
PGNAETA	51,922	11,043	8,315
Province of BC	1,234,026	1,356,349	529,900
Rent and sales	155,054	164,738	138,953
	<u>6,566,857</u>	<u>14,390,443</u>	<u>7,637,232</u>
<b>EXPENDITURE</b>			
Administration	1,216,973	980,071	739,868
Amortization	500,000	530,504	447,833
Capital and Infrastructure	859,059	438,593	346,071
Community Health	612,926	599,016	562,456
Economic Development	235,000	230,184	112,400
Education and Training	433,595	277,581	345,634
Housing	886,462	239,353	146,509
Natural Resources	1,978,000	463,002	434,659
Social Assistance	237,190	392,861	352,176
	<u>6,959,205</u>	<u>4,151,165</u>	<u>3,487,606</u>
<b>REVENUE OVER EXPENDITURE</b>	-392,348	10,239,278	4,149,626
<b>OPENING POSITION</b>	<u>17,377,816</u>	<u>17,377,816</u>	<u>13,228,190</u>
<b>CLOSING POSITION</b>	<u>16,985,468</u>	<u>27,617,094</u>	<u>17,377,816</u>

**WET'SUWET'EN FIRST NATION**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED MARCH 31**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Revenue over expenditure	10,239,278	4,149,626
Amortization	530,504	447,833
Accounts receivable	-568,542	166,312
Accounts payable and accruals	117,460	-90,490
Deferred revenue	54,246	-
Ottawa Trust funds	-2,214	-1,571
Prepaid expenses	30,356	-43,353
Replacement reserve	50,163	-4,724
	<u>10,451,251</u>	<u>4,623,633</u>
<b>FINANCING ACTIVITIES</b>		
Long-term debt	<u>-568,212</u>	<u>-128,056</u>
<b>INVESTING ACTIVITIES</b>		
Investments	-7,151,063	-1,874,699
Property and equipment additions	<u>-2,751,586</u>	<u>-642,490</u>
	<u>-9,902,649</u>	<u>-2,517,189</u>
<b>CHANGE IN CASH</b>	-19,610	1,978,388
<b>OPENING CASH BALANCE</b>	<u>6,195,314</u>	<u>4,216,926</u>
<b>CLOSING CASH BALANCE</b>	<u>6,175,704</u>	<u>6,195,314</u>



**WET'SUWET'EN FIRST NATION**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**YEAR ENDED MARCH 31**

	<b>Unaudited Budget</b>	<b>2023</b>	<b>2022</b>
	\$	\$	\$
Revenue over expenditure	-392,348	10,239,278	4,149,626
Amortization	500,000	530,504	447,833
Investments	-40,000	-7,151,063	-1,874,699
Prepaid expenses	25,000	30,356	-43,353
Property and equipment additions	<u>-1,500,000</u>	<u>-2,751,586</u>	<u>-642,490</u>
Change in net financial assets	-1,407,348	897,489	2,036,917
Opening net financial assets	<u>3,111,866</u>	<u>3,111,866</u>	<u>1,074,949</u>
Closing net financial assets	<u>1,704,518</u>	<u>4,009,355</u>	<u>3,111,866</u>

# WET'SUWET'EN FIRST NATION

## NOTES

MARCH 31, 2023

### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards.

Inventory of cigarettes is recorded at cost.

Long-term investments are recorded as an expenditure in the related fund when acquired, and are reported using the modified equity method. Losses are recorded only to the extent of the Nation investment.

Property and equipment are reported at cost and are amortized using the declining balance method at the following annual rates:

Automotive	30%
Equipment	20%
Roads, sewer and water	4%
Buildings	4%

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from these estimates.

Revenue is recorded in the period in which the transactions or events that give rise to the revenue occur. Funding from external parties is reported as per the terms of the funding agreement.

Expenditures are accounted for in the period when the goods and services are acquired and the liability is incurred.

It is management's opinion that the Nation's financial instruments are not exposed to significant interest rate, liquidity, market or other price risks. The Nation measures financial assets and liabilities at market value at the date of acquisition.

The unaudited budget information has been provided by management.

Certain comparative amounts have been restated to reflect current presentation.

**WET'SUWET'EN FIRST NATION**

**NOTES**

**MARCH 31, 2023**

**2. CASH**

	<b>2023</b>	<b>2022</b>
Operating accounts	\$ 5,998,340	\$ 6,069,737
Housing reserves	171,965	121,802
Forestry deposit	3,752	3,728
Secured Revenue Trust account	<u>1,647</u>	<u>37</u>
	<u>\$ 6,175,704</u>	<u>\$ 6,195,314</u>

**3. ACCOUNTS RECEIVABLE**

	<b>2023</b>	<b>2022</b>
ISC	\$ 34,246	\$ 4,221
Member receivables	262,030	252,338
Other	<u>912,156</u>	<u>373,639</u>
	1,208,432	630,198
Allowance for doubtful accounts	<u>262,030</u>	<u>252,338</u>
	<u>\$ 946,402</u>	<u>\$ 377,860</u>

**4. OTTAWA TRUST FUNDS**

ISC holds funds in trust for the Nation. These funds are designated as revenue or capital funds as is required by the Indian Act. The Nation is permitted to expend its revenue fund for any purpose that will promote the general progress and welfare of the Nation and its members. The expenditure of capital funds must be for projects of a capital nature and require the consent of ISC.

	<b>Capital</b>	<b>Revenue</b>	<b>Total 2023</b>	<b>Total 2022</b>
	\$	\$	\$	\$
Opening balance	18,507	35,123	53,630	52,059
Income	<u>-</u>	<u>2,214</u>	<u>2,214</u>	<u>1,571</u>
Closing balance	<u>18,507</u>	<u>37,337</u>	<u>55,844</u>	<u>53,630</u>

**5. ACCOUNTS PAYABLE AND ACCRUALS**

	<b>2023</b>	<b>2022</b>
Trade payable and accruals	\$ 295,308	\$ 189,449
Wages and holiday pay	<u>51,144</u>	<u>39,543</u>
	<u>\$ 346,452</u>	<u>\$ 238,992</u>

**WET'SUWET'EN FIRST NATION**

**NOTES**

**MARCH 31, 2023**

**6. DEFERRED REVENUE**

ISC	\$ 34,246
Coastal Gas Link	<u>20,000</u>
	<u>\$ 54,246</u>

**7. PREPAID EXPENSES**

	<b>2023</b>	<b>2022</b>
Post-secondary allowances	\$ 1,100	\$ 1,550
Social Assistance	24,897	16,213
Other	<u>3,135</u>	<u>41,726</u>
	<u>\$ 29,132</u>	<u>\$ 59,489</u>

**8. INVESTMENTS**

	<b>2023</b>	<b>2022</b>
Yinka Dene Economic Development Limited Partnership		
Comprised of - Advance	\$ 300,000	\$ 400,000
- Accumulated Equity	<u>12,392,318</u>	<u>5,141,255</u>
	12,692,318	5,541,255
FN (PTP) Group Limited Partnership – 1,014 units	1	1
FN (PTP) General Partner Inc. - 1 share	<u>1</u>	<u>1</u>
	<u>\$12,692,320</u>	<u>\$ 5,541,257</u>

Yinka Dene Economic Development Limited Partnership was organized to operate independently of Nation's control. As the Nation has contributed a substantial portion of the company's equity, management has determined that reporting using the modified equity method is appropriate.

WET'SUWET'EN FIRST NATION

NOTES

MARCH 31, 2023

9. PROPERTY AND EQUIPMENT

	PROPERTY AND EQUIPMENT			ACCUMULATED AMORTIZATION			NET BOOK VALUE	
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Annual amortization	Closing balance	2022
Buildings	9,989,567	2,371,210	-	12,360,777	3,195,152	395,151	3,590,303	8,770,474
Infrastructure	2,603,937	363,117	-	2,967,054	857,926	82,572	940,498	2,026,556
Equipment	820,604	17,259	-	837,863	695,826	52,780	748,606	89,257
	<u>13,414,108</u>	<u>2,751,586</u>	<u>-</u>	<u>16,165,694</u>	<u>4,748,904</u>	<u>530,503</u>	<u>5,279,407</u>	<u>10,886,287</u>
								<u>8,665,204</u>

**WET'SUWET'EN FIRST NATION**

**NOTES**

**MARCH 31, 2023**

**10. LONG-TERM DEBT**

First Nation Finance Authority loan, \$10,402/month including interest at 3.79% per annum.	\$ 1,830,994
Less debt reserve fund	138,428
Net promissory note	<u>1,692,566</u>
First Nation Finance Authority loan, \$2,120/month including interest at 2.99% per annum.	409,776
Less debt reserve fund	30,529
Net promissory note	<u>379,247</u>
Less debt reserve fund	<u>30,250</u>
Net promissory note	<u>392,358</u>
All Nations Trust Company mortgage, \$1,517/month including interest at 1.69% per annum	25,503
All Nations Trust Company mortgage, \$1,655/month including interest at 1.86% per annum	<u>109,868</u>
	<u>\$ 2,599,542</u>

Scheduled principal repayment during the next five years is as follows:

2024	\$ 118,580
2025	111,553
2026	107,376
2027	110,904
2028	<u>95,206</u>
	<u>\$ 543,619</u>

## WET'SUWET'EN FIRST NATION

### NOTES

MARCH 31, 2023

#### 10. SURPLUS (DEFICIT)

	2023	2022
	\$	\$
Administration	1,222,302	644,109
Capital and Infrastructure	827,300	91,985
Community Health	558,562	430,340
Economic Development	491,424	535,833
Education and Training	790,017	668,217
Housing	-1,113,253	-66,185
Natural Resources	3,401,223	3,922,828
Social Assistance	172,813	112,198
	<u>6,350,388</u>	<u>6,339,325</u>
Nation operating surplus	6,350,388	6,339,325
Investment surplus	<u>12,924,117</u>	<u>5,487,411</u>
Total	<u>19,274,505</u>	<u>11,826,736</u>

#### 11. EQUITY IN PROPERTY AND EQUIPMENT

	2023	2022
	\$	\$
Opening balance	5,497,450	5,174,737
Contribution from operations	3,319,799	770,546
Amortization	<u>-530,504</u>	<u>-447,833</u>
Closing balance	<u>8,286,745</u>	<u>5,497,450</u>

#### 12. CONTINGENT LIABILITY

In 2007, the Nation transferred the management of its non-replacement forest licence to a third party. Under this arrangement, the third party would be responsible for the silviculture obligations of the forest licence. The responsibility for the silviculture obligations is being disputed between the Nation and the third party. The potential liability, if any, is not determinable at the year-end.

**WET'SUWET'EN FIRST NATION**

**NOTES**

**MARCH 31, 2023**

**13. REPLACEMENT AND OPERATING RESERVES**

**Replacement reserve**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening balance	113,340	111,547
Current provision	10,000	10,000
Special allocation	57,500	
Interest	1,020	693
Replacement charges	<u>-10,195</u>	<u>-8,600</u>
Closing balance	<u>171,965</u>	<u>113,640</u>

**Operating reserve**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening balance	8,162	14,979
Current transfer	-8,235	-6,912
Interest	<u>73</u>	<u>95</u>
Closing balance	<u>-</u>	<u>8,162</u>
Total	<u>171,965</u>	<u>121,802</u>

**14. SEGMENT DISCLOSURE**

The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in note one. The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the year are as follows:



WET'SUWETEN FIRST NATION

NOTES

MARCH 31, 2023

15. SEGMENT DISCLOSURE (continued)

	Budget	Administration	Capital and Infrastructure	Community Health	Economic Development and Training	Education and Training	Housing	Natural Resources	Social Assistance	Amortization	Total 2023	Total 2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>												
Government of Canada	1,242,076	159,844	789,165	281,317	15,000	255,315	184,495	17,000	453,475	-	2,155,611	1,960,397
Province of BC	1,234,026	418,053	790,796	30,000	-	15,000	-	102,900	-	-	1,356,349	560,150
CSFS	410,721	-	-	388,038	-	-	-	-	-	-	388,038	440,810
PGNAETA	51,922	-	-	-	-	11,043	-	-	-	-	11,043	8,315
Rent, sales, and other	3,628,112	1,005,478	46,909	16,279	7,612,681	131,743	98,216	1,568,096	-	-	10,479,402	4,667,560
	6,566,857	1,583,375	1,626,870	715,634	7,627,681	413,101	282,711	1,687,596	453,475	-	14,390,443	7,637,232
<b>EXPENDITURE</b>												
Administration	142,623	32,086	26,035	45,082	-	5,680	336	32,646	3,713	-	145,578	157,595
Allowances and programmes	821,407	55,079	-	65,611	175,975	104,181	-	50,329	362,581	-	813,756	770,428
Amortization	500,000	-	-	-	-	-	-	-	-	530,504	530,504	447,833
Bad debts	-	19,659	-	-	-	-	-	-	-	-	19,659	35,574
Contract and consulting services	3,442,478	262,642	48,466	21,430	53,259	16,052	-	308,537	-	-	710,386	418,608
Equipment rentals and repairs	221,239	16,378	97,899	7,974	-	-	104,015	3,141	-	-	229,407	165,357
Honoraria	131,993	168,451	-	-	-	-	-	-	-	-	168,451	145,721
Insurance	127,637	28,645	18,510	12,670	-	-	58,860	2,157	-	-	120,842	97,842
Materials and supplies	138,636	152,073	11,609	27,788	-	23,210	-	3,098	-	-	217,778	186,815
Office and other	414,832	74,970	114,421	52,754	-	18,582	75,843	-	2,034	-	338,404	243,396
Professional and contract services	46,000	88,914	-	-	-	20,219	-	-	722	-	109,855	181,628
Telephone and utilities	74,900	31,300	71,071	5,801	-	6,193	499	-	75	-	114,939	93,520
Travel and training	175,502	29,874	2,908	144,401	950	44,198	-	50,749	646	-	273,726	200,664
Wages and benefits	721,958	20,000	47,674	215,505	-	39,266	-	12,345	23,090	-	357,880	342,625
	6,959,205	980,071	438,593	599,016	230,184	277,581	239,353	463,002	392,861	530,504	4,151,165	3,487,606
<b>REVENUE OVER EXPENDITURE</b>	-392,348	603,304	1,188,277	116,618	7,397,497	135,520	43,358	1,224,594	60,614	-530,504	10,239,278	4,149,626
<b>TRANSFERS</b>	-	263,301	-	-	-	-	-	-263,301	-	-	-	-
<b>ANNUAL SURPLUS (DEFICIT)</b>	-392,348	866,605	1,188,277	116,618	7,397,497	135,520	43,358	961,293	60,614	-530,504	10,239,278	4,149,626