

Consolidated Financial Statements of

**WASAUKSING FIRST NATION**

And Independent Auditor's Report thereon

Year ended March 31, 2022

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Wasauksing First Nation are the responsibility of management and have been approved by the Chief and Council of the First Nation.

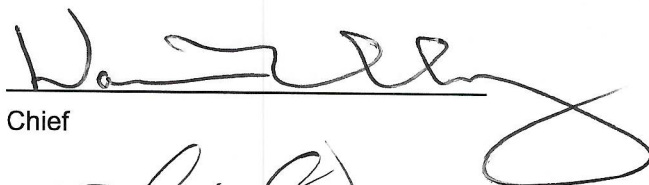
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains a system of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council review the First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet to discuss and to review the consolidated financial statements and the external auditor's report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

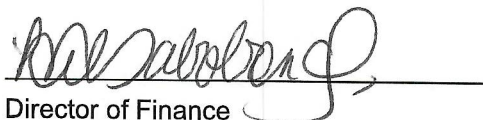
The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the First Nation.



Chief



Chief Executive Director



Director of Finance



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## INDEPENDENT AUDITOR'S REPORT

To the Council and Members of Wasauksing First Nation

### **Opinion**

We have audited the consolidated financial statements of Wasauksing First Nation (the "First Nation"), which comprise:

- the consolidated statement of financial position as at March 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2022, and its consolidated results of operations and its consolidated 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 responsibility under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's 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 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.



***Responsibility of Management and those Charge with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 related 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 the 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 risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the First Nation's internal control.



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

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

June 1, 2023

# WASAUKSING FIRST NATION

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Year ended March 31, 2022, with comparative information for 2021

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# WASAUKSING FIRST NATION

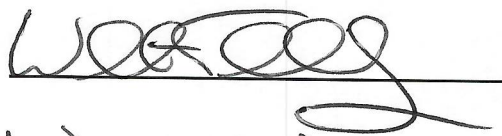

## Exhibit A - Consolidated Statement of Financial Position



March 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial Assets</b>		
Cash	\$ 10,047,360	\$ 8,891,672
Accounts receivable (note 2)	4,019,006	4,182,934
Consolidated revenue trust fund	14,671	14,842
Restricted cash (note 3)	520,051	518,754
Restricted assets - M'tigo Min Trust (note 4)	3,289,690	3,297,261
Investment in government business enterprises (note 5)	526,937	509,828
	<u>18,417,715</u>	<u>17,415,291</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	3,706,487	3,907,567
Deferred revenue (note 6)	5,225,590	2,966,362
Obligations under capital leases (note 7)	92,325	150,717
Long-term debt (note 8)	5,726,325	4,899,462
	<u>14,750,727</u>	<u>11,924,108</u>
Net financial assets	3,666,988	5,491,183
<b>Non-Financial Assets</b>		
Tangible capital assets (note 9)	27,888,666	24,834,182
Prepaid expenses	216,553	531,560
	<u>28,105,219</u>	<u>25,365,742</u>
Contingent liabilities (note 10)		
Accumulated surplus (note 11)	<u>\$ 31,772,207</u>	<u>\$ 30,856,925</u>

See accompanying notes to consolidated financial statements.

Approved:

# WASAUKSING FIRST NATION

## Exhibit B - Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2022, with comparative information for 2021

	2022 Budget (note 13)	2022 Actual	2021 Actual
<b>Revenue:</b>			
Indigenous Services Canada (note 12)	\$ 6,831,958	\$ 4,775,767	\$ 4,472,173
Infrastructure Canada	-	803,105	-
Ontario First Nations Limited Partnership	490,338	541,815	893,633
Canada Mortgage and Housing Corporation	1,366,273	91,867	65,617
Public works and Government Services Canada	2,414,000	2,414,959	-
Provincial funding	3,385,981	3,599,360	3,575,193
Kinoomaadziwin Education Body	2,847,170	2,649,731	2,118,305
Rentals, leasing and permits	383,764	1,101,236	828,614
Investment income	10,000	380,396	289,585
Share of loss of investment in government business enterprises	-	(109,877)	(115,318)
Other	1,485,140	1,469,953	1,821,144
	19,214,624	17,718,312	13,948,946
<b>Expenses:</b>			
Band Support	889,182	610,804	876,591
Social Assistance	1,130,777	1,300,825	1,399,003
Education	2,735,722	2,595,412	2,076,594
Economic Development	-	35,222	34,065
Land Management	579,159	473,733	579,450
Community Infrastructure	5,974,467	5,405,024	3,326,918
Community Property	1,946,329	871,781	332,018
Day Care Operations	1,002,063	1,095,582	986,452
Social Services	1,063,789	711,146	815,923
Health Services	2,906,890	2,796,292	2,317,760
Library	30,665	-	8,452
Employment and Training	120,385	94,165	49,343
CMHC Housing	230,567	344,638	309,910
Rental Housing	271,387	185,274	255,102
Property Tax	287,162	217,574	231,045
M'tigo Min Trust	-	65,558	30,419
	19,168,544	16,803,030	13,629,045
Excess of revenue over expenses	46,080	915,282	319,901
Accumulated surplus, beginning of year	30,856,925	30,856,925	30,537,024
Accumulated surplus, end of year	\$ 30,903,005	\$ 31,772,207	\$ 30,856,925

See accompanying notes to consolidated financial statements.

# WASAUKSING FIRST NATION

## Exhibit C - Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2022, with comparative information for 2021

	2022 Budget (note 13)	2022 Actual	2021 Actual
Excess of revenue over expenses	\$ 46,080	\$ 915,282	\$ 319,901
Acquisition of tangible capital assets	(4,479,348)	(4,514,746)	(3,242,457)
Amortization of tangible capital assets	1,460,262	1,460,262	1,449,545
	(2,973,006)	(2,139,202)	(1,473,011)
Acquisition of prepaid expenses	-	315,007	(423,553)
Change in net financial assets	(2,973,006)	(1,824,195)	(1,896,564)
Net financial assets, beginning of year	5,491,183	5,491,183	7,387,747
Net financial assets, end of year	\$ 2,518,177	\$ 3,666,988	\$ 5,491,183

See accompanying notes to consolidated financial statements.

# WASAUKSING FIRST NATION

## Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Operating transactions:		
Excess of revenue over expenses	\$ 915,282	\$ 319,901
Adjustment for:		
Amortization of tangible capital assets	1,460,262	1,449,545
Share of loss of investment in government business enterprises	109,877	115,318
	<u>2,485,421</u>	<u>1,884,764</u>
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	163,928	(679,483)
Decrease (increase) in prepaid expenses	315,007	(423,553)
Increase (decrease) in accounts payable and accrued liabilities	(201,080)	2,093,321
Increase in deferred revenue	2,259,228	660,294
	<u>5,022,504</u>	<u>3,535,343</u>
Capital transactions:		
Acquisition of tangible capital assets	(4,514,748)	(3,242,456)
Financing transactions:		
Principal payments on long-term debt	(96,619)	(85,026)
Proceeds on long-term debt	923,484	3,760,000
Principal payments on obligations under capital leases	(58,392)	(66,533)
	<u>768,473</u>	<u>3,608,441</u>
Investing transactions:		
Decrease (increase) in restricted assets - M'tigo Min Trust	7,571	(264,180)
Investment in government business enterprise	(126,986)	(71,894)
Increase in consolidated revenue trust fund	171	(171)
	<u>(119,244)</u>	<u>(336,245)</u>
Net increase in cash	1,156,985	3,565,083
Cash, beginning of year	9,410,426	5,845,343
Cash, end of year	<u>\$ 10,567,411</u>	<u>\$ 9,410,426</u>
Represented by:		
Cash	\$ 10,047,360	\$ 8,891,672
Restricted cash	520,051	518,754
	<u>\$ 10,567,411</u>	<u>\$ 9,410,426</u>

See accompanying notes to consolidated financial statements.

# WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

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Wasauksing First Nation, located near Parry Sound, Ontario, administers programs and provides services on behalf of its members.

## 1. Significant accounting policies:

The consolidated financial statements of Wasauksing First Nation (the "First Nation") are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these consolidated financial statements:

### (a) Reporting entity:

#### (i) Basis for consolidation:

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of all programs under the control of Chief and Council. All controlled entities are fully consolidated on a line-by-line basis, except for commercial enterprises which meet the definition of a government business enterprise. Inter-organizational balances and transactions are eliminated upon consolidation.

Government business enterprises are included in the consolidated financial statements on a modified equity basis.

#### (ii) Consolidated entities:

M'tigo Min Trust is consolidated in these financial statements.

#### (iii) Investment in government business enterprises:

Organizations accounted for on a modified equity basis include:

- Wasauksing Holdings GP Inc. ("WHGP")
- Wasauksing Marina GP Inc. ("WMGP")
- Wasauksing Maple Products GP Inc. ("WMPGP")
- Wasauksing Holdings, LP ("WHLP")

Under the modified equity basis, the government business enterprises' accounting policies are not adjusted to conform with those of the First Nation and inter-organization transactions and balances are not eliminated. The First Nation recognizes its equity interest in the annual earnings or loss of the government business enterprises in its consolidated statement of operations and accumulated surplus with corresponding increase or decrease in its investment account.

### (b) Basis of accounting:

The First Nation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

# WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

### (c) Revenue recognition:

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the consolidated statement of financial position.

### (d) Consolidated revenue trust funds:

Funds held in trust are comprised of funds held in Ottawa Trust accounts and arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

### (e) Marketable securities:

Investments in non-controlled entities are recorded at cost. Temporary changes in the market value of the investments are not recorded.

### (f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

#### (i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

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Buildings and land improvements	20 - 50 years
Equipment	5 - 20 years
Vehicles	5 - 10 years
Roads	25 years
Water systems	25 years
Housing	25 years

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Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

(ii) Works of art and cultural and historic assets are not recorded as assets in the consolidated financial statements.

# WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

## 1. Significant accounting policies (continued):

### (g) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

### (h) Prior year funding adjustments:

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments, with audit adjustments repayable to the government.

Adjustments made under funding arrangements relating to prior years are charged to operations in the year during which the adjustments are made.

## 2. Accounts receivable:

	2022	2021
Ministry of Education	\$ 6,112	\$ 1,588,216
Innovation, Science and Economic Development Canada	1,027,936	1,027,936
Public Services and Procurement Canada	–	440,499
Union of Ontario Indians	893,615	414,252
Ontario First Nation Limited Partnership	340,171	–
Indigenous Services Canada	258,857	151,254
Ministry of Health	87,595	119,804
Other	439,816	474,978
Band members	987,181	1,007,907
Infrastructure Canada	803,039	–
Ministry of Agriculture, Food and Rural Affairs	196,279	–
Allowance for doubtful accounts	(1,021,595)	(1,041,912)
	<u>\$ 4,019,006</u>	<u>\$ 4,182,934</u>

# WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

### 3. Restricted cash:

	2022	2021
Robinson Huron Treaty (i)	\$ 288,530	\$ 287,981
First Nations Finance Authority – Debt reserve (ii)	188,123	188,032
First Nations Finance Authority – Debt reserve (iii)	43,398	42,741
	<u>\$ 520,051</u>	<u>\$ 518,754</u>

(i) The First Nation has pledged \$287,750 as security for a loan guarantee arrangement with the Bank of Montreal as described in note 10(c).

(ii) The First Nation is required to maintain a debt reserve bank account of at least \$188,000 as part of a borrowing agreement with First Nations Finance Authority as described in note 8.

(iii) The First Nation is required to maintain a debt reserve bank account of at least \$37,500 as part of a borrowing agreement with First Nations Finance Authority as described in note 8.

Any interest earned in excess of these pledged amounts is unrestricted for use by the First Nation.

### 4. Restricted assets – M'Tigo Min Trust:

Under the terms of an agreement with the trustees of the M'tigo Min Trust (the "Trust"), the restricted assets are to be used for the benefit of the First Nation and its members for specified purposes outlined in the agreement. Disbursements are not to be made for the normal operating activities of the First Nation.

The restricted assets of the Trust consist of the following:

2022	Cost	Fair Market Value
Cash	\$ 123,355	\$ 123,355
Marketable securities	3,166,335	3,212,824
	<u>\$ 3,289,690</u>	<u>\$ 3,336,179</u>
2021	Cost	Value
Cash	\$ 89,754	\$ 89,754
Marketable securities	3,207,507	3,471,427
	<u>\$ 3,297,261</u>	<u>\$ 3,561,181</u>

# WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

## 5. Investment in government business enterprises:

The First Nation has a 100% equity interest in WGHP, WMGP, WMPGP and a 99% equity interest in WHLP. These organizations are government business enterprises of the First Nation and are accounted for on the modified equity method in these consolidated financial statements.

The investment in government business enterprises consists of the following:

	WGHP		WMGP		WMPGP		Sub-total
Balance, beginning of year	\$	79	\$	94	\$	87	\$ 260
Share of loss		(11)		–		(10)	(21)
Balance, end of year	\$	68	\$	94	\$	77	\$ 239

	Sub-total		WHLP		2022	2021	
Balance, beginning of year	\$	260	\$	509,568	\$	509,828	\$ 553,252
Contributions		–		126,987		126,987	71,894
Share of loss		(22)		(109,856)		(109,878)	(115,318)
Balance, end of year	\$	238	\$	526,699	\$	526,937	\$ 509,828

The following tables provide condensed supplementary financial information of WHLP for the year ended December 31, 2021:

	2021	2020
Financial position:		
Current assets	\$ 20,599	\$ 59,874
Non-current assets	547,023	551,382
Total assets	567,622	611,256
Current liabilities	(46,982)	(81,738)
Partners' equity	\$ 520,640	\$ 529,518

	2021	2020
Results of operations:		
Expenses	\$ (4,520)	\$ (4,520)
Other loss	(34,359)	(98,931)
Net loss	\$ (38,879)	\$ (103,451)

# WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

## 6. Deferred revenue:

	2022	2021
Indigenous Services Canada	\$ 2,588,832	\$ 1,523,442
Kinoomaadziwin Education Body	1,790,057	979,973
Union of Ontario Indians	484,631	263,674
Other	362,070	199,273
	<u>\$ 5,225,590</u>	<u>\$ 2,966,362</u>

## 7. Obligations under capital leases:

	2022	2021
Capital lease obligation, \$1,253 payable monthly principal, interest-free, due November 2024, secured by vehicle with net book value of \$63,894 (2021 - \$71,411)	\$ 40,090	\$ 55,124
Capital lease obligation, \$2,098 payable monthly principal, interest-free, due April 2023, secured by equipment with net book value of \$108,818 (2021 - \$123,043)	27,216	52,338
Capital lease obligation, \$823 payable monthly including principal and interest, bearing interest at 3.99%, due October 2023, secured by vehicle with net book value of \$30,995 (2021 - \$34,641)	15,114	24,206
Capital lease obligation, \$762 payable monthly principal, interest-free, due April 2023, secured by vehicle with net book value of \$34,285 (2021 - \$38,857)	9,905	19,049
	<u>\$ 92,325</u>	<u>\$ 150,717</u>

Future minimum lease payments are as follows:

2023	\$ 59,176
2024	23,592
2025	10,022
	<u>92,790</u>
Less: interest included in lease payments	(465)
<u>Present value of future minimum lease payments</u>	<u>\$ 92,325</u>

# WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

## 8. Long-term debt:

	2022	2021
<u>Canada Mortgage and Housing Corporation:</u>		
Mortgage payable, \$2,204 monthly including principal and interest, bearing interest at 1.69% per annum, due August 2024	\$ 294,288	\$ 315,579
Mortgage payable, \$3,201 monthly including principal and interest, bearing interest at 2.49% per annum, due May 2023	211,232	243,972
Project advance for Home Safety with forgivable payments annually without interest, ending February 2037	923,484	—
<u>First Nations Finance Authority (i):</u>		
Promissory note payable, \$7,137 monthly including principal and interest, bearing interest at 3.06% per annum, due June 2032	3,752,863	3,760,000
Promissory note payable, \$4,191 monthly including principal and interest, bearing interest at 2.985% per annum, due June 2024	544,458	579,911
	<u>\$ 5,726,325</u>	<u>\$ 4,899,462</u>

(i) Each of the promissory notes payable to First Nation Finance Authority are secured by an assignment of distributions from the Ontario First Nations Limited Partnership.

Principal payments due are as follows:

2023	\$ 230,294
2024	227,403
2025	223,930
2026	222,491
2027	220,452
Thereafter	4,601,755
	<u>\$ 5,726,325</u>

# WASUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

## 9. Tangible capital assets:

Cost	2021	Additions	Disposals/ Transfers	2022
Land	\$ 1	\$ -	\$ -	\$ 1
Buildings and land improvements	8,200,992	67,061	-	8,268,053
Equipment	3,472,422	245,175	-	3,717,597
Vehicles	2,028,966	90,996	-	2,119,962
Roads	1,668,260	-	-	1,668,260
Water systems	16,825,146	42,980	-	16,868,126
Housing	10,491,565	-	-	10,491,565
Assets under construction	2,959,957	4,068,534	-	7,028,491
<b>Total</b>	<b>\$ 45,647,309</b>	<b>\$ 4,514,746</b>	<b>\$ -</b>	<b>\$ 50,162,055</b>

Accumulated Amortization	2021	Disposals	Amortization expense	2022
Buildings and land improvements	\$ 3,127,625	\$ -	\$ 163,789	\$ 3,291,414
Equipment	1,284,043	-	183,145	1,467,188
Vehicles	1,095,107	-	137,432	1,232,539
Roads	1,072,361	-	41,591	1,113,952
Water systems	6,384,739	-	673,864	7,058,603
Housing	7,849,252	-	260,441	8,109,693
<b>Total</b>	<b>\$ 20,813,127</b>	<b>\$ -</b>	<b>\$ 1,460,262</b>	<b>\$ 22,273,389</b>

	Net book value 2021	Net book value 2022
Land	\$ 1	\$ 1
Buildings and land improvements	5,073,367	4,976,639
Equipment	2,188,379	2,250,409
Vehicles	933,859	887,423
Roads	595,899	554,308
Water systems	10,440,407	9,809,523
Housing	2,642,313	2,381,872
Assets under construction	2,959,957	7,028,491
<b>Total</b>	<b>\$ 24,834,182</b>	<b>\$ 27,888,666</b>

Equipment includes items acquired under capital lease with a net book value of \$108,818. Vehicles includes items acquired under capital lease with a net book value of \$129,174.

# WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

## 9. Tangible capital assets (continued):

Cost	2020	Additions	Disposals/ Transfers	2021
Land	\$ 1	\$ -	\$ -	\$ 1
Buildings and land improvements	8,126,287	74,705	-	8,200,992
Equipment	3,365,089	107,333	-	3,472,422
Vehicles	1,901,141	127,825	-	2,028,966
Roads	1,668,260	-	-	1,668,260
Water systems	16,755,837	69,309	-	16,825,146
Housing	10,491,565	-	-	10,491,565
Assets under construction	96,672	2,863,285	-	2,959,957
<b>Total</b>	<b>\$ 42,404,852</b>	<b>\$ 3,242,457</b>	<b>\$ -</b>	<b>\$ 45,647,309</b>

Accumulated Amortization	2020	Disposals	Amortization expense	2021
Buildings and land improvements	\$ 2,964,007	\$ -	\$ 163,618	\$ 3,127,625
Equipment	1,101,769	-	182,274	1,284,043
Vehicles	965,105	-	130,002	1,095,107
Roads	1,030,770	-	41,591	1,072,361
Water systems	5,713,120	-	671,619	6,384,739
Housing	7,588,811	-	260,441	7,849,252
<b>Total</b>	<b>\$ 19,363,582</b>	<b>\$ -</b>	<b>\$ 1,449,545</b>	<b>\$ 20,813,127</b>

	Net book value 2020	Net book value 2021
Land	\$ 1	\$ 1
Buildings and land improvements	5,162,280	5,073,367
Equipment	2,263,320	2,188,379
Vehicles	936,036	933,859
Roads	637,490	595,899
Water systems	11,042,717	10,440,407
Housing	2,902,754	2,642,313
Assets under construction	96,672	2,959,957
<b>Total</b>	<b>\$ 23,041,270</b>	<b>\$ 24,834,182</b>

Equipment includes items acquired under capital lease with a net book value of \$108,818. Vehicles includes items acquired under capital lease with a net book value of \$129,174.

# WASAUKSING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

### 10. Contingent liabilities:

- (a) The First Nation has guaranteed loans to various chartered banks on behalf of First Nation members totaling \$170,036 (2021 - \$113,991).
- (b) Under an agreement with Royal Bank of Canada ("RBC"), the First Nation may guarantee a maximum of \$3,750,000 of mortgages owing to RBC on behalf of First Nation members. As of March 31, 2022, the total balance guaranteed by the First Nation is \$2,208,492 (2021 - \$2,208,492).
- (c) In accordance with terms and conditions of a financing arrangement between the Bank of Montreal and the Robinson Huron Treaty Trust (the "Trust"), the First Nation as a beneficiary of the Trust has guaranteed borrowings in proportion to its beneficial interest in the Trust in the amount of \$287,750 (2021 - \$282,750). As of March 31, 2022, its proportional outstanding loan balance as part of the Trust is \$281,830 (2021 - \$281,821).

### 11. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2022	2021
Surplus:		
Invested in tangible capital assets	\$ 22,070,016	\$ 19,784,003
Ontario First Nations Limited Partnership Operations	3,508,880	3,344,358
Consolidated revenue trust	(78,076)	2,028,851
CMHC Housing operations	14,671	14,842
	(506,689)	(397,390)
	25,008,802	24,774,664
M'tigo Min Trust	3,406,308	3,097,568
Committed reserves	2,788,829	2,433,414
Investment in government business enterprises	526,937	509,828
Housing replacement reserves	41,331	41,451
	\$ 31,772,207	\$ 30,856,925

# WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

## 12. Indigenous Services Canada revenue:

ISC revenue is comprised of the following:

Funding per confirmation	\$	6,372,576
Add: opening deferred revenue		979,973
Add: prior approval Medical Transportation funding		12,050
Less: ending deferred revenue		(2,588,832)
<b>Revenue per consolidated financial statements</b>	<b>\$</b>	<b>4,775,767</b>

## 13. Budget information:

The budget data presented in these consolidated financial statements is based upon the operating and capital budgets approved by Council. The reconciliation of the approved budget to the budget figures reported on these consolidated financial statements is listed below:

Approved expense budget:		
Total expenses per budget	\$	23,108,281
Less:		
Capital acquisitions		(4,514,746)
Principal payments on long-term debt		(826,863)
Principal payments on obligations under capital leases		(58,390)
		17,708,282
Add:		
Amortization of tangible capital assets		1,460,262
<b>Expense budget per consolidated financial statements</b>	<b>\$</b>	<b>19,168,544</b>

## 14. Effects of COVID-19:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the First Nation's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect to the First Nation's business is not known at this time.

# WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

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## 15. Comparative information:

Certain 2022 comparative information have been reclassified where necessary to conform with the presentation adopted in 2021.

## 16. Segmented information:

The First Nation is a diversified governmental institution that provides a wide range of services to its Members, including band support, health services, education, social assistance, capital projects and Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by functional areas and their activities are reported in these funds. Certain functional areas that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

### **Band Support**

The band support functional area oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. This department includes the governance activities of Chief and Council, management and assistance for the related departments within the First Nation, and administration of all land and resource management activities on behalf of the First Nation.

### **Community Infrastructure**

The community infrastructure functional area provides public services that contribute to sustainability through the provision of maintenance and operating services such as infrastructure, roads, water and sanitation, fire protection, street lighting and community buildings.

### **Economic Development**

The economic development functional area develops employment and training opportunities, along with identification of economic development initiatives for the First Nation.

### **Health**

The health services functional area provides a diverse bundle of services directed toward the well-being of the Members including such activities as patient transportation, early childhood development, mental health and various other health-related activities.

### **Education**

The education functional area delivers band-operated elementary school programming, administers tuition agreements with various school boards, manages the post-secondary program for its members, provides local transportation for students, and delivers various other educational initiatives.

# WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

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## 16. Segmented information (continued):

### **Community Property**

The community property functional area provides services for the longevity of the First Nation by the acquisition or construction of vehicles, equipment, roads, housing and community buildings. Revenue and expenses included in the community property department are generally long-term in nature, capitalized in the accounts of the First Nation and amortized over their useful life.

### **Social Services**

The social services functional area delivers a variety of programming including Ontario Works, employment support services, homemakers, and national child benefit programs. The department also includes the delivery of day care operations, library services and child welfare initiatives.

### **Housing**

The housing functional area manages the operations of the various rental housing owned by the First Nation, including both CMHC and other band-owned social housing. This includes tenant identification, rent collection and maintenance management.

### **Other**

The other functional areas includes the First Nation's activities related to its participation with the Ontario First Nations Limited Partnership, its investments in business enterprises via Wasauksing Holdings LP Inc., and the activities of the M'tigo Min Trust on behalf of the First Nation.

For each reported segment, revenues and expenses include amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocations methodologies are employed in the preparation of segmented financial information, including transfers that have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies.

# WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022, with comparative information for 2021

## 16. Segmented information (continued):

	Band Support	Community Infrastructure	Economic Development	Health	Education	Community Property	Social Services	Housing	Other	2022 Total
Revenue:										
Revenue	\$ 2,005,824	4,436,524	261,961	2,872,334	2,518,398	1,500,703	3,061,314	249,497	811,757	17,718,312
Expenses:										
Salaries, benefits and honoraria	982,084	1,000,313	70,776	1,460,299	1,183,585	51,714	1,393,177	76,598	3,800	6,222,346
Travel and training	63,955	4,047	-	58,870	36,475	-	29,588	-	-	192,935
Interest on long-term debt	16,813	77,356	-	-	-	-	-	10,729	-	104,898
Contractual and professional fees	226,641	1,891,777	28,774	195,335	16,476	3,840,122	125,178	4,200	44,717	6,373,220
Materials, supplies and rentals	247,924	993,608	6,448	683,789	271,169	1,271,265	566,332	154,420	-	4,194,955
Tuition and student allowances	-	-	-	-	1,037,419	-	-	-	-	1,037,419
Other	296,532	370,764	23,389	492,627	22,345	5,207	1,028,678	72,556	16,972	2,329,070
Administration chargebacks	(597,327)	-	-	-	-	-	-	-	-	(597,327)
Amortization of tangible capital assets	-	1,171,878	-	-	27,943	-	-	260,441	-	1,460,262
Investment in tangible capital assets	-	(104,719)	-	(94,628)	-	(4,280,001)	(35,400)	-	-	(4,514,748)
	1,236,622	5,405,024	129,387	2,796,292	2,595,412	888,307	3,107,553	578,944	65,489	16,803,030
Excess (deficiency) of revenue over expenses	\$ 769,202	(968,500)	132,574	76,042	(77,014)	612,396	(46,239)	(329,447)	746,268	915,282

# WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022, with comparative information for 2021

## 16. Segmented information (continued):

	Band Support	Community Infrastructure	Economic Development	Health	Education	Community Property	Social Services	Housing	Other	2021 Total
Revenue:										
Revenue	\$ 1,897,582	2,053,541	196,071	2,555,940	1,998,549	666,510	3,272,768	243,966	1,064,019	13,948,946
Expenses:										
Salaries, benefits and honoraria	1,010,721	821,584	32,659	1,195,770	898,856	49,921	1,294,390	93,529	3,200	5,400,630
Travel and training	54,817	1,572	160	48,848	69,961	-	22,253	-	-	197,611
Interest on long-term debt	5,575	13,761	-	-	-	-	-	11,862	-	31,198
Contractual and professional fees	339,966	542,952	21,200	150,933	26,141	2,545,576	13,948	4,200	22,210	3,667,126
Materials, supplies and rentals	529,504	1,171,935	13,439	572,405	239,020	420,686	742,128	142,269	-	3,831,386
Tuition and student allowances	-	-	-	-	753,673	-	-	-	-	753,673
Other	340,655	153,247	15,950	349,803	60,998	19,000	1,137,108	52,712	5,012	2,134,485
Administration chargebacks	(594,152)	-	-	-	-	-	-	-	-	(594,152)
Amortization of tangible capital assets	-	1,161,158	-	-	27,945	-	-	260,441	-	1,449,544
Investment in tangible capital assets	-	(539,291)	-	-	-	(2,703,165)	-	-	-	(3,242,456)
	1,687,086	3,326,918	83,408	2,317,759	2,076,594	332,018	3,209,827	565,013	30,422	13,629,045
Excess (deficiency) of revenue over expenses	\$ 210,496	(1,273,377)	112,663	238,181	(78,045)	334,492	62,941	(321,047)	1,033,597	319,901