

Financial Statements of

# **WAHTA MOHAWKS**

Year ended March 31, 2020

# WAHTA MOHAWKS

Financial Statement Index

Year ended March 31, 2020

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Wahta Mohawks are the responsibility of management and have been approved by Chief and Council.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. 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 financial statements are presented fairly, in all material respects.

The Wahta Mohawks 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 assets are appropriately accounted for and adequately safeguarded.

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

The Chief and Council review the Wahta Mohawks' financial statements and recommend their approval. The Chief and Council meet periodically to discuss and to review the annual report, the financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

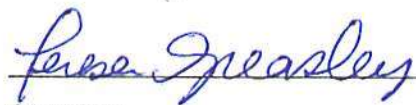
The financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the Wahta Mohawks.



Chief



Councillor



Councillor



Councillor



Councillor



KPMG LLP  
Claridge Executive Centre  
144 Pine Street  
Sudbury Ontario P3C 1X3  
Canada  
Telephone (705) 675-8500  
Fax (705) 675-7586

## INDEPENDENT AUDITORS' REPORT

### *Opinion*

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

- the statement of financial position as at March 31, 2020
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and the notes to the 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 financial position of the First Nation as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB).

### *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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' 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 for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB), 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.

## ***Auditors' 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 auditors' 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.
- 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 auditors' 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 auditors' 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 audit evidence regarding the financial information of the entities or business activities within the 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

August 19, 2020

# WAHTA MOHAWKS

## Statement of Financial Position


March 31, 2020, with comparative information for 2019

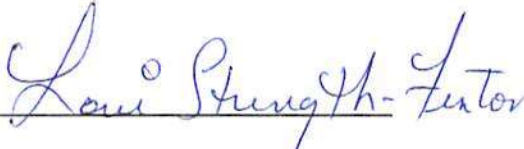
|   | 2020              | 2019              |
|---|-------------------|-------------------|
| <b>Financial assets</b>                                       |                   |                   |
| Cash  | \$ 8,287,207      | \$ 7,422,272      |
| Accounts receivable (note 2)                                  | 499,364           | 527,400           |
| Note receivable (note 3)                                      | 20,000            | 20,000            |
| Investments (note 4)  | 27,164,027        | 26,332,459        |
| Investment in Wahta Economic Development Partnership (note 5) | 189,574           | 98,583            |
| Consolidated revenue funds                                    | 3,301,089         | 3,237,541         |
|   | <u>39,461,261</u> | <u>37,638,255</u> |
| <b>Financial liabilities</b>                                  |                   |                   |
| Accounts payable and accrued liabilities                      | 595,105           | 734,101           |
| Deferred revenue (note 6)                                     | 2,072,475         | 1,969,817         |
|   | <u>2,667,580</u>  | <u>2,703,918</u>  |
| Net financial assets  | 36,793,681        | 34,934,337        |
| <b>Non-financial assets</b>                                   |                   |                   |
| Tangible capital assets (note 8)                              | 7,182,643         | 6,743,458         |
| Prepaid expenses  | 55,339            | 44,657            |
| Inventory   | 124,910           | 21,001            |
|   | <u>7,362,892</u>  | <u>6,809,116</u>  |
| Contingent liabilities (note 10)                              |                   |                   |
| Effects of COVID-19 (note 13)                                 |                   |                   |
| Accumulated surplus (note 9)                                  | \$ 44,156,573     | \$ 41,743,453     |

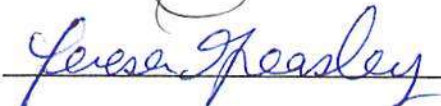
See accompanying notes to financial statements.

On behalf of the First Nation:

Chief 

Councillor 

Councillor 

Councillor 

Councillor \_\_\_\_\_

# WAHTA MOHAWKS

## Statement of Operations and Accumulated Surplus

Year ended March 31, 2020, with comparative information for 2019

|  | 2020<br>Budget | 2020<br>Actual | 2019<br>Actual |
|--|----------------|----------------|----------------|
|  | (note 11)      |                |                |
| Revenue:                                     |                |                |                |
| Government transfers - Provincial            | \$ 591,451     | \$ 820,015     | \$ 949,050     |
| - Federal                                    | 2,043,098      | 2,306,327      | 2,269,792      |
| Investment income (note 7)                   | 400,000        | 1,169,693      | 1,408,978      |
| Grants and subsidies                         | 446,260        | 473,522        | 415,704        |
| Rental income                                | 74,161         | 146,178        | 106,705        |
| Business operation                           | -              | -              | 21,968         |
| Other  | 1,933,903      | 2,105,180      | 1,801,591      |
|  | 5,488,873      | 7,020,915      | 6,973,788      |
| Expenses:                                    |                |                |                |
| Band Administration                          | 1,195,915      | 587,158        | 662,907        |
| Health Services                              | 1,535,723      | 1,281,891      | 1,362,235      |
| Community Infrastructure                     | 1,593,218      | 873,031        | 672,036        |
| Education                                    | 1,082,508      | 946,609        | 1,005,283      |
| Community and Economic Development           | 1,410,993      | 491,932        | 525,788        |
| Investments                                  | 466,800        | 120,568        | 112,685        |
| Social Assistance                            | 39,284         | 124,860        | 134,812        |
| Community Property                           | 365,911        | 181,746        | 102,893        |
| Business Operations                          | -              | -              | 21,380         |
|  | 7,690,352      | 4,607,795      | 4,600,019      |
| Excess (deficiency) of revenue over expenses | (2,201,479)    | 2,413,120      | 2,373,769      |
| Accumulated surplus, beginning of year       | 41,743,453     | 41,743,453     | 39,369,684     |
| Accumulated surplus, end of year             | \$ 39,541,974  | \$ 44,156,573  | \$ 41,743,453  |

See accompanying notes to financial statements.



# WAHTA MOHAWKS

## Statement of Changes in Net Financial Assets

Year ended March 31, 2020, with comparative information for 2019

|  | 2020<br>Budget | 2020<br>Actual | 2019<br>Actual |
|--|----------------|----------------|----------------|
|  | (note 11)      |                |                |
| Excess (deficiency) of revenue over expenses | \$ (2,201,479) | \$ 2,413,120   | \$ 2,373,769   |
| Acquisition of tangible capital assets       | -              | (825,988)      | (429,986)      |
| Disposal of tangible capital assets          | -              | 16,094         | -              |
| Amortization of tangible capital assets      | 370,708        | 370,708        | 348,526        |
|  | (1,830,771)    | 1,973,934      | 2,292,309      |
| Acquisition of prepaid expenses              | -              | (55,339)       | (44,657)       |
| Use of prepaid expenses                      | -              | 44,658         | 42,424         |
| Use (acquisition) of inventory               | -              | (103,909)      | 27,847         |
| Change in net financial assets               | (1,830,771)    | 1,859,344      | 2,317,923      |
| Net financial assets, beginning of year      | 34,934,337     | 34,934,337     | 32,616,414     |
| Net financial assets, end of year            | \$ 33,103,566  | \$ 36,793,681  | \$ 34,934,337  |

See accompanying notes to financial statements.

# WAHTA MOHAWKS

## Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

|   | 2020         | 2019         |
|---|--------------|--------------|
| Cash flows from operating activities:                           |              |              |
| Excess of revenue over expenses                                 | \$ 2,413,120 | \$ 2,373,769 |
| Adjustment for:   |              |              |
| Loss on disposal of tangible capital assets                     | 16,094       | -            |
| Equity gain from government business enterprises                | (90,991)     | (19,451)     |
| Amortization of tangible capital assets                         | 370,708      | 348,526      |
|   | 2,708,931    | 2,702,844    |
| Change in non-cash working capital:                             |              |              |
| Decrease in accounts receivable                                 | 28,036       | 226,273      |
| Decrease (increase) in inventory                                | (103,909)    | 27,847       |
| Increase in prepaid expenses                                    | (10,682)     | (2,234)      |
| Increase in deferred revenue                                    | 102,658      | 1,479,806    |
| Increase (decrease) in accounts payable and accrued liabilities | (138,996)    | 199,449      |
|   | 2,586,038    | 4,633,985    |
| Cash flows from investing activities:                           |              |              |
| Increase in consolidated revenue funds                          | (63,548)     | (73,483)     |
| Purchase of tangible capital assets                             | (825,988)    | (429,986)    |
| Investment in Wahta Economic Development Partnership            | -            | (79,022)     |
| Purchase of investments   | (831,567)    | (1,114,037)  |
|   | (1,721,103)  | (1,696,528)  |
| Net increase in cash  | 864,935      | 2,937,457    |
| Cash, beginning of year   | 7,422,272    | 4,484,815    |
| Cash, end of year   | \$ 8,287,207 | \$ 7,422,272 |

See accompanying notes to financial statements.

# WAHTA MOHAWKS

## Notes to Financial Statements

Year ended March 31, 2020

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Wahta Mohawks (the "First Nation"), administers programs and performs services as contracted with various funding agencies for the benefit of its members.

### 1. Basis of presentation and significant accounting policies:

The financial statements of 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 financial statements:

#### (a) Reporting entity:

The reporting entity is comprised of all committees and related entities under the control of Chief and Council which includes the following entities:

- Wahta Economic Development GP Inc.
- Wahta Economic Development LP

The above entities are accounted for on the modified equity basis. Under the modified equity basis, the entity's accounting principles are not adjusted to conform with those of the First Nation and inter-organizational transactions and balances are not eliminated.

#### (b) Revenue recognition:

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

#### (c) 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 are amortized on a straight-line basis over their estimated useful lives as follows:

| Asset                             | Useful Life - Years |
|-----------------------------------|---------------------|
| Land improvements                 | 25 years            |
| Buildings and improvements        | 25 - 40 years       |
| Infrastructure                    | 20 - 40 years       |
| Machinery and equipment           | 10 - 15 years       |
| Furniture, computers and fixtures | 7 - 15 years        |

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.

# WAHTA MOHAWKS

## Notes to Financial Statements

Year ended March 31, 2020

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### 1. Basis of presentation and significant accounting policies (continued):

(d) Consolidated revenue funds:

Consolidated revenue funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

(e) 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 governments. Adjustments are recorded in the year during which the adjustments are made.

(f) Inventories:

Inventories are comprised of crushed gravel. Inventories are stated at the lower of average cost and net realizable value. Cost comprises all costs to purchase, convert and any other costs in bringing the inventories to their present location and condition.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowances for receivables. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

In addition, the First Nation's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

# WAHTA MOHAWKS

## Notes to Financial Statements

Year ended March 31, 2020

### 2. Accounts receivable:

|  | 2020       | 2019       |
|--|------------|------------|
| Member loans and advances                  | \$ 57,793  | \$ 49,719  |
| Association of Iroquois and Allied Indians | 8,631      | 25,856     |
| Indigenous Services Canada                 | 126,046    | 224,437    |
| Health Canada                              | 6,066      | 5,550      |
| Canada Revenue Agency                      | 63,094     | 44,632     |
| Hydro One Networks                         | 68,675     | 68,675     |
| Ministry of Community and Social Services  | 7,841      | 23,229     |
| Ministry of Transportation                 | 50,420     | 25,200     |
| Other                                      | 153,932    | 103,236    |
| Allowance for doubtful accounts            | (43,134)   | (43,134)   |
|  | \$ 499,364 | \$ 527,400 |

### 3. Note receivable:

The First Nation issued a non-interest bearing note receivable to Wahta Signs Inc. The note receivable has no specified terms of repayment.

### 4. Investments:

| 2020                       | Cost          | Market     | Carrying Value |
|----------------------------|---------------|------------|----------------|
| Scotia Asset Management    |               |            |                |
| - Cash and short-term      | \$ 817,244    | 817,244    | 817,244        |
| - Common shares            | 8,814,158     | 10,303,122 | 8,814,158      |
| - Real Estate              | 62,861        | 50,938     | 62,861         |
| - Mutual funds             | 17,453,909    | 17,147,699 | 17,453,909     |
| USC Education Savings Plan | 15,855        | 15,855     | 15,855         |
|                            | \$ 27,164,027 | 28,334,858 | 27,164,027     |

| 2019                       | Cost          | Market     | Carrying Value |
|----------------------------|---------------|------------|----------------|
| Scotia Asset Management    |               |            |                |
| - Cash and short-term      | \$ 1,222,961  | 1,222,961  | 1,222,961      |
| - Common shares            | 8,378,181     | 11,404,894 | 8,378,181      |
| - Real Estate              | 104,627       | 109,795    | 104,627        |
| - Mutual funds             | 16,610,835    | 16,494,624 | 16,610,835     |
| USC Education Savings Plan | 15,855        | 15,855     | 15,855         |
|                            | \$ 26,332,459 | 29,248,129 | 26,332,459     |

# WAHTA MOHAWKS

## Notes to Financial Statements

Year ended March 31, 2020

### 5. Investment in Wahta Economic Development Partnership:

The First Nation has a 100% equity interest in Wahta Economic Development Corp GP Inc. ("WEDGP") and 99.99% equity interest in the limited partner Wahta Economic Development Limited Partnership ("WEDLP") as follows:

|       | 2020   | 2019   |
|-------|--------|--------|
| WEDGP | \$ 10  | \$ 10  |
| WEDLP | 100    | 100    |
|       | \$ 110 | \$ 110 |

The investment at March 31, 2020 consists of the following:

|                               | WEDGP | WEDLP      | 2020       | 2019      |
|-------------------------------|-------|------------|------------|-----------|
| Balance, at beginning of year | \$ 10 | \$ 98,573  | \$ 98,583  | \$ 110    |
| Capital Contributions         | —     | —          | —          | 79,022    |
| Share of earnings             | —     | 90,991     | 90,991     | 19,451    |
| Balance, end of year          | \$ 10 | \$ 189,564 | \$ 189,574 | \$ 98,583 |

Financial information for the Wahta Economic Development Partnership at March 31, 2020 is as follows:

|                     | 2020       | 2019       |
|---------------------|------------|------------|
| Financial position: |            |            |
| Assets              | \$ 209,585 | \$ 118,594 |
| Liabilities         | 20,011     | 20,011     |
| Partners' equity    | \$ 189,574 | \$ 98,583  |

|  | 2020 | 2019 |
|--|------|------|
|--|------|------|

Results of operations:

|          |           |           |
|----------|-----------|-----------|
| Revenue  | \$ 90,991 | \$ 19,451 |
| Expenses | —         | —         |
| Net gain | \$ 90,991 | \$ 19,451 |

# WAHTA MOHAWKS

## Notes to Financial Statements

Year ended March 31, 2020

### 6. Deferred revenue:

|                         | 2020                | 2019                |
|-------------------------|---------------------|---------------------|
| Hydro One Networks Inc. | \$ 65,600           | \$ 29,631           |
| AIAI                    | 165,589             | 52,787              |
| ISC                     | 1,821,286           | 1,514,887           |
| Health Canada           | —                   | 334,262             |
| MOHTLC                  | —                   | 19,084              |
| Other                   | —                   | 19,166              |
| Scholarship fund        | 20,000              | —                   |
|                         | <b>\$ 2,072,475</b> | <b>\$ 1,969,817</b> |

### 7. Investment income:

|                           | Interest and Dividends | Investment Gain | 2020 Total       |
|---------------------------|------------------------|-----------------|------------------|
| Scotia Asset Management   | \$ 819,257             | 132,879         | 952,136          |
| Scotiabank                | 154,009                | —               | 154,009          |
| Consolidated Revenue Fund | 63,548                 | —               | 63,548           |
|                           | <b>\$ 1,036,814</b>    | <b>132,879</b>  | <b>1,169,693</b> |

|                           | Interest and Dividends | Investment Gain | 2019 Total       |
|---------------------------|------------------------|-----------------|------------------|
| Scotia Asset Management   | \$ 869,225             | 360,031         | 1,229,256        |
| Scotiabank                | 106,240                | —               | 106,240          |
| Consolidated Revenue Fund | 73,482                 | —               | 73,482           |
|                           | <b>\$ 1,048,947</b>    | <b>360,031</b>  | <b>1,408,978</b> |

# WAHTA MOHAWKS

## Notes to Financial Statements

Year ended March 31, 2020

### 8. Tangible capital assets:

| Cost                     | Balance at<br>March 31,<br>2019 | Additions      | Adjustments     | Balance at<br>March 31,<br>2020 |
|--------------------------|---------------------------------|----------------|-----------------|---------------------------------|
| Buildings                | \$ 4,798,288                    | 261,634        | -               | 5,059,922                       |
| Computers                | 188,385                         | 34,319         | -               | 222,704                         |
| Vehicles                 | 607,621                         | 22,250         | (80,540)        | 549,331                         |
| Roads                    | 3,379,497                       | -              | -               | 3,379,497                       |
| Equipment and furniture  | 1,953,403                       | 73,331         | -               | 2,026,734                       |
| Water and sewer          | 92,327                          | -              | -               | 92,327                          |
| Housing                  | 1,177,964                       | -              | -               | 1,177,964                       |
| Land improvements        | 1,049,291                       | -              | -               | 1,049,291                       |
| Construction-in-progress | 446,308                         | 434,456        | -               | 880,764                         |
| <b>Total</b>             | <b>\$ 13,693,084</b>            | <b>825,990</b> | <b>(80,540)</b> | <b>14,438,534</b>               |

| Accumulated<br>Amortization | Balance at<br>March 31,<br>2019 | Disposals       | Amortization   | Balance at<br>March 31,<br>2020 |
|-----------------------------|---------------------------------|-----------------|----------------|---------------------------------|
| Buildings                   | \$ 2,225,482                    | -               | 139,808        | 2,365,290                       |
| Computers                   | 120,541                         | -               | 17,611         | 138,152                         |
| Vehicles                    | 395,237                         | (64,443)        | 45,100         | 375,894                         |
| Roads                       | 1,762,182                       | -               | 82,203         | 1,844,385                       |
| Equipment and furniture     | 1,488,171                       | -               | 52,582         | 1,540,753                       |
| Water and sewer             | 23,043                          | -               | 2,308          | 25,351                          |
| Housing                     | 509,127                         | -               | 31,096         | 540,223                         |
| Land improvements           | 425,843                         | -               | -              | 425,843                         |
| <b>Total</b>                | <b>\$ 6,949,626</b>             | <b>(64,443)</b> | <b>370,708</b> | <b>7,255,891</b>                |

|                          | Net book value,<br>March 31,<br>2019 | Net book value,<br>March 31,<br>2020 |
|--------------------------|--------------------------------------|--------------------------------------|
| Buildings                | \$ 2,572,806                         | 2,694,632                            |
| Computers                | 67,844                               | 84,552                               |
| Vehicles                 | 212,384                              | 173,437                              |
| Roads                    | 1,617,315                            | 1,535,112                            |
| Equipment and furniture  | 465,232                              | 485,981                              |
| Water and sewer          | 69,284                               | 66,976                               |
| Housing                  | 668,837                              | 637,741                              |
| Land improvements        | 623,448                              | 623,448                              |
| Construction-in-progress | 446,308                              | 880,764                              |
| <b>Total</b>             | <b>\$ 6,743,458</b>                  | <b>7,182,643</b>                     |



# WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2019

## 8. Tangible capital assets (continued):

| Cost                     | Balance at<br>March 31,<br>2018 | Additions      | Adjustments     | Balance at<br>March 31,<br>2019 |
|--------------------------|---------------------------------|----------------|-----------------|---------------------------------|
| Buildings                | \$ 4,728,425                    | 69,863         | -               | 4,798,288                       |
| Computers                | 188,385                         | -              | -               | 188,385                         |
| Vehicles                 | 585,893                         | 21,728         | -               | 607,621                         |
| Roads                    | 3,379,497                       | -              | -               | 3,379,497                       |
| Equipment and furniture  | 1,863,097                       | 90,306         | -               | 1,953,403                       |
| Water and sewer          | 92,327                          | -              | -               | 92,327                          |
| Housing                  | 983,819                         | 194,145        | -               | 1,177,964                       |
| Land improvements        | 1,049,291                       | -              | -               | 1,049,291                       |
| Construction-in-progress | 392,363                         | 103,895        | (49,950)        | 446,308                         |
| <b>Total</b>             | <b>\$ 13,263,097</b>            | <b>479,937</b> | <b>(49,950)</b> | <b>13,693,084</b>               |

| Accumulated<br>Amortization | Balance at<br>March 31,<br>2018 | Disposals | Amortization   | Balance at<br>March 31,<br>2019 |
|-----------------------------|---------------------------------|-----------|----------------|---------------------------------|
| Buildings                   | \$ 2,100,351                    | -         | 125,131        | 2,225,482                       |
| Computers                   | 100,353                         | -         | 20,188         | 120,541                         |
| Vehicles                    | 352,335                         | -         | 42,902         | 395,237                         |
| Roads                       | 1,679,979                       | -         | 82,203         | 1,762,182                       |
| Equipment and furniture     | 1,441,044                       | -         | 47,127         | 1,488,171                       |
| Water and sewer             | 20,735                          | -         | 2,308          | 23,043                          |
| Housing                     | 480,458                         | -         | 28,669         | 509,127                         |
| Land improvements           | 425,843                         | -         | -              | 425,843                         |
| Construction-in-progress    | -                               | -         | -              | -                               |
| <b>Total</b>                | <b>\$ 6,601,098</b>             | <b>-</b>  | <b>348,528</b> | <b>6,949,626</b>                |

|                          | Net book value,<br>March 31,<br>2018 | Net book value,<br>March 31,<br>2019 |
|--------------------------|--------------------------------------|--------------------------------------|
| Buildings                | \$ 2,628,074                         | 2,572,806                            |
| Computers                | 88,032                               | 67,844                               |
| Vehicles                 | 233,558                              | 212,384                              |
| Roads                    | 1,699,518                            | 1,617,315                            |
| Equipment and furniture  | 422,053                              | 465,232                              |
| Water and sewer          | 71,592                               | 69,284                               |
| Housing                  | 503,361                              | 668,837                              |
| Land improvements        | 623,448                              | 623,448                              |
| Construction-in-progress | 392,363                              | 446,308                              |
| <b>Total</b>             | <b>\$ 6,661,999</b>                  | <b>6,743,458</b>                     |

# WAHTA MOHAWKS

## Notes to Financial Statements

Year ended March 31, 2020

### 9. Accumulated surplus:

The allocation of the accumulated surplus between the various funds is as follows:

|                                     | 2020          | 2019          |
|-------------------------------------|---------------|---------------|
| Surplus:                            |               |               |
| Invested in tangible capital assets | \$ 7,182,643  | \$ 6,743,454  |
| Other                               | 23,282,713    | 22,808,449    |
| Business enterprises                | (4,360,865)   | (4,459,061)   |
| Total surplus                       | 26,104,491    | 25,092,842    |
| Reserves                            | 18,052,082    | 16,650,611    |
|                                     | \$ 44,156,573 | \$ 41,743,453 |

### 10. Contingent liabilities:

Indigenous Services Canada has guaranteed loans to various members in the amount of \$613,788 (2019 - \$671,081). If any loans are in default and require payment by Indigenous Services Canada, the amount paid will be charged back to the First Nation.

### 11. 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 revenue budget:                |    |           |
| Total revenues per budget               | \$ | 5,488,873 |
| Revenue budget per financial statements | \$ | 5,489,873 |
| Approved expense budget:                |    |           |
| Total expenses per budget               | \$ | 7,319,644 |
| Add:                                    |    |           |
| Amortization of tangible capital assets |    | 370,708   |
| Expense budget per financial statements | \$ | 7,690,352 |

### 12. Comparative information:

Certain 2019 comparative figures have been reclassified to conform to the presentation adopted in 2020.

# WAHTA MOHAWKS

## Notes to Financial Statements

Year ended March 31, 2020

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### **13. 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.

### **14. Segmented information:**

The First Nation is a diversified governmental institution that provides a wide range of services to its Members, including band administration, education, health services, community infrastructure, community and economic development, community property and social assistance. For management reporting purposes the First Nation's operations and activities are organized and reported by Fund. 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 departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide.

#### **Band Administration**

The administration department 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. In addition, this department includes the governance activities of Chief and Council.

#### **Health Services**

The health services department provides a diverse bundle of services directed towards the well being of the members including the delivery of programs such as community health promotion, community health management and many other programs designed to enhance the health of members.

#### **Community Infrastructure**

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

# WAHTA MOHAWKS

Notes to Financial Statements

Year ended March 31, 2020

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## **14. Segmented information (continued):**

### **Education**

The education department enters into service contracts with provincially funded area school boards for elementary and secondary students. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post secondary institutions.

### **Community and Economic Development**

This department is responsible for identifying and developing economic opportunities for the benefit of the First Nation and its Members. The department is responsible for administering investments held by the First Nation. In addition, department also secures and delivers employment training and culture funding for the First Nation.

### **Social Assistance**

The social services department delivers a variety of programs including Ontario works and offers employment support services.

### **Community Property**

This department is responsible for all major renovations to housing stock for 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 allocation 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 financial statements as disclosed in the summary of significant accounting policies.

# WAHTA MOHAWKS

Notes to Financial Statements

Note 14 - Segmented information (continued)

Year ended March 31, 2020

|  | Band<br>Administration | Health<br>Services | Community<br>Infrastructure | Education | Community<br>and Economic<br>Development | Social<br>Assistance | Community<br>Property | Investments | 2020<br>Total |
|--|------------------------|--------------------|-----------------------------|-----------|--|----------------------|-----------------------|-------------|---------------|
| Revenue                                      | \$ 1,787,730           | 1,270,532          | 729,001                     | 933,296   | 1,152,042                                | 114,145              | 253,590               | 780,579     | 7,020,915     |
| Expenses:                                    |                        |                    |                             |           |  |                      |                       |             |               |
| Salaries, benefits and honorarium            | 450,864                | 518,504            | 351,146                     | 126,760   | 297,970                                  | 47,293               | 13,000                | -           | 1,805,537     |
| Materials, supplies and rentals              | 51,985                 | 421,789            | 169,580                     | 43,105    | 32,539                                   | 4,578                | 91,370                | -           | 814,946       |
| Contractual and professional                 | 154,234                | 144,369            | 31,842                      | 114,625   | 95,963                                   | 9,460                | 72,087                | 120,568     | 743,148       |
| Tuition and allowances                       | -                      | -                  | -                           | 523,115   | -  | -                    | -                     | -           | 523,115       |
| Travel and training                          | 54,235                 | 22,354             | 6,236                       | 94,697    | 1,271                                    | 1,829                | -                     | -           | 180,622       |
| Other  | 43,247                 | -                  | 57,511                      | -         | 3,650                                    | 60,021               | 5,289                 | -           | 169,718       |
| Administration (recovery)                    | (185,899)              | 131,800            | 3,000                       | 33,629    | 15,791                                   | 1,679                | -                     | -           | -             |
| Amortization                                 | 18,492                 | 43,075             | 253,716                     | 10,678    | 44,748                                   | -                    | -                     | -           | 370,709       |
|  | 587,158                | 1,281,891          | 873,031                     | 946,609   | 491,932                                  | 124,860              | 181,746               | 120,568     | 4,607,795     |
| Excess (deficiency) of revenue over expenses | \$ 1,200,572           | (11,359)           | (144,030)                   | (13,313)  | 660,110                                  | (10,715)             | 71,844                | 660,011     | 2,413,120     |

# WAHTA MOHAWKS

Notes to Financial Statements

Note 14 - Segmented information (continued)

Year ended March 31, 2020

|  | Band<br>Administration | Health<br>Services | Community<br>Infrastructure | Education | Community<br>and Economic<br>Development | Social<br>Assistance | Community<br>Property | Business<br>Operations | Investments | 2019<br>Total |
|--|------------------------|--------------------|-----------------------------|-----------|--|----------------------|-----------------------|------------------------|-------------|---------------|
| Revenue                                      | \$ 1,820,906           | 1,369,737          | 311,417                     | 991,688   | 917,216                                  | 140,214              | 349,527               | 21,968                 | 1,051,115   | 6,973,788     |
| Expenses:                                    |                        |                    |                             |           |  |                      |                       |                        |             |               |
| Salaries, benefits and honorarium            | 456,796                | 364,228            | 178,815                     | 89,065    | 333,248                                  | 17,363               | 12,495                | -                      | -           | 1,452,010     |
| Materials, supplies and rentals              | 47,154                 | 515,052            | 39,118                      | 23,817    | 107,627                                  | 18,961               | 79,758                | 21,380                 | -           | 852,867       |
| Contractual and professional                 | 221,674                | 32,066             | 131,072                     | 217,415   | 50,772                                   | 1,614                | -                     | -                      | 112,685     | 767,298       |
| Tuition and allowances                       | -                      | -                  | -                           | 552,865   | -  | -                    | -                     | -                      | -           | 552,865       |
| Travel and training                          | 48,964                 | 145,691            | 4,362                       | 71,301    | 1,277                                    | 3,233                | -                     | -                      | -           | 274,828       |
| Other  | 63,176                 | 128,629            | 51,306                      | 2,531     | 3,380                                    | 91,961               | 10,640                | -                      | -           | 351,623       |
| Administration (recovery)                    | (193,450)              | 137,161            | 1,491                       | 37,183    | 15,935                                   | 1,680                | -                     | -                      | -           | -             |
| Amortization                                 | 18,593                 | 39,408             | 265,872                     | 11,106    | 13,549                                   | -                    | -                     | -                      | -           | 348,528       |
|  | 662,907                | 1,362,235          | 672,036                     | 1,005,283 | 525,788                                  | 134,812              | 102,893               | 21,380                 | 112,685     | 4,600,019     |
| Excess (deficiency) of revenue over expenses | \$ 1,157,999           | 7,502              | (360,619)                   | (13,595)  | 391,428                                  | 5,402                | 246,634               | 588                    | 938,430     | 2,373,769     |