

Weenusk First Nation
Financial Statements
March 31, 2021

Wenenusk First Nation
Contents
For the year ended March 31, 2021

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Management's Responsibility

To the Chief and Council and Members of Weenusk First Nation:

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

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Chief and Council are also responsible for the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Chief and Council to audit the financial statements and report to the members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

February 27, 2023



Chief



Director of Finance

Independent Auditor's Report

To the Chief and Council and Members of Weenusk First Nation:

Qualified Opinion

We have audited the financial statements of Weenusk First Nation (the "First Nation"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2021, and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The First Nation's statements of operations and changes in net debt do not present a comparison of the results for the accounting period with those originally planned, which constitutes a departure from Canadian public sector accounting standards. The audit opinion on the financial statements for the year ended March 31, 2020 was qualified accordingly.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged 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 these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Timmins, Ontario

February 27, 2023

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Weenusk First Nation
Statement of Financial Position
As at March 31, 2021

| | 2021 | 2020 |
|--|-------------------|--------------------|
| Financial assets | | |
| Cash and cash equivalents (Note 4) | 2,092,419 | 692,132 |
| Accounts receivable | 467,698 | 35,300 |
| Inventory for resale (Note 5) | 11,606 | 262,212 |
| Due from funding agencies (Note 6) | 1,823,979 | 1,589,944 |
| | 4,395,702 | 2,579,588 |
| Liabilities | | |
| Accounts payable and accrued liabilities | 1,879,946 | 3,146,514 |
| Deferred revenue (Note 7) | 1,525,156 | 1,800,357 |
| Debt (Note 8) | 1,903,538 | 1,848,356 |
| | 5,308,640 | 6,795,227 |
| Net debt | (912,938) | (4,215,639) |
| Contingencies (Note 9) | | |
| Commitments (Note 10) | | |
| Non-financial assets | | |
| Tangible capital assets (Note 11) (Schedule 1) | 15,209,261 | 12,876,401 |
| Inventory held for use | 147,442 | 231,387 |
| Prepaid expenses | 102,096 | 68,821 |
| | 15,458,799 | 13,176,609 |
| Accumulated surplus (Note 12) | 14,545,861 | 8,960,970 |

Approved on behalf of the First Nation



Chief



Councillor

SAM HYUNTER

Weenusk First Nation
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

| | <i>Schedules</i> | 2021 | 2020 |
|---|-------------------|-------------------|-------------|
| Revenue | | | |
| Indigenous Services Canada | | | |
| Fixed contribution | 7,950,931 | 6,219,745 | |
| Set contribution | 817,133 | 1,146,951 | |
| Grant contribution | 548,972 | 537,433 | |
| Flexible contribution | - | 196,000 | |
| First Nation and Inuit Health Branch | 1,433,014 | 1,092,357 | |
| Province of Ontario | 1,152,735 | 721,882 | |
| Ontario First Nations Limited Partnership | 1,167,810 | 1,202,453 | |
| Canada Mortgage and Housing Corporation Subsidy | 206,195 | 206,195 | |
| Nishnawbe Aski Nation | 397,488 | 282,499 | |
| Mushkegowuk Council | 146,175 | 49,305 | |
| Rental income | 112,241 | 156,839 | |
| Gain from property lost in fire | 338,528 | - | |
| Sale of gasoline and heating fuel | 365,845 | 339,652 | |
| Other revenue | 209,189 | 450,553 | |
| Deferred revenue - prior year | 1,800,357 | 1,131,848 | |
| Deferred revenue - current year | (1,525,156) | (1,800,357) | |
| | 15,121,457 | 11,933,355 | |
| Expenditures (Schedule 2) | | | |
| Band Support | 4 | 1,432,335 | 1,385,117 |
| Community Infrastructure and Buildings | 5 | 1,666,276 | 1,550,159 |
| Economic Development and Other Funded Programs | 6 | 667,040 | 1,107,425 |
| Community Health | 7 | 3,015,867 | 2,651,674 |
| Education | 8 | 2,136,213 | 2,867,588 |
| Social Housing | 9 | 618,835 | 684,984 |
| | 9,536,566 | 10,246,947 | |
| Annual surplus | | 5,584,891 | 1,686,408 |
| Accumulated surplus, beginning of year | | 8,960,970 | 7,274,562 |
| Accumulated surplus, end of year (Note 12) | | 14,545,861 | 8,960,970 |

Weenusk First Nation
Statement of Changes in Net Debt
For the year ended March 31, 2021

| | 2021 | 2020 |
|--|--------------------|-------------|
| Annual surplus | 5,584,891 | 1,686,408 |
| Purchase of tangible capital assets (Schedule 1) | (2,644,623) | (1,279,444) |
| Amortization of tangible capital assets (Schedule 1) | 444,221 | 164,521 |
| Proceeds on disposal of tangible capital assets | 431,722 | - |
| Gain on disposal of tangible capital assets | (338,524) | - |
| Change in fuel inventory | 83,938 | (61,368) |
| Change in prepaid expenses | (33,274) | (10,149) |
| Non-cash purchase of tangible capital assets | (225,650) | - |
| Change in net debt | 3,302,701 | 499,968 |
| Net debt, beginning of year | (4,215,639) | (4,715,607) |
| Net debt, end of year | (912,938) | (4,215,639) |

Weenusk First Nation
Statement of Cash Flows
For the year ended March 31, 2021

| | 2021 | 2020 |
|---|--------------------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Annual surplus | 5,584,891 | 1,686,408 |
| Non-cash items | | |
| Amortization | 444,221 | 164,521 |
| Gain on disposal of tangible capital assets | (338,524) | - |
| | 5,690,588 | 1,850,929 |
| Changes in working capital accounts | | |
| Accounts receivable | (432,398) | 91,292 |
| Inventory for resale and held for use | 334,544 | 23,932 |
| Prepaid expenses | (33,275) | (10,148) |
| Due from funding agencies | (234,035) | (446,379) |
| Accounts payable and accrued liabilities | (1,266,567) | (331,520) |
| Deferred revenue | (275,201) | 668,509 |
| | 3,783,656 | 1,846,615 |
| Financing activities | | |
| Repayment of debt | (170,468) | (142,839) |
| Capital activities | | |
| Purchase of tangible capital assets | (2,644,623) | (1,279,444) |
| Proceeds on disposal of tangible capital assets | 431,722 | - |
| | (2,212,901) | (1,279,444) |
| Increase in cash resources | 1,400,287 | 424,332 |
| Cash resources, beginning of year | 692,132 | 267,800 |
| Cash resources, end of year | 2,092,419 | 692,132 |

Weenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2021

1. Nature of operations

Weenusk First Nation (the "First Nation") is located in the James Bay region of Ontario, and provides various services for the benefit of its members. Weenusk First Nation includes the First Nation's members and government.

Impact on operations of COVID-19 (coronavirus)

In early March 2020, the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The First Nation's operations were impacted by COVID-19 due to periodic closures of the First Nation's band office and other community services, changes in methods of program delivery, including delays in infrastructure and/or capital projects, and increases in pandemic specific funding. This impact has been mitigated by increased funding from several sources, including Indigenous Services Canada, Nishnawbe Aski Nation, the Ministry of Indigenous Affairs and other Province of Ontario sources.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause periodic shutdowns of major capital projects and increased expenditures in pandemic specific funding.

2. Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of operations. Should the First Nation be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

At the date of these financial statements, the First Nation, pursuant to Indigenous Services Canada (ISC) directives, was operating under a co-management arrangement. During the 2021 fiscal year, the First Nation's working capital deficiency decreased by \$3,032,020 (2020 - decrease of \$1,089,165). At March 31, 2021, the First Nation had net debt of \$912,938 (2020 - \$4,215,639).

The continuation of the First Nation is dependent upon the continuing availability of Federal and Provincial funding, and the First Nation's continued compliance with funding requirements. These financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the First Nation were unable to continue its operations.

3. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

Cash and cash equivalents include balances with banks, cash on hand to be deposited and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling costs.

Wenenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2021

3. Significant accounting policies *(Continued from previous page)*

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to March 31, 2021, the First Nation has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, prepaid expenses and inventory.

Net financial assets (net debt)

The First Nation's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the First Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of receipt and also are recorded as revenue. One-half of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Wenenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2021

3. Significant accounting policies *(Continued from previous page)*

Amortization

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

| | Rate |
|--------------------------------|---------------|
| Buildings | 15 - 30 years |
| Computer equipment | 4 years |
| Landfill | 30 years |
| Machinery and equipment | 7 years |
| Rental units | 25 years |
| Roads | 25 years |
| Vehicles | 3 - 7 years |
| Water and sewer infrastructure | 7-75 years |

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the First Nation determines that a long-lived asset no longer has any long-term service potential, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Funds held in Ottawa Trust Fund

Funds in trust held by the federal government arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported as part of cash and cash equivalents on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Capital and revenue trust monies are transferred to the First Nation on the authorization of Indigenous Services Canada, with the consent of the First Nation's members.

Revenue recognition

Funding

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

Government Transfers

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. A transfer with eligibility criteria is recognized as revenue when the transfer is authorized and all eligibility criteria have been met. A transfer with or without eligibility criteria but with stipulations is recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except where and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the organization. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Wenenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2021

3. Significant accounting policies *(Continued from previous page)*

Other income

Other income is recognized in the year in which the related expenses are incurred if the amount to be received can be reasonably estimated and collection is reasonably assured.

Measurement uncertainty

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Provisions are made for slow moving and obsolete inventory.

Amortization is based on the estimated useful lives of tangible capital assets.

Accrued liabilities are estimated based on historical charges for unbilled goods and services at year-end.

Payable to funding agencies is based on anticipated repayment requirements; however, actual repayments will be determined upon funding agencies' review of the financial statements and any related programs.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the year in which they become known.

Segments

The First Nation conducts its business through seven reportable segments:

- Band support;
- Community Infrastructure and Buildings;
- Economic Development and Other Funded Programs;
- Community Health;
- Education;
- Social Housing; and
- Ontario First Nations Limited Partnership.

These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both 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.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 14.

Weenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2021

4. Cash and cash equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation ("CMHC"), the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation (Note 12).

Restricted cash of the Ottawa Trust Fund relates to funds on deposit with Indigenous Services Canada generated from land that is leased to non-native parties and interest earned on the related lease rentals. Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Chief and Council.

| | 2021 | 2020 |
|--|------------------|----------------|
| Unrestricted cash | 1,948,110 | 675,511 |
| Externally restricted cash - CMHC social housing reserves | 138,194 | 10,623 |
| Externally restricted cash - Funds held in Ottawa Trust Fund | 6,115 | 5,998 |
| Total | 2,092,419 | 692,132 |

5. Inventory for resale

Inventory is comprised of gasoline for resale to First Nation members and to parties external to the First Nation.

The cost of inventories recognized as an expense and included in various programs amounted to \$460,184 (2020 – \$750,454).

6. Due from funding agencies

| | 2021 | 2020 |
|---|------------------|------------------|
| Canada Mortgage and Housing Corporation | 17,183 | 17,183 |
| Indigenous Services Canada | 721,827 | 1,535,140 |
| Mushkegowuk Council | 5,549 | 6,329 |
| Nishnawbe Aski Nation | 191,675 | 27,978 |
| Ontario First Nations Limited Partnership | 777,347 | - |
| Province of Ontario | 110,398 | 3,314 |
| | 1,823,979 | 1,589,944 |

Weenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2021

7. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

| | <i>Balance, beginning of year</i> | <i>Funding received</i> | <i>Revenue Recognized</i> | <i>Balance, end of year</i> |
|--------------------------------------|---|-----------------------------|-------------------------------|---------------------------------|
| FNHIB - Aboriginal Headstart | - | 255,606 | - | 255,606 |
| FNHIB - Suicide Prevention | - | 12,653 | - | 12,653 |
| ISC - Fuel system upgrade | 1,179,002 | 1,300,000 | 1,877,062 | 601,940 |
| ISC - Housing Capital | 621,355 | - | 536,125 | 85,230 |
| Numerous funding agencies - Covid-19 | - | 885,874 | 316,147 | 569,727 |
| | 1,800,357 | 2,454,133 | 2,729,334 | 1,525,156 |

8. Debt

| | 2021 | 2020 |
|--|------------------|-----------|
| RBC Demand Loan, bearing interest at 7.24% payable in monthly instalments of \$749, due February 2024, secured by a specific vehicle with a net book value of \$20,087 (2020 - \$27,948). | 23,589 | 30,740 |
| Ford Credit Canada Loan, bearing interest at 2.99% payable in monthly instalments of \$1,080, due March 2024, secured by a specific vehicle with a net book value of \$30,254 (2020 - \$41,238). | 37,077 | 48,733 |
| John Deere Loan, bearing interest at 3.50%, payable in monthly instalments of \$5,045, due March 2025, secured by specific equipment with a net book value of \$193,414. | 225,650 | - |
| Canada Mortgage and Housing Corporation mortgage payable, bearing interest at 1.13% payable in monthly instalments of \$7,380, renewal July 2021, due October 2025, secured by a Ministerial guarantee from Indigenous Services Canada. | 395,355 | 478,958 |
| Canada Mortgage and Housing Corporation mortgage payable, bearing interest at 1.13% payable in monthly instalments of \$4,150, renewal July 2021, due December 2035, secured by a Ministerial guarantee from Indigenous Services Canada. | 676,421 | 718,356 |
| Canada Mortgage and Housing Corporation mortgage payable, bearing interest at 2.50% payable in monthly instalments of \$3,334, renewal June 2023, due November 2037, secured by a Ministerial guarantee from Indigenous Services Canada. | 545,446 | 571,569 |
| | 1,903,538 | 1,848,356 |

Principle repayments on debt in each of the next five years and thereafter, assuming all term debt is subject to contractual terms of repayment and debt subject to refinancing is renewed on comparable terms, are estimated as follows:

| | |
|------------|------------------|
| 2022 | 173,084 |
| 2023 | 176,126 |
| 2024 | 178,538 |
| 2025 | 160,015 |
| 2026 | 125,221 |
| Thereafter | 1,090,554 |
| | 1,903,538 |

Weenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2021

9. Contingencies

On December 22, 2021, the Federal Court of Canada has approved a settlement between Canada and certain First Nations and their members who were subject to a drinking water advisory that lasted at least one year between November 20, 1995 and June 20, 2021. Weenusk First Nation is eligible to participate in the settlement class. First Nations have until December 2, 2022, to confirm their acceptance by submitting a Band Council Resolution. The First Nation is unable to reasonably estimate a value or range of outcomes for the settlement as it is in part based on individual impacted members' claims which can be filed up to March 7, 2023.

The First Nation has entered into contribution agreements with various federal and provincial government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

The First Nation is involved in legal actions in the normal course of its operations. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's financial statements.

10. Commitments

The First Nation signed a contract in the amount of \$2,061,464 on March 16, 2022 for the construction of a sewage pumping station.

11. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

No amortization has been recorded on capital projects in progress. Amortization will commence when the assets are available for use.

During the year, capital assets were acquired at an aggregate cost of \$2,870,274 (2020 - \$1,279,444), of which \$225,650 (2020 - \$Nil) was acquired by means of capital loans and \$2,644,624 (2020 - \$1,279,444) was acquired in cash.

Weenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2021

12. Accumulated surplus

Accumulated surplus consists of the following:

| | 2021 | 2020 |
|---|-------------------|-------------|
| Unappropriated members' surplus (deficit) | | |
| General | 117,724 | (2,390,238) |
| Internally restricted | | |
| Invested in tangible capital assets | 13,305,721 | 11,028,045 |
| Externally restricted | | |
| Ontario First Nations Limited Partnership distributions | 777,519 | 172 |
| Restricted funds held in trust in Ottawa | 6,114 | 5,998 |
| Social housing replacement reserve | 338,783 | 316,993 |
| | 1,122,416 | 323,163 |
| | 14,545,861 | 8,960,970 |

The social housing replacement reserve is an externally restricted reserve which is required by the CMHC and which must be funded. As of March 31, 2021, there was a shortfall of \$200,589 (2020 - \$306,370). The impact of this shortfall has not been determined.

Ontario First Nations Limited Partnership

The First Nation holds one unit in the Ontario First Nation Limited Partnership ("OFNLP") and a share in a related company Ontario First Nations General Partner Inc. - the carrying value of which is nominal and is therefore not recorded in these financial statements.

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and OFNLP, the Province of Ontario shall pay to OFNLP twelve monthly payments equal to 1/12 of 1.7% of the aggregate provincial gross gaming revenues. OFNLP then distributes to the First Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development.

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13. Non-compliance with First Nations Financial Transparency Act

The First Nations Financial Transparency Act requires First Nations to file their financial statements and other financial information by July 29, 2021. The First Nation was unable to meet this deadline and therefore is not in compliance with the First Nations Financial Transparency Act.

14. Segments

The First Nation provides a wide range of services to its members such as education, health and social services, economic development, public works and housing and other general services. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and activities they encompass are as follows:

Band Support

The Band Support program oversees the delivery of all 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.

Community Infrastructure and Buildings

The Community Infrastructure and Buildings program is responsible for the infrastructure, including roads, water, sewer and building maintenance.

Economic Development and Other Funded Programs

The Economic Development program is responsible for promoting economic growth within the First Nation.

Community Health

The Community Health program provides a diverse bundle of services directed towards the well-being of members, including such activities as pre-natal care, nursing, health representation, traditional healing, family violence and many other smaller programs designed to enhance the health of members. The social services department is responsible for administering social assistance payments as well as providing services directed towards members.

Education

The Education department provides direct elementary school services and secondary education by entering into service contracts with provincially funded area school boards and also provides financial support to post-secondary students.

Social Housing

The Social Housing program is responsible for providing affordable housing to members.

Ontario First Nations Limited Partnership

The OFNLP distributions program is responsible for allocating distributions to various segments of the First Nation.

15. Budget information

Canadian public sector accounting standards (PSAS) require the disclosure of budget information for comparison to the First Nation's actual revenue and expenses. The budgeted revenue, expenses and surplus have not been reported in these financial statements. While having no effect on reported revenue, expenses and surplus, omission of this information is a departure from PSAS.

16. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.