

**Wenenusk First Nation
Financial Statements**
March 31, 2022

Wenenusk First Nation Contents

For the year ended March 31, 2022

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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 is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Chief and Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Chief and Council is 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 directly 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.

January 22, 2024

Councillor

Director of Finance

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, 2022, and the statements of operations and accumulated surplus, changes in net financial assets (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, 2022, and the results of its operations, changes in net financial assets (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 accumulated surplus and net financial assets (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, 2021 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.

The logo for MNP LLP, featuring the letters 'MNP' in a bold, italicized serif font, with 'LLP' in a smaller, regular serif font to the right.

Timmins, Ontario
January 22, 2024

Chartered Professional Accountants
Licensed Public Accountants

Weenusk First Nation
Statement of Financial Position
As at March 31, 2022

	2022	2021
Financial assets		
Cash and cash equivalents <i>(Note 4)</i>	5,129,091	2,092,419
Accounts receivable	326,391	467,698
Inventory for resale <i>(Note 5)</i>	642,872	11,606
Due from funding agencies <i>(Note 6)</i>	3,054,911	1,823,979
	9,153,265	4,395,702
Liabilities		
Accounts payable and accrued liabilities	3,299,039	1,879,946
Deferred revenue <i>(Note 7)</i>	2,311,445	1,525,156
Debt <i>(Note 8)</i>	1,675,816	1,903,538
Capital lease obligations <i>(Note 9)</i>	60,977	-
	7,347,277	5,308,640
Net financial assets (net debt)	1,805,988	(912,938)
Contingencies <i>(Note 10)</i>		
Commitments <i>(Note 11)</i>		
Non-financial assets		
Tangible capital assets <i>(Note 12) (Schedule 1)</i>	16,663,035	15,209,261
Inventory held for use	417,634	147,447
Prepaid expenses	103,545	102,096
	17,184,214	15,458,804
Accumulated surplus <i>(Note 13)</i>	18,990,202	14,545,866

Approved on behalf of the First Nation

Councillor

Councillor

Weenusk First Nation
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

	<i>Schedules</i>	2022	2021
Revenue			
Indigenous Services Canada			
Fixed contribution	10,023,599	7,950,931	
Set contribution	-	817,133	
Grant contribution	511,749	548,972	
Flexible contribution	634,757	-	
First Nation and Inuit Health Branch	2,414,585	1,433,014	
Other provincial and federal funding	1,187,358	1,152,735	
Ontario First Nations Limited Partnership	707,887	1,167,810	
Canada Mortgage and Housing Corporation	206,508	206,195	
Nishnawbe Aski Nation	456,140	397,488	
Mushkegowuk Council	204,242	100,532	
Rental income	132,154	142,644	
Gain (loss) on disposal of capital assets	(173,290)	338,528	
Sale of gasoline and heating fuel	334,029	365,845	
Other revenue	349,416	224,430	
Repayment of funding	(108,360)	-	
Deferred revenue - prior year	1,525,156	1,800,357	
Deferred revenue - current year	(2,311,445)	(1,525,156)	
		16,094,485	15,121,458
Expenditures (Schedule 2)			
Band Support	4	1,509,684	1,432,335
Community Infrastructure and Buildings	5	2,373,043	1,666,276
Economic Development and Other Funded Programs	6	1,271,081	667,039
Community Health	7	3,168,482	3,015,867
Education	8	2,480,786	2,136,212
Social Housing	9	847,073	618,834
		11,650,149	9,536,563
Annual surplus		4,444,336	5,584,895
Accumulated surplus, beginning of year		14,545,866	8,960,971
Accumulated surplus, end of year (Note 13)		18,990,202	14,545,866

Wenenusk First Nation
Statement of Changes in Net Financial Assets (Net Debt)
For the year ended March 31, 2022

	2022	2021
Annual surplus		
Acquisition of tangible capital assets (Schedule 1)	4,444,336	5,584,895
Amortization of tangible capital assets (Schedule 1)	(2,446,187)	(2,644,623)
Proceeds on disposal of tangible capital assets	911,272	444,221
Loss (gain) on disposal of tangible capital assets	-	431,722
Change in fuel inventory	173,290	(338,528)
Change in prepaid expenses	(270,187)	83,938
Non-cash acquisition tangible capital assets	(1,448)	(33,278)
	(92,150)	(225,650)
Change in net debt	2,718,926	3,302,697
Net debt, beginning of year	(912,938)	(4,215,635)
Net financial assets (net debt), end of year	1,805,988	(912,938)

Weenusk First Nation
Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	4,444,336	5,584,895
Non-cash items		
Amortization	911,272	444,221
Loss (gain) on disposal of tangible capital assets	173,290	(338,528)
	5,528,898	5,690,588
Changes in working capital accounts		
Accounts receivable	141,307	(432,398)
Inventory for resale and held for use	(901,453)	334,549
Prepaid expenses	(1,447)	(33,279)
Due from funding agencies	(1,230,932)	(234,035)
Accounts payable and accrued liabilities	1,419,092	(1,266,568)
Deferred revenue	786,289	(275,201)
	5,741,754	3,783,656
Financing activities		
Repayment of debt	(227,722)	(170,468)
Repayment of capital lease obligations	(31,173)	-
	(258,895)	(170,468)
Capital activities		
Acquisition of tangible capital assets	(2,446,187)	(2,644,623)
Proceeds on disposal of tangible capital assets	-	431,722
	(2,446,187)	(2,212,901)
Increase in cash resources	3,036,672	1,400,287
Cash resources, beginning of year	2,092,419	692,132
Cash resources, end of year	5,129,091	2,092,419

Weenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2022

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.

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 2022 fiscal year the First Nation's working capital deficiency decreased by \$3,610,105 (2021 - decreased by \$3,032,020). At March 31, 2022, the First Nation had net financial assets of \$1,805,988 (2021 - net debt of \$912,938).

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.

Wenenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2022

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

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.

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

- Prior to March 31, 2022, 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 held for use.

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.

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

Wenenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2022

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

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 moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys 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 First Nation. 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.

Other revenue

Other revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned.

Wenenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2022

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

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 six reportable segments:

- Band support;
- Community Infrastructure and Buildings;
- Economic Development and Other Funded Programs;
- Community Health;
- Education; and
- Social Housing.

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 15.

Weenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2022

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 13).

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.

	2022	2021
Unrestricted cash	4,854,709	1,948,110
Externally restricted cash - CMHC social housing reserves	268,212	138,194
Externally restricted cash - Funds held in Ottawa Trust Fund	6,170	6,115
Total	5,129,091	2,092,419

5. Inventory for resale

Inventory predominately represents 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 \$401,426 (2021 – \$460,184).

6. Due from funding agencies

	2022	2021
Canada Mortgage and Housing Corporation	17,287	17,183
Indigenous Services Canada	1,888,636	721,827
Impact Assessment Agency of Canada	98,639	-
Mushkegowuk Council	10,767	5,549
Nishnawbe Aski Nation	254,350	191,675
Ontario First Nations Limited Partnership	494,222	777,347
Province of Ontario	291,010	110,398
	3,054,911	1,823,979

Wenenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2022

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	162,524	-	418,130
FNHIB - Suicide Prevention	12,653	-	12,653	-
ISC - Fuel System Upgrade	601,940	-	601,940	-
ISC - Fire Protection	-	538,440	11,800	526,640
ISC - Water, Sewer and Power	-	2,105,979	1,108,504	997,475
ISC - Landfill	-	223,521	58,608	164,913
ISC - Housing Capital	85,230	-	85,230	-
Various funding agencies - COVID-19	569,727	754,953	1,239,679	85,001
METS and Harvesters Canada	-	119,286	-	119,286
	1,525,156	3,904,703	3,118,414	2,311,445

8. Debt

	2022	2021
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 \$12,227 (2021 - \$20,087).	16,712	23,589
Ford Credit 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 \$14,187 (2021 - \$30,254).	25,066	37,077
John Deere loan, bearing interest at 3.50%, payable in monthly instalments of \$5,045, due March 2025, secured by a specific equipment with a net book value of \$161,179 (2021 - \$193,414).	172,160	225,650
Canada Mortgage and Housing Corporation mortgage payable, bearing interest at 1.30% (2021 - 1.13%) payable in monthly instalments of \$7,388, due October 2025, secured by a guarantee by Indigenous Services Canada.	310,235	395,355
Canada Mortgage and Housing Corporation mortgage payable, bearing interest at 1.50% (2021 - 1.13%) payable in monthly instalments of \$4,247 renewal January 2027, due December 2035, secured by a guarantee by Indigenous Services Canada.	632,944	676,421
Canada Mortgage and Housing Corporation mortgage payable, bearing interest at 2.50% (2021 - 2.50%) payable in monthly instalments of \$3,334, renewal June 2023, due November 2037, secured by a guarantee by Indigenous Services Canada.	518,699	545,446
	1,675,816	1,903,538

Weenusk First Nation

Notes to the Financial Statements

For the year ended March 31, 2022

8. Debt (Continued from previous page)

Principal 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:

2023	230,028
2024	235,375
2025	218,531
2026	124,626
2027	74,538
Thereafter	792,718
	1,675,816

9. Capital lease obligations

2022 2021

De Lage Landen Financial Services Canada Inc. capital lease obligation, bearing interest at 7.99%, payable in monthly instalments of \$2,868, due March 2024 having a \$1 purchase price option, secured by a specific equipment with a net book value of \$86,271.

60,977

Future lease payments related to the capital lease obligation are as follows:

2023	34,417
2024	31,549
	65,966
<u>Less: imputed interest</u>	4,989
	60,977

During the year, \$6,112 of interest was paid.

10. Contingencies

On December 22, 2021, the Federal Court of Canada 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. The 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. Subsequent to year-end, the First Nation received an initial \$500,000 in relation to this settlement. 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, 2024.

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.

Weenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2022

11. Commitments

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

12. 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 \$2,538,337 (2021 - \$2,870,274), of which \$92,150 was acquired by means of a capital lease (2021 - capital loan of \$225,650), and \$2,446,187 (2021 - \$2,644,624) was acquired by cash.

The First Nation holds works of art and historical treasures which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

Any intangibles and items inherited by right of the Crown, such as Crown lands, forests, water and minerals are not recognized in the financial statements.

Tangible capital assets include \$532,218 (2021 - \$443,118) of assets that are fully amortized.

13. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
Unappropriated members' surplus		
General	3,202,825	117,729
Internally restricted		
Invested in tangible capital assets	14,926,241	13,305,721
Externally restricted		
Ontario First Nations Limited Partnership distributions	494,394	777,519
Restricted funds held in trust in Ottawa	6,170	6,114
Social housing replacement reserve	360,572	338,783
	861,136	1,122,416
	18,990,202	14,545,866

Wenenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2022

13. Accumulated Surplus *(Continued from previous page)*

The social housing replacement reserve is an externally restricted reserve which is required by CMHC and which must be funded. As of March 31, 2022, there was a shortfall of \$92,360 (2021 - \$200,589). 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 are nominal and are 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 12 monthly payments equal to one-twelfth 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.

14. 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, 2022. The First Nation was unable to meet this deadline and therefore is not in compliance with the First Nations Financial Transparency Act. The impact of non-compliance is unknown.

15. 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.

Wenenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2022

15. Segments *(Continued from previous page)*

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.

16. 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 and 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.

17. Comparative figures

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

Wenenusk First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Community Buildings</i>	<i>Water and Sewer Infrastructure</i>	<i>Roads</i>	<i>Vehicles</i>	<i>Machinery and Equipment</i>	<i>Landfill</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	6,287,473	2,642,387	703,505	1,203,043	1,950,465	472,746	13,259,619
Acquisition of tangible capital assets	-	-	-	219,414	217,448	-	436,862
Transfers	-	4,019,552	-	-	2,138,059	-	6,157,611
Disposal	(298,777)	-	-	-	-	-	(298,777)
Balance, end of year	5,988,696	6,661,939	703,505	1,422,457	4,305,972	472,746	19,555,315
Accumulated amortization							
Balance, beginning of year	4,176,622	1,117,528	603,616	1,009,781	1,454,341	226,917	8,588,805
Annual amortization	144,666	111,907	5,957	86,798	410,709	14,182	774,219
Accumulated amortization on disposals	(125,486)	-	-	-	-	-	(125,486)
Balance, end of year	4,195,802	1,229,435	609,573	1,096,579	1,865,050	241,099	9,237,538
Net book value of tangible capital assets	1,792,894	5,432,504	93,932	325,878	2,440,922	231,647	10,317,777
2021 Net book value of tangible capital assets	2,110,851	1,524,859	99,889	193,262	496,124	245,829	4,670,814

Wenenusk First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Subtotal</i>	<i>Housing</i>	<i>Computer Equipment</i>	<i>Capital Projects in Progress</i>	<i>Equipment under Capital Lease</i>	<i>2022</i>	<i>2021</i>
Cost							
Balance, beginning of year	13,259,619	6,306,283	317,283	8,601,630	-	28,484,815	26,546,480
Acquisition of tangible capital assets	436,862	-	93,851	1,906,974	100,650	2,538,337	2,870,273
Transfers	6,157,611	-	-	(6,157,611)	-	-	-
Disposal	(298,777)	-	-	-	-	(298,777)	(931,938)
Balance, end of year	19,555,315	6,306,283	411,134	4,350,993	100,650	30,724,375	28,484,815
Accumulated amortization							
Balance, beginning of year	8,588,805	4,422,091	264,658	-	-	13,275,554	13,670,078
Annual amortization	774,219	88,836	33,838	-	14,379	911,272	444,221
Accumulated amortization on disposals	(125,486)	-	-	-	-	(125,486)	(838,745)
Balance, end of year	9,237,538	4,510,927	298,496	-	14,379	14,061,340	13,275,554
Net book value of tangible capital assets	10,317,777	1,795,356	112,638	4,350,993	86,271	16,663,035	15,209,261
2021 Net book value of tangible capital assets	4,670,814	1,884,192	52,625	8,601,630	-	15,209,261	

Wenenusk First Nation
Schedule 2 - Schedule of Expenses by Object
For the year ended March 31, 2022

	2022	2021
Expenses by object		
Administration	90,251	160,545
Amortization	911,272	444,221
Bad debts	1,505	16,897
Bank charges and interest	24,187	14,179
Contracted services	960,871	854,614
Insurance	153,662	145,669
Interest on long-term debt	37,357	29,687
Post secondary education	277,849	319,407
Professional fees	696,012	486,399
Rent	28,920	28,920
Repairs and maintenance	537,679	619,645
Salaries and benefits	4,572,365	4,154,594
Supplies	1,401,486	763,869
Telephone	68,558	63,316
Training	2,630	168
Travel	711,947	402,185
Utilities	1,173,598	1,032,248
	11,650,149	9,536,563

Weenusk First Nation
Schedule 3 - Schedule of Segmented Disclosure
For the year ended March 31, 2022

	Schedule #	Indigenous Services Canada	Other Revenue	Total Revenue	Total Expenses	Adjustments/Transfers From (To)	Current Surplus (Deficit)	Prior Year Surplus (Deficit)
Segment								
Band Support	4	1,271,093	25,058	1,296,151	1,509,684	415,008	201,475	(131,882)
Community Infrastructure and Buildings	5	3,792,609	(451,632)	3,340,977	2,373,043	516,899	1,484,833	1,933,013
Economic Development and Other Funded Programs	6	199,358	588,234	787,592	1,271,081	372,929	(110,560)	75,713
Community Health	7	595,773	3,702,255	4,298,028	3,168,482	(638,410)	491,136	315,047
Education	8	4,652,777	(39,056)	4,613,721	2,480,786	75,000	2,207,935	1,697,351
Social Housing	9	658,495	391,634	1,050,129	847,073	249,586	452,642	918,306
Ontario First Nations Limited Partnership	10	-	707,887	707,887	-	(991,012)	(283,125)	777,347
Total		11,170,105	4,924,380	16,094,485	11,650,149	-	4,444,336	5,584,895

Weenusk First Nation
Band Support
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada		
Fixed contribution	481,011	301,725
Grant contribution	511,749	548,972
Flexible contribution	278,333	-
Other revenue	25,058	174,743
	1,296,151	1,025,440
Expenses		
Administration	20,428	39,925
Amortization	29,944	19,568
Bad debts	-	923
Bank charges and interest	20,629	16,854
Contracted services	292,410	294,210
Insurance	11,462	9,878
Professional fees	491,319	418,359
Rent	28,920	28,920
Repairs and maintenance	10,929	866
Salaries and benefits	443,484	425,148
Supplies	60,676	108,941
Telephone	25,362	24,828
Travel	34,721	21,115
Utilities	39,400	22,800
	1,509,684	1,432,335
Deficit before transfers	(213,533)	(406,895)
Transfers	415,008	275,013
Surplus (deficit)	201,475	(131,882)

Weenusk First Nation
Community Infrastructure and Buildings
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada		
Fixed contribution	3,792,609	2,681,414
Other provincial and federal funding	578,705	318,726
Rental income	32,258	21,997
Loss on disposal of capital assets	(173,290)	-
Other revenue	197,783	90
Deferred revenue - prior year	601,940	1,179,002
Deferred revenue - current year	(1,689,028)	(601,940)
	3,340,977	3,599,289
Expenses		
Administration	400	4,519
Amortization	616,984	179,541
Bad debts	-	7,123
Bank charges and interest	15	1,078
Contracted services	31,499	21,250
Insurance	38,982	84,265
Interest on long-term debt	16,219	3,141
Professional fees	55,045	18,663
Repairs and maintenance	361,936	426,009
Salaries and benefits	829,211	556,547
Supplies	50,942	10,269
Telephone	28,338	22,622
Travel	5,357	1,474
Utilities	338,115	329,775
	2,373,043	1,666,276
Surplus before transfers	967,934	1,933,013
Transfers	516,899	-
Surplus	1,484,833	1,933,013

Weenusk First Nation
Economic Development and Other Funded Programs
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada		
Fixed contribution	50,000	87,650
Flexible contribution	149,358	-
Other provincial and federal funding	-	8,907
Nishnawbe Aski Nation	123,814	56,140
Mushkegowuk Council	129,726	73,920
Sale of gasoline and heating fuel	334,029	365,845
Other revenue	125,045	46,386
Repayment of funding	(5,094)	-
Deferred revenue - current year	(119,286)	-
	787,592	638,848
Expenses		
Amortization	11,180	-
Bad debts	1,505	8,351
Bank charges and interest	3,449	3,075
Contracted services	69,399	57,015
Professional fees	28,210	18,015
Repairs and maintenance	17,328	5,983
Salaries and benefits	383,792	326,407
Supplies (recovery)	435,700	(10,998)
Telephone	258	-
Travel	87,894	54,605
Utilities	232,366	204,586
	1,271,081	667,039
Deficit before transfers	(483,489)	(28,191)
Transfers	372,929	103,904
Surplus (deficit)	(110,560)	75,713

Weenusk First Nation
Community Health
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada		
Fixed contribution	388,707	777,472
Set contribution	-	817,133
Flexible contribution	207,066	-
First Nation and Inuit Health Branch	2,414,585	1,433,014
Other provincial and federal funding	608,653	825,103
Nishnawbe Aski Nation	270,947	278,020
Mushkegowuk Council	74,515	26,612
Other revenue	1,533	-
Repayment of funding	(2,833)	-
Deferred revenue - prior year	837,986	-
Deferred revenue - current year	(503,131)	(837,986)
	4,298,028	3,319,368
Expenses		
Administration	47,055	101,659
Amortization	33,083	13,904
Bank charges and interest	15	32
Contracted services	366,269	267,596
Professional fees	93,949	16,378
Repairs and maintenance	19,294	34,098
Salaries and benefits	1,807,963	1,960,513
Supplies	521,344	404,426
Telephone	3,103	4,843
Training	1,895	168
Travel	62,574	38,276
Utilities	211,938	173,974
	3,168,482	3,015,867
Surplus before transfers	1,129,546	303,501
Transfers	(638,410)	11,546
Surplus	491,136	315,047

Weenusk First Nation
Education
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada		
Fixed contribution	4,652,777	3,767,025
Nishnawbe Aski Nation	61,378	63,328
Repayment of funding	(100,434)	-
Other revenue	-	3,210
	4,613,721	3,833,563
Expenses		
Administration	22,367	13,693
Amortization	102,908	120,384
Bank charges and interest	9	-
Contracted services	133,015	192,292
Insurance	66,191	29,092
Post secondary education	277,849	319,407
Professional fees	14,989	2,485
Repairs and maintenance	11,829	13,917
Salaries and benefits	988,687	877,144
Supplies	158,843	102,331
Telephone	11,497	11,024
Training	735	-
Travel	518,401	286,716
Utilities	173,466	167,727
	2,480,786	2,136,212
Surplus before transfers	2,132,935	1,697,351
Transfers	75,000	-
Surplus	2,207,935	1,697,351

Weenusk First Nation
Social Housing
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada		
Fixed contribution	658,495	335,645
Canada Mortgage and Housing Corporation Subsidy	206,508	206,195
Rental income	99,896	120,647
Gain from property lost in fire	-	338,528
Deferred revenue - prior year	85,230	621,355
Deferred revenue - current year	-	(85,230)
	1,050,129	1,537,140
Expenses		
Administration	-	749
Amortization	117,173	110,824
Bad debts	-	500
Bank charges and interest (recovery)	70	(6,859)
Contracted services	68,279	22,250
Insurance	37,027	22,433
Interest on long-term debt	21,138	26,546
Professional fees	12,500	12,500
Repairs and maintenance	116,363	138,771
Salaries and benefits	119,229	8,834
Supplies	173,981	148,900
Travel	3,000	-
Utilities	178,313	133,386
	847,073	618,834
Surplus before transfers	203,056	918,306
Transfers	249,586	-
Surplus	452,642	918,306

Weenusk First Nation
Ontario First Nations Limited Partnership
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022	2021
Revenue		
Ontario First Nations Limited Partnership	707,887	1,167,810
Transfers		
Transfer to Band Support	(240,008)	(275,013)
Transfer to Community Infrastructure and Buildings	(313,228)	-
Transfer to Economic Development and Other Funded Programs	(271,929)	(103,904)
Transfer to Community Health	(41,351)	(11,546)
Transfer to Social Housing	(124,496)	-
	(991,012)	(390,463)
Surplus (deficit)	(283,125)	777,347