

Financial Statements of

WAHNAPITAE FIRST NATION

And Independent Auditor's Report thereon

Year ended March 31, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles as described in note 1. 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 First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The Chief and Council 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 First Nation's financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's 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 First Nation.

L. Roque
Chief

J. Fontaine
Executive Director



KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Members of Wahnapitae First Nation

Opinion

We have audited the financial statements of Wahnapitae First Nation (the First Nation), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net assets (debt) 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, 2023, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibility 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 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.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control.



Page 3

- 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 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada
September 5, 2023

WAHNAPITAE FIRST NATION

Index to Financial Statements

Year ended March 31, 2023

Financial Statements

Exhibit A	Statement of Financial Position	1
Exhibit B	Statement of Operations and Accumulated Surplus	2
Exhibit C	Statement of Changes in Net Debt	3
Exhibit D	Statement of Cash Flows	4
	Notes to Financial Statements	5 - 18

WAHNAPITAE FIRST NATION

Exhibit A - Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
Financial assets		
Cash	\$ 12,077,951	\$ 3,703,795
Accounts receivable (note 2)	2,106,424	1,686,377
Housing loans receivable (note 3)	69,256	183,371
Investments (note 4)	1	1
Consolidated revenue fund	358,095	349,292
	<hr/> 14,611,727	<hr/> 5,922,836
Financial liabilities		
Accounts payable and accrued liabilities	4,223,846	703,078
Deferred revenue (note 6)	2,956,890	3,757,281
Loans payable to Indigenous Services Canada	-	999,331
Long-term debt (note 7)	3,919,795	3,773,986
	<hr/> 11,100,531	<hr/> 9,233,676
Net assets (debt)	3,511,196	(3,310,840)
Non-financial assets		
Inventories	-	78,635
Tangible capital assets (note 8)	14,433,553	11,715,613
Prepaid expenses	28,908	89,024
	<hr/> 14,462,461	<hr/> 11,883,272
Contingent liabilities (note 9)		
Accumulated surplus (note 10)	\$ 17,973,657	\$ 8,572,432

See accompanying notes to financial statements.

On behalf of the First Nation:

L. Roque
Chief

M. Fontaine
Executive Director

WAHNAPITAE FIRST NATION

Exhibit B - Statement of Operations and Accumulated Surplus

Year ended March 31, 2023, with comparative information for 2022

		2023 Budget	2023 Actual	2022 Actual
		(note 13)		
Revenue:				
Government Transfers	- Provincial	\$ 205,129	\$ 656,973	\$ 683,007
	- Federal (note 11)	6,271,899	5,253,239	3,077,981
Anishnawbek Nation		1,647,273	1,508,442	-
Ontario First Nations Limited Partnership		535,644	553,666	383,083
Kinoomaadziwin Education Body		1,254,775	2,391,191	1,252,566
Mining agreements and services		629,657	1,116,334	568,012
Union of Ontario Indians		1,927,466	658,511	561,454
Canada Mortgage and Housing Corporation		156,574	150,104	136,846
Business Enterprise		-	813,663	1,560,137
Boundary settlement		-	132,801,621	-
Other		1,146,390	2,876,579	1,253,377
		13,774,807	148,780,323	9,476,463
Expenses:				
Trust Settlement		-	127,372,330	-
Band Government		2,572,866	3,383,086	1,992,542
Education		1,509,356	1,822,745	1,536,147
Public Works		1,658,709	1,142,917	1,063,663
Health Services		2,012,567	2,504,475	2,030,906
Lands		1,045,949	1,223,704	874,327
CMHC Housing		512,000	325,818	293,429
General Housing		455,370	179,594	134,414
Business Enterprise		805,662	1,424,429	1,604,683
		10,572,479	139,379,098	9,530,111
Excess (deficiency) of revenue over expenses		3,202,328	9,401,225	(53,648)
Accumulated surplus, beginning of year		8,572,432	8,572,432	8,626,080
Accumulated surplus, end of year		\$ 11,774,760	\$ 17,973,657	\$ 8,572,432

See accompanying notes to financial statements.

WAHNAPITAE FIRST NATION

Exhibit C - Statement of Changes in Net Assets (Debt)

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Excess (deficiency) of revenue over expenses	\$ 9,401,225	\$ (53,648)
Acquisition of tangible capital assets	(4,424,235)	(797,390)
Amortization of tangible capital assets	803,129	691,432
Net book value of disposal of tangible capital assets	1,649,782	-
<u>Adjustment to amortization</u>	<u>(746,616)</u>	<u>-</u>
	6,683,285	(159,606)
Use of inventories	78,635	8,906
<u>Use of prepaids</u>	<u>60,116</u>	<u>18,148</u>
Change in net financial assets (debt)	6,822,036	(132,552)
Net debt, beginning of year	(3,310,840)	(3,178,288)
Net assets (debt), end of year	\$ 3,511,196	\$ (3,310,840)

See accompanying notes to financial statements.

WAHNAPITAE FIRST NATION

Exhibit D - Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Operating transactions:		
Excess (deficiency) of revenue over expenses	\$ 9,401,225	\$ (53,648)
Adjustments for:		
Amortization of tangible capital assets	803,129	691,432
Loss on disposal of tangible capital assets	505,283	-
	<u>10,709,637</u>	<u>637,784</u>
Change in non-cash working capital:		
Accounts receivable	(420,047)	(719,554)
Accounts payable and accrued liabilities	3,520,768	167,514
Deferred revenue	(800,391)	1,385,311
Prepaid expenses	60,116	18,148
Inventories	78,635	8,906
	<u>13,148,718</u>	<u>1,498,109</u>
Financing transactions:		
Issuance of long-term debt	556,072	848,785
Repayment of note payable	(999,331)	-
Collection of housing loans receivable	114,115	5,232
Principal payments on long-term debt	(410,263)	(359,410)
	<u>(739,407)</u>	<u>494,607</u>
Investing transactions:		
Proceeds from disposal of tangible capital assets	397,883	-
Cash used to acquire tangible capital assets	(4,424,235)	(797,390)
Consolidated revenue fund	(8,803)	(5,434)
	<u>(4,035,155)</u>	<u>(802,824)</u>
Net increase in cash position	8,374,156	1,189,892
Cash, beginning of year	3,703,795	2,513,903
Cash, end of year	\$ 12,077,951	\$ 3,703,795

See accompanying notes to financial statements.

WAHNAPITAE FIRST NATION

Notes to Financial Statements

Year ended March 31, 2023

The Wahnapitae First Nation (the “First Nation”), located in Capreol, Ontario, administers programs and provides services to First Nation members.

1. Significant accounting policies:

These 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 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 includes activities of all committees of the First Nation under the control of Chief and Council.

(b) Basis of accounting:

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

(c) Non-financial assets:

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

(i) Tangible capital assets:

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

Asset	Useful Life - Years
Land improvements	25
Buildings and building improvements	25 - 40
Vehicles	5 - 10
Furniture, computers and fixtures	3 - 10
Machinery and equipment	5 - 20
Roads infrastructure	40 - 50

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.

WAHNAPITAE FIRST NATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(c) Non-financial assets (continued):

(ii) Natural resources:

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

(iii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(d) Revenue recognition:

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

(e) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments held in equity instruments that trade in an active market are recorded at fair value. Management has recorded equity investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. There are no unrealized changes in fair value as a result, no statement of remeasurement gains and losses have been presented in these financial statements.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from the accumulated remeasurement gain or loss and recognized in the statement of operations.

Financial instruments are classified into fair value hierarchy Levels 1, 2 or 3 for the purposes of describing the basis of the inputs used to determine the fair market value of those amounts recorded a fair value, as described below:

Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Fair value measurements are those derived from market-based inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly

Level 3 Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

WAHNAPITAE FIRST NATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(f) Consolidated revenue funds:

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

(g) Use of estimates:

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 at the date of the financial statements and the reported amounts of revenue and expenses during the periods specified. Significant items subject to such estimates and assumptions include the carrying value of capital assets and valuation allowances for accounts receivable. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Accounts receivable:

	2023	2022
Vale Canada Limited	\$ 120,205	\$ 90,836
Indigenous Services Canada	681,465	990,847
KGHM International	12,748	10,583
Union of Ontario Indians	174,188	116,623
Canada Mortgage and Housing Corporation	—	12,414
Ontario Power Generation	20,000	20,000
Government of Canada	110,280	19,032
Glencore	507,988	2,200
Government of Ontario	227,150	—
Independent Electricity System Operator	2,764	37,292
Tulloch Engineering	66,412	—
Other	342,811	579,590
Allowance for doubtful accounts	(159,587)	(193,040)
	<hr/>	<hr/>
	\$ 2,106,424	\$ 1,686,377

3. Housing loans receivable:

Housing loans to band members bear interest at various rates, have terms of five years and are secured by the specific band member's homes.

WAHNAPITAE FIRST NATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

4. Investments:

The First Nation has investments in various organizations in which it does not have control of the decision related to the financial and operating policies of the organization. As a result, these investments are carried at amortized cost.

5. Line of credit:

The First Nation has available an operating line of credit in the amount of \$25,000, secured by a general security agreement over the assets of the First Nation. Interest on amounts drawn is charged at the prime lending rate plus 0.75%.

6. Deferred revenue:

	2023	2022
Indigenous Services Canada	\$ 2,539,345	\$ 2,448,915
KEB	—	690,091
Union of Ontario Indians	10,552	80,328
Government of Ontario	46,570	106,028
Other	314,785	385,464
Deferred camp site fees	45,638	46,455
	<hr/> \$ 2,956,890	<hr/> \$ 3,757,281

WAHNAPITAE FIRST NATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

7. Long-term debt:

	2023	2022
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$776 including interest at 1.73%, due 2025	\$ 55,097	\$ 63,376
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$549 including interest at 0.69%, due 2025	44,981	51,231
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$1,894 including interest at 2.22%, due 2024	215,809	233,557
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$1,677 including interest at 1.30%, due 2026	242,099	258,970
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$1,709 including interest at 2.27%, due 2027	247,208	262,037
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$1,970 including interest at 1.87%, due 2024	329,726	347,043
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$1,418 Including interest at 1.51%, due 2026	276,757	289,503
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$2,737 Including interest at 0.68%, due 2025	395,942	425,981
Canada Mortgage and Housing Corporation construction Financing, payable in monthly instalments of \$3,398 Including interest at 1.51%, due 2026	811,269	839,594
Canada Mortgage and Housing Corporation advance for Phase 11 construction	556,072	—
Waubetek Business Development Corporation, payable in monthly installments of \$1,138 non-interest bearing, due 2024, security described in i) below	—	35,293
Toronto Dominion Bank term loan, payable in monthly instalments of \$4,742 including interest at 4.65%, due 2024, security described in ii) below	95,468	146,639
Toronto Dominion Bank term loan, payable in monthly instalments of \$7,795 including interest at 4.91%, due 2028	417,079	488,195
Toronto Dominion Bank term loan, payable in monthly instalments of \$1,770 including interest at 4.92%, due 2023	8,847	29,189
Toronto Dominion Bank term loan, payable in monthly instalments of \$4,907 including interest at 2.95%, due 2026	159,876	213,192
Toronto Dominion Bank term loan, payable in monthly instalments of \$2,456 including interest at 0.3%, due 2024	63,565	90,186
	<hr/> \$ 3,919,795	<hr/> \$ 3,773,986

WAHNAPITAE FIRST NATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

7. Long-term debt (continued):

- i. The Toronto Dominion Bank term loans payable is secured under a security agreement where the lender has first position on specific equipment having a carrying value of \$385,519
- ii. The First Nation has a \$1,000,000 equipment financing line of credit available, of which they have drawn \$318,910

Principal payments required on long-term debt within each of the next five years are as follows:

2024	\$ 922,288
2025	357,802
2026	289,832
2027	239,723
2028	245,537
Thereafter	1,864,613

WAHNAPITAE FIRST NATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

8. Tangible capital assets:

Cost	Balance at March 31, 2022	Additions	Disposals	Balance at March 31, 2023
Land improvements	\$ 149,309	\$ 777,366	\$ -	\$ 926,675
Buildings	7,968,856	403,771	(1,173,246)	7,199,381
Road infrastructure	1,944,897	757,417	-	2,702,314
Machinery and equipment	2,879,029	1,002,137	(414,218)	3,466,948
Furniture, computer and fixtures	315,083	-	(1,800)	313,283
Social housing	4,253,702	-	-	4,253,702
Assets under construction	92,885	1,483,544	(60,518)	1,515,911
Total	\$ 17,603,761	\$ 4,424,235	\$ (1,649,782)	\$ 20,378,214

Accumulated amortization	Balance at March 31, 2022	Disposals	Amortization expense	Balance at March 31, 2023
Land improvements	\$ 89,703	\$ -	\$ 37,068	\$ 126,771
Buildings	2,099,424	(464,038)	214,556	1,849,942
Road infrastructure	756,215	-	52,810	809,025
Machinery and equipment	1,732,596	(280,958)	322,570	1,774,208
Furniture, computer and fixtures	260,653	(1,620)	23,588	282,621
Social housing	949,557	-	152,537	1,102,094
Assets under construction	-	-	-	-
Total	\$ 5,888,148	\$ (746,616)	\$ 803,129	\$ 5,944,661

	Net book value, March 31, 2022	Net book value, March 31, 2023
Land improvements	\$ 59,606	\$ 799,904
Buildings	5,869,432	5,349,439
Road infrastructure	1,188,682	1,893,289
Machinery and equipment	1,146,433	1,692,740
Furniture, computer and fixtures	54,430	30,662
Social housing	3,304,145	3,151,608
Assets under construction	92,885	1,515,911
Total	\$ 11,715,613	\$ 14,433,553

WAHNAPITAE FIRST NATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

8. Tangible capital assets (continued):

Cost	Balance at March 31, 2021	Additions	Disposals	Balance at March 31, 2022
Land improvements	\$ 149,309	\$ -	\$ -	\$ 149,309
Buildings	6,371,009	1,597,847	-	7,968,856
Road infrastructure	1,939,557	5,340	-	1,944,897
Machinery and equipment	2,638,720	240,309	-	2,879,029
Furniture, computer and fixtures	299,107	15,976	-	315,083
Social housing	3,082,383	1,171,319	-	4,253,702
Assets under construction	2,326,286	92,886	(2,326,287)	92,885
Total	\$ 16,806,371	\$ 3,123,677	\$ (2,326,287)	\$ 17,603,761

Accumulated amortization	Balance at March 31, 2021	Disposals	Amortization expense	Balance at March 31, 2022
Land improvements	\$ 83,730	\$ -	\$ 5,973	\$ 89,703
Buildings	1,910,914	-	188,510	2,099,424
Road infrastructure	717,494	-	38,721	756,215
Machinery and equipment	1,454,608	-	277,988	1,732,596
Furniture, computer and fixtures	233,005	-	27,648	260,653
Social housing	796,965	-	152,592	949,557
Assets under construction	-	-	-	-
Total	\$ 5,196,716	\$ -	\$ 691,432	\$ 5,888,148

	Net book value, March 31, 2021	Net book value, March 31, 2022
Land improvements	\$ 65,579	\$ 59,606
Buildings	4,460,095	5,869,432
Road infrastructure	1,222,063	1,188,682
Machinery and equipment	1,184,112	1,146,433
Furniture, computer and fixtures	66,102	54,430
Social housing	2,285,418	3,304,145
Assets under construction	2,326,286	92,885
Total	\$ 11,609,655	\$ 11,715,613

WAHNAPITAE FIRST NATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

9. Contingent liabilities:

(a) Government funding:

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

(b) Loan guarantees - Band members:

The First Nation is contingently liable for loan guarantees to various chartered banks in favour of individual Band members. The guarantees total \$215,221 (2022 - \$280,837).

(c) In accordance with the terms and conditions of a financing arrangement between the Bank of Montreal and the Robinson Huron Treaty Trust ("Trust"), the First Nation as a beneficiary of the Trust has guaranteed borrowings in proportion to its beneficial interest in the Trust in the amount of \$203,000. As of March 31, 2023, its proportional outstanding loan balance as part of the Trust is \$203,000 (2022 - \$203,000).

10. Accumulated surplus:

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

	2023	2022
Surplus (deficit):		
Invested in capital assets	\$ 12,029,963	\$ 8,458,531
Operations	993,731	(2,173,551)
Unfinanced capital	(927,472)	-
Land claim	-	(2,408,492)
	12,096,222	3,876,488
 Reserves set aside for specific purpose by Council:		
Consolidated revenue trust	340,489	349,292
Ontario First Nations Limited Partnership	1,998,182	1,736,741
Community Development	894,715	894,715
Education	45,698	45,698
CMHC replacement reserves	132,027	109,841
Ontario Power Generation Settlement	1,559,657	1,559,657
KEB - Education	878,786	-
Community fee	27,881	-
	5,877,435	4,695,944
	 \$ 17,973,657	 \$ 8,572,432

WAHNAPITAE FIRST NATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

11. Government Transfers – Federal:

	2023	2022
Total funding per ISC confirmation	\$ 6,329,252	\$ 3,973,742
Deferred revenue – beginning	2,448,915	1,125,011
Adjustment	2,000	71,345
Jordan's Principle Claim based program	67,640	–
Prior year JP Allied services funding	33,264	
Band representative revenue	–	420,481
Revenue not earned or received	(1,349,882)	(63,683)
Deferred revenue – ending	(2,539,345)	(2,448,915)
Other federal funding	261,395	–
 Total funding per financial statements	 \$ 5,253,239	 \$ 3,077,981

12. Comparative information:

Certain 2022 comparative information have been reclassified to conform with the presentation adopted in 2023.

13. Budget information:

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

Approved revenue budget:	
Total revenues per budget	\$13,774,807

Revenue budget per financial statements	\$13,774,807
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Approved expense budget:	
Total expenses per budget	\$ 9,821,449
Add: Amortization of tangible capital assets	751,030

Expense budget per financial statements	\$10,572,479
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WAHNAPITAE FIRST NATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

14. Change in accounting policies:

On April 1, 2022, the First Nation adopted the Public Accounting Standard PS 3280 – *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in facilities. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the assumptions used on initial recognition are those as of the date of adoption of the standard.

In accordance with the provisions of this new standard, the First Nation completed an analysis of all facilities, capital assets and lease agreements and determined there was no asset retirement obligations that existed as of April 1, 2022.

15. Defined contribution plan:

The First Nation offers a defined contribution plan to all employees. The contribution plan requires employee contributions in which the First Nation will match up to 5.5% of the employees wages. The First Nations share of the defined contribution plan is \$87,809 (2022 - \$63,040).

16. Segmented information:

Wahnapietae First Nation is a diversified governmental institution that provides a wide range of services to its band members, including band support, health services, education, sustainable development and capital. 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.

General / Band Support

The band support 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, the operations of the band's business operations, community development, public works, management and assistance for computer and communications related projects and services.

Health Services

The health services department provides a diverse bundle of services directed toward the well-being of the members of the First Nation including such activities as long-term care, health centers, diabetes, fetal alcohol syndrome, mental health, smoke free programs, traditional healing and training designed to enhance the health of member communities.

WAHNAPITAE FIRST NATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

16. Segmented information (continued):

Education

The education department provides education management services to the member First Nations as well as overseeing various small incentives on behalf of the communities.

Lands

The lands department provides services to make use of the natural landscape of the First Nation in the form of mining and mineral agreements with local mining companies to provide long-term sustainable resources to the First Nation and its members.

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

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

WAHNAPITAE FIRST NATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

16. Segmented information (continued):

	General/Band Support	Health Services	Education	Lands	2023 Total
Revenue:	\$ 140,351,269	\$ 3,014,280	\$ 2,982,185	\$ 2,432,589	\$ 148,780,323
Expenses:					
Salaries, benefits and honoraria	1,867,070	1,323,340	433,663	825,337	4,449,410
Travel and training	215,904	163,108	55,879	42,193	477,084
Materials, supplies and rentals	3,962,932	670,913	415,373	408,129	5,457,347
Contractual and professional fees	4,586,562	296,632	216,882	877,205	5,977,281
Interest on long-term debt	77,602	-	892	-	78,494
Tuition and student allowances	-	904	674,712	6,188	681,804
Other	125,194,455	387,029	188,948	47,808	125,818,240
Amortization of tangible capital assets	597,694	74,054	79,280	52,101	803,129
Investment in tangible capital assets	(2,674,046)	(411,504)	(242,884)	(1,035,257)	(4,363,691)
	133,828,173	2,504,476	1,822,745	1,223,704	139,379,098
Excess of revenue over expenses	\$ 6,523,096	\$ 509,804	\$ 1,159,440	\$ 1,208,885	\$ 9,401,225

WAHNAPITAE FIRST NATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

16. Segmented information (continued):

	General/Band Support	Health Services	Education	Lands	2022 Total
Revenue:	\$ 4,868,452	\$ 2,127,792	\$ 1,712,217	\$ 768,002	\$ 9,476,463
Expenses:					
Salaries, benefits and honoraria	1,159,584	1,241,491	390,354	734,540	3,525,969
Travel and training	78,655	58,879	21,398	17,383	176,315
Materials, supplies and rentals	2,215,679	334,721	248,510	47,681	2,846,591
Contractual and professional fees	1,077,411	151,515	151,643	40,029	1,420,598
Interest on long-term debt	72,211	-	2,701	-	74,912
Tuition and student allowances	-	200	687,780	-	687,980
Other	414,747	280,177	166,818	41,962	903,704
Amortization of tangible capital assets	594,553	45,473	39,975	11,431	691,432
Investment in tangible capital assets	(524,109)	(81,550)	(173,032)	(18,699)	(797,390)
	5,088,731	2,030,906	1,536,147	874,327	9,530,111
Excess (deficiency) of revenue over expenses	\$ (220,279)	\$ 96,886	\$ 176,070	\$ (106,325)	\$ (53,648)