

Consolidated Financial Statements of

**WAHNAPITAE FIRST NATION**

And Independent Auditor's Report thereon

Year ended March 31, 2024

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB). Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

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

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



Chief



Executive Director



**KPMG LLP**

Times Square  
1760 Regent Street, Unit 4  
Sudbury, ON P3E 3Z8  
Canada  
Telephone 705 675 8500  
Fax 705 675 7586

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Wahnapiatae First Nation

### ***Opinion***

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

- the consolidated statement of financial position as at March 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net assets (debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2024, and its consolidated results of operations, its consolidated changes in net assets (debt) and its consolidated 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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

- Identify and assess the 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, internal omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the First Nation's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

August 30, 2024

# WAHNAPITAE FIRST NATION

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Year ended March 31, 2024

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### Financial Statements

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# WAHNAPITAE FIRST NATION


## Exhibit A - Consolidated Statement of Financial Position


March 31, 2024, with comparative information for 2023

	2024	2023
<b>Financial assets</b>		
Cash and cash equivalents (note 3)	\$ 10,813,382	\$ 11,948,028
Restricted cash (note 4)	137,600	129,923
Accounts receivable (note 5)	2,248,812	2,106,424
Housing loans receivable (note 6)	44,518	69,256
Interests in Partnerships (note 7)	1	1
Investment in Government Business Enterprise (note 8)	100	-
Consolidated revenue fund	369,760	358,095
	<u>13,614,173</u>	<u>14,611,727</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	4,455,502	4,223,846
Deferred revenue (note 10)	340,192	2,956,890
Long-term debt (note 11)	3,565,641	3,919,795
	<u>8,361,335</u>	<u>11,100,531</u>
Net financial assets	5,252,838	3,511,196
<b>Non-financial assets</b>		
Tangible capital assets (note 12)	15,111,177	14,433,553
Prepaid expenses	-	28,908
	<u>15,111,177</u>	<u>14,462,461</u>
Contingent liabilities (note 13)		
Subsequent events (note 19)		
Accumulated surplus (note 14)	\$ 20,364,015	\$ 17,973,657

See accompanying notes to consolidated financial statements.

On behalf of the First Nation:

  
Chief

  
Executive Director

# WAHNAPITAE FIRST NATION

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

Year ended March 31, 2024, with comparative information for 2023

	2024 Budget (note 17)	2024 Actual	2023 Actual
Revenue:			
Government Transfers - Provincial	\$ 420,101	\$ 619,005	\$ 656,973
- Federal (note 15)	5,794,860	4,357,514	5,253,239
Anishnawbek Nation	1,449,453	2,181,639	1,508,442
Ontario First Nations Limited Partnership	743,952	822,475	553,666
Kinoomaadziwin Education Body	1,562,264	1,533,502	2,391,191
Mining agreements and services	892,000	843,400	1,116,334
Union of Ontario Indians	166,976	395,629	658,511
Canada Mortgage and Housing Corporation	156,574	266,139	150,104
Business Enterprise	164,000	156,965	848,775
Boundary settlement	-	-	132,801,621
Trust income		2,887,967	-
Other	560,761	2,882,810	2,251,064
	11,910,941	16,947,045	148,189,920
Expenses:			
Trust Settlement	-	-	127,372,330
Contribution to Trust	-	2,887,967	-
Band Government	2,640,776	3,466,322	2,932,235
Education	1,874,250	1,983,836	1,821,349
Public Works	2,014,238	1,295,192	1,114,492
Health Services	1,946,890	2,541,474	2,368,119
Lands	1,028,790	1,666,461	1,221,904
CMHC Housing	485,970	348,014	325,818
General Housing	509,077	303,183	179,594
Business Enterprise	96,400	64,238	1,452,854
	10,596,391	14,556,687	138,788,695
Excess of revenue over expenses	1,314,550	2,390,358	9,401,225
Accumulated surplus, beginning of year	17,973,657	17,973,657	8,572,432
Accumulated surplus, end of year	\$ 19,288,207	\$ 20,364,015	\$ 17,973,657

See accompanying notes to consolidated financial statements.



# WAHNAPITAE FIRST NATION

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

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Excess of revenue over expenses	\$ 2,390,358	\$ 9,401,225
Acquisition of tangible capital assets	(1,692,237)	(4,424,235)
Amortization of tangible capital assets	941,800	803,129
Net book value of disposal of tangible capital assets	72,813	903,166
	1,712,734	6,683,285
Use of inventories	-	78,635
Use of prepaid expenses	28,908	89,024
Acquisition of prepaid expenses	-	(28,908)
Change in net financial assets	1,741,642	6,822,036
Net assets (debt), beginning of year	3,511,196	(3,310,840)
Net assets, end of year	\$ 5,252,838	\$ 3,511,196

See accompanying notes to consolidated financial statements.

# WAHNAPITAE FIRST NATION

## Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Operating transactions:		
Excess of revenue over expenses	\$ 2,390,358	\$ 9,401,225
Adjustments for:		
Amortization of tangible capital assets	941,800	803,129
(Gain) loss on disposal of tangible capital assets	(137,897)	505,283
	3,194,261	10,709,637
Change in non-cash working capital:		
Accounts receivable	(142,388)	(420,047)
Accounts payable and accrued liabilities	231,656	3,520,768
Deferred revenue	(2,616,698)	(800,391)
Prepaid expenses	28,908	60,116
Inventories	-	78,635
	695,739	13,148,718
Financing transactions:		
Issuance of long-term debt	38,595	556,072
Repayment of note payable	-	(999,331)
Collection of housing loans receivable	24,738	114,115
Principal payments on long-term debt	(392,749)	(410,263)
	(329,416)	(739,407)
Investing transactions:		
Proceeds from disposal of tangible capital assets	210,710	397,883
Acquisition of tangible capital assets	(1,692,237)	(4,424,235)
Increase in investment of Government Business Enterprise	(100)	-
Consolidated revenue fund	(11,665)	(8,803)
	(1,493,292)	(4,035,155)
Net (decrease) increase in cash position	(1,126,969)	8,374,156
Cash and cash equivalents, beginning of year	12,077,951	3,703,795
Cash and cash equivalents, end of year	\$ 10,950,982	\$ 12,077,951
Made up of:		
Cash and cash equivalents	\$ 10,813,382	\$ 11,948,028
Restricted cash	137,600	129,923
	\$ 10,950,982	\$ 12,077,951

See accompanying notes to consolidated financial statements.

# WAHNAPITAE FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2024

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The Wahnapiatae First Nation (the "First Nation"), located in Capreol, Ontario, administers programs and provides services to First Nation members.

### 1. Significant accounting policies:

These consolidated 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 consolidated financial statements:

#### (a) Reporting entity:

The reporting entity includes activities of all committees of the First Nation under the control of Chief and Council.

#### (i) Investment in Government Business Enterprise:

Government Business Enterprise is accounted for using the modified equity method. The Government Business Enterprise include Taighwenini Technical Services Corporation ("TTSC").

Under the modified equity method, the business enterprise's accounting principles are not adjusted to conform with those of the First Nation and inter-organizational transactions and balances are not eliminated.

#### (ii) Interests in partnerships:

The investment in partnerships is accounted for using the modified equity method and includes N'Swakamok Forestry Corporation ("NFC").

Under the modified equity method, the organization's accounting principles are not adjusted to conform with those of the First Nation and inter-organizational transactions and balances are not eliminated.

#### (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.

# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 1. Significant accounting policies (continued):

### (c) Non-financial assets (continued):

#### (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.

#### (ii) Natural resources:

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

# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (e) Financial instruments (continued):

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

A financial instrument asset and financial instrument liability are recorded on a net basis when the First Nation intends to settle the transactions on a net basis.

### (f) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months at the date of acquisition.

### (g) 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.

# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (h) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the 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.

### (j) Asset retirement obligations:

The First Nation recognizes the fair value of an Asset Retirement obligation ("ARO") when all of the following criteria have been met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for asset retirement obligations has not been recorded in these financial statements.

## 2. Change in accounting policies:

On April 1, 2023, the First Nation adopted Public Accounting Standard PS 3400 – Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at March 31, 2024 the First Nation determined that the adoption of this new standard did not have an impact on the amounts presented in the consolidated financial statements.

## 3. Cash and cash equivalents:

Included in cash and cash equivalents are short-term investments in the form of guaranteed investment certificates ("GICs") amounting to \$1,407,487. The GICs have a maturity date of June 20, 2024 and earn interest at a rate of 5.2%.

## 4. Restricted cash:

The terms of the Canadian Mortgage and Housing Corporation ("CMHC") agreement require that the replacement reserves be funded in the amount of \$144,260 (2023 - \$129,655). As at March 31, 2024, the reserve fund accounts are underfunded by \$6,660 (2023 – overfunded by \$268).

# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 5. Accounts receivable:

	2024	2023
Vale Canada Limited	\$ 115,368	\$ 120,205
Indigenous Services Canada	1,413,380	681,465
KGHM International	8,661	12,748
Union of Ontario Indians	275,068	174,188
Ontario Power Generation	20,000	20,000
Government of Canada	10,532	110,280
Glencore	—	507,988
Government of Ontario	110,150	227,150
Tulloch Engineering	—	66,412
Other	443,482	345,575
Allowance for doubtful accounts	(147,829)	(159,587)
	<b>\$ 2,248,812</b>	<b>\$ 2,106,424</b>

## 6. 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.

## 7. Interests in partnerships:

The First Nation has a 20.00% ownership interest in N'Swakamok Forestry Corporation ("NFC"). NFC carries out forestry related activities.

	2024	2023
Balance, beginning of year	\$ 1	\$ 1
Share of income	—	—
Balance, end of year	<b>\$ 1</b>	<b>\$ 1</b>

# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 8. Investment in Government Business Enterprise:

The First Nation has a direct 100% interest in Taighwenini Technical Services Corporation ("TTSC").

The investment in Government Business Enterprise consists of the following:

	2024	2023
Balance, beginning of year	\$ —	\$ —
Contributions	100	—
Balance, end of year	\$ 100	\$ —

The following table presents condensed supplementary financial information of Government Business Enterprise for the year ended March 31, 2024:

	2024	2023
Financial position:		
Current assets	\$ 100	\$ —
Retained earnings	\$ 100	\$ —
Results of operations:		
Revenues	\$ —	—
Expenses	—	—
Excess of revenue over expenses	\$ —	\$ —



# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 9. Line of credit:

(a) The First Nation has an undrawn 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%.

(b) The First Nation has an undrawn equipment financing line of credit in the amount \$500,000. Interest on amounts drawn is charged at the prime lending rate plus 0.50%.

(c) The First Nation has a line of credit in the amount of \$1,500,000 for the purpose of providing guarantee's to band members for personal mortgages and home improvement loans. Interest on amounts drawn is charged at the prime lending rate plus 0.50%. Additional information with respect to the outstanding guarantees is presented in note 13 (b).

## 10. Deferred revenue:

	2024	2023
Indigenous Services Canada	\$ –	\$ 2,539,345
Union of Ontario Indians	57,118	10,552
Government of Ontario	24,058	46,570
Government of Canada	120,645	96,613
Other	91,307	218,172
Deferred camp site fees	47,064	45,638
	<hr/>	<hr/>
	\$ 340,192	\$ 2,956,890

# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 11. Long-term debt:

	2024	2023
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$776 including interest at 1.73%, maturing June 2029	\$ 21,815	\$ 55,097
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$549 including interest at 0.69%, maturing March 2030	38,710	44,981
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$2,018 including interest at 3.58%, maturing November 2033	198,463	215,809
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$1,677 including interest at 1.30%, maturing April 2036	225,263	242,099
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$1,709 including interest at 2.27%, maturing April 2037	232,585	247,208
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$1,970 including interest at 1.87%, maturing May 2039	312,589	329,726
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$1,418 Including interest at 1.51%, maturing November 2041	264,163	276,757
Canada Mortgage and Housing Corporation construction financing, payable in monthly instalments of \$2,737 Including interest at 0.68%, maturing October 2035	365,914	395,942
Canada Mortgage and Housing Corporation construction Financing, payable in monthly instalments of \$3,398 Including interest at 1.51%, maturing November 2046	783,538	811,269
Canada Mortgage and Housing Corporation advance for Phase 11 construction	594,667	556,072
Toronto Dominion Bank term loan, payable in monthly instalments of \$4,742 including interest at 4.65%, maturing December 2024, security described in ii) below	41,866	95,468
Toronto Dominion Bank term loan, payable in monthly instalments of \$8,220 including interest at 7.02%, maturing March 2028	345,144	417,079
Toronto Dominion Bank term loan, payable in monthly instalments of \$1,770 including interest at 4.92%, matured in 2023	—	8,847
Toronto Dominion Bank term loan, payable in monthly instalments of \$4,907 including interest at 2.95%, maturing January 2026	104,967	159,876
Toronto Dominion Bank term loan, payable in monthly instalments of \$2,456 including interest at 3.65%, maturing June 2025	35,957	63,565
	<b>\$ 3,565,641</b>	<b>\$ 3,919,795</b>

# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 11. 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 \$302,079.

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

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2025	\$ 955,502
2026	297,558
2027	244,630
2028	250,495
2029	157,299
Thereafter	1,660,157

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# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 12. Tangible capital assets:

Cost	Balance at March 31, 2023	Additions	Disposals	Balance at March 31, 2024
Land improvements	\$ 926,675	\$ 728,819	\$ -	\$ 1,655,494
Buildings	7,207,480	371,895	-	7,579,375
Road infrastructure	2,702,313	-	-	2,702,313
Machinery and equipment	3,466,919	164,514	(36,659)	3,594,774
Furniture, computer and fixtures	313,283	31,024	-	344,307
Social housing	4,245,902	-	(87,500)	4,158,402
Assets under construction	1,515,605	395,985	-	1,911,590
<b>Total</b>	<b>\$ 20,378,177</b>	<b>\$ 1,692,237</b>	<b>\$ (124,159)</b>	<b>\$ 21,946,255</b>

Accumulated amortization	Balance at March 31, 2023	Disposals	Amortization expense	Balance at March 31, 2024
Land improvements	\$ 126,771	\$ -	\$ 66,221	\$ 192,992
Buildings	1,848,532	-	229,475	2,078,007
Road infrastructure	810,396	-	54,181	864,577
Machinery and equipment	1,774,206	(9,776)	424,814	2,189,244
Furniture, computer and fixtures	282,621	-	16,755	299,376
Social housing	1,102,098	(41,570)	150,354	1,210,882
<b>Total</b>	<b>\$ 5,944,624</b>	<b>\$ (51,346)</b>	<b>\$ 941,800</b>	<b>\$ 6,835,078</b>

	Net book value, March 31, 2023	Net book value, March 31, 2024
Land improvements	\$ 799,904	\$ 1,462,502
Buildings	5,358,948	5,501,368
Road infrastructure	1,891,917	1,837,736
Machinery and equipment	1,692,713	1,405,530
Furniture, computer and fixtures	30,662	44,931
Social housing	3,143,804	2,947,520
Assets under construction	1,515,605	1,911,590
<b>Total</b>	<b>\$ 14,433,553</b>	<b>\$ 15,111,177</b>

# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 12. Tangible capital assets (continued):

Cost	Balance at March 31, 2022	Additions	Disposals	Balance at March 31, 2023
Land improvements	\$ 149,309	\$ 777,366	\$ -	\$ 926,675
Buildings	7,976,955	403,771	(1,173,246)	7,207,480
Road infrastructure	1,944,896	757,417	-	2,702,313
Machinery and equipment	2,879,000	1,002,137	(414,218)	3,466,919
Furniture, computer and fixtures	315,083	-	(1,800)	313,283
Social housing	4,245,902	-	-	4,245,902
Assets under construction	92,579	1,483,544	(60,518)	1,515,605
<b>Total</b>	<b>\$ 17,603,724</b>	<b>\$ 4,424,235</b>	<b>\$ (1,649,782)</b>	<b>\$ 20,378,177</b>

Accumulated amortization	Balance at March 31, 2022	Disposals	Amortization expense	Balance at March 31, 2023
Land improvements	\$ 89,703	\$ -	\$ 37,068	\$ 126,771
Buildings	2,098,014	(464,038)	214,556	1,848,532
Road infrastructure	757,586	-	52,810	810,396
Machinery and equipment	1,732,594	(280,958)	322,570	1,774,206
Furniture, computer and fixtures	260,653	(1,620)	23,588	282,621
Social housing	949,561	-	152,537	1,102,098
<b>Total</b>	<b>\$ 5,888,111</b>	<b>\$ (746,616)</b>	<b>\$ 803,129</b>	<b>\$ 5,944,624</b>

	Net book value, March 31, 2022	Net book value, March 31, 2023
Land improvements	\$ 59,606	\$ 799,904
Buildings	5,878,941	5,358,948
Road infrastructure	1,187,310	1,891,917
Machinery and equipment	1,146,406	1,692,713
Furniture, computer and fixtures	54,430	30,662
Social housing	3,296,341	3,143,804
Assets under construction	92,579	1,515,605
<b>Total</b>	<b>\$ 11,715,613</b>	<b>\$ 14,433,553</b>

# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 13. 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 \$189,567 (2023 - \$215,221).

### (c) Robinson Huron Treaty Trust:

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 \$Nil. As of March 31, 2024, its proportional outstanding loan balance as part of the Trust is \$Nil (2023 - \$203,000).

## 14. Accumulated surplus:

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

	2024	2023
Surplus:		
Invested in capital assets	\$ 11,545,536	\$ 10,513,758
Operations	4,019,102	3,034,789
Unfinanced capital	(1,284,555)	(927,165)
	14,280,083	12,621,382
Reserves set aside for specific purpose by Council:		
Consolidated revenue trust	369,760	358,094
Ontario First Nations Limited Partnership	2,077,992	1,457,789
Community Development	894,715	894,715
Education	45,698	45,698
CMHC replacement reserves	144,260	129,655
Ontario Power Generation Settlement	1,559,657	1,559,657
KEB - Education	941,424	878,786
Community fee	50,426	27,881
	6,083,932	5,352,275
	\$ 20,364,015	\$ 17,973,657

# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 15. Government Transfers – Federal:

	2024	2023
Total funding per ISC confirmation	\$ 11,498,444	\$ 6,329,252
Deferred revenue – beginning	2,539,345	2,448,915
Adjustment	–	2,000
Jordan's Principle Claim based program	317,497	67,640
Prior year ISC funding recognized	447,637	33,264
Surplus at expiration of funding agreement	(2,769,808)	–
Revenue not earned or received	(7,732,637)	(1,349,882)
Deferred revenue – ending	–	(2,539,345)
Other federal funding	57,036	261,395
	<u>\$ 4,357,514</u>	<u>\$ 5,253,239</u>

## 16. Comparative information:

Certain 2023 comparative information have been reclassified to conform with the presentation adopted in 2024.

## 17. 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	\$ 11,910,941
Revenue budget per financial statements	<u>\$ 11,910,941</u>
Approved expense budget:	
Total expenses per budget	\$ 11,910,941
Less: Acquisition of tangible capital assets	(2,256,350)
Add: Amortization of tangible capital assets	941,800
Expense budget per financial statements	<u>\$ 10,596,391</u>

## 18. 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 \$99,009 (2023 - \$87,809).

# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 19. Subsequent events:

- (a) Subsequent to year-end, the First Nation received their share of the compensation from the Robinson Huron Treaty settlement between the Government of Canada and the Province of Ontario in the amount of \$223,099,844.
- (b) On August 9, 2024, the First Nation passed a motion to distribute \$178,500,000 of the Robinson Huron Treaty settlement to eligible members of the First Nation.

## 20. Segmented information:

Wahnapitae 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.

### **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.



# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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## 20. Segmented information (continued):

### 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 Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 20. Segmented information (continued):

	General/Band Support	Health Services	Education	Lands	2024 Total
Revenue:	\$ 10,421,888	\$ 2,556,994	\$ 1,836,178	\$ 2,131,985	\$ 16,947,045
Expenses:					
Salaries, benefits and honoraria	2,268,448	1,300,425	514,856	1,047,033	5,130,762
Travel and training	182,727	124,456	42,836	83,008	433,027
Materials, supplies and rentals	1,613,093	455,584	133,196	89,403	2,291,276
Contractual and professional fees	4,923,412	295,281	246,011	326,869	5,791,573
Interest on long-term debt	112,918	-	-	-	112,918
Tuition and student allowances	-	460	793,190	2,000	795,650
Other	117,874	384,507	191,109	58,428	751,918
Amortization of tangible capital assets	653,092	139,405	62,638	86,665	941,800
Investment in tangible capital assets	(1,506,648)	(158,644)	-	(26,945)	(1,692,237)
	8,364,916	2,541,474	1,983,836	1,666,461	14,556,687
Excess (deficiency) of revenue over expenses	\$ 2,056,972	\$ 15,520	\$ (147,658)	\$ 465,524	\$ 2,390,358

# WAHNAPITAE FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

## 20. Segmented information (continued):

	General/Band Support	Health Services	Education	Lands	2023 Total
Revenue:	\$ 139,900,419	\$ 2,877,923	\$ 2,980,789	\$ 2,430,789	\$ 148,189,920
Expenses:					
Salaries, benefits and honoraria	1,858,570	1,325,117	433,364	825,338	4,442,389
Travel and training	212,769	160,448	49,798	41,482	464,497
Materials, supplies and rentals	3,451,842	638,039	424,054	410,297	4,924,232
Contractual and professional fees	4,577,330	294,222	216,762	876,993	5,965,307
Interest on long-term debt	95,093	29	899	-	96,021
Tuition and student allowances	-	904	674,712	6,188	681,804
Other	125,318,615	286,810	185,364	44,762	125,835,551
Amortization of tangible capital assets	597,695	74,053	79,280	52,101	803,129
Investment in tangible capital assets	(2,734,591)	(411,503)	(242,884)	(1,035,257)	(4,424,235)
	133,377,323	2,368,119	1,821,349	1,221,904	138,788,695
Excess of revenue over expenses	\$ 6,523,096	\$ 509,804	\$ 1,159,440	\$ 1,208,885	\$ 9,401,225