

**Wawakapewin First Nation**  
**Consolidated Financial Statements**  
*March 31, 2021*

**Wawakapewin First Nation**  
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*For the year ended March 31, 2021*

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## Management's Responsibility

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To the Members of Wawakapewin First Nation:

The accompanying consolidated financial statements of Wawakapewin First Nation (the "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 consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting policies 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 consolidated 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 consolidated financial statements.

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

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Chief and Council on behalf of the Members to audit the consolidated financial statements and report directly to them; 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.



Signature

Band Administrator

To the Members of Wawakapewin First Nation:

### Qualified Opinion

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

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

### Basis for Qualified Opinion

Inventory consists of fuel and gas purchased for use by the First Nation. We did not observe the inventory counts at the beginning or end of the year and alternative means did not provide us with the necessary assurance regarding the cost of inventory. As a result, we were unable to determine what adjustments, if any, might be necessary to inventory held for use, expenses, annual surplus (deficit) and accumulated surplus.

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 Consolidated 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 consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

ACCOUNTING > CONSULTING > TAX

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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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Winnipeg, Manitoba

August 17, 2021

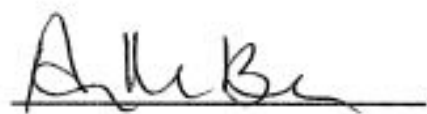
*MNP LLP*

Chartered Professional Accountants

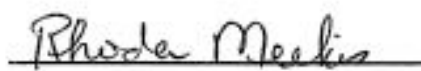
**Wawakapewin First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2021*

	2021	2020
<b>Financial assets</b>		
Cash	3,944,538	571,521
Accounts receivable (Note 3)	336,630	353,890
Portfolio investments (Note 4)	105,786	104,361
Restricted cash (Note 5)	733,426	34,234
	<b>5,120,380</b>	1,064,006
<b>Liabilities</b>		
Accounts payable and accruals (Note 6)	1,261,012	400,484
Deferred revenue (Note 7)	2,914,199	380,468
	<b>4,175,211</b>	780,952
<b>Net financial assets</b>	<b>945,169</b>	283,054
<b>Contingencies (Note 8)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 9) (Schedule 1)	4,226,089	2,799,035
Inventory held for use	101,314	49,563
Prepaid expenses	30,204	29,276
	<b>4,357,607</b>	2,877,874
<b>Accumulated surplus (Note 10)</b>	<b>5,302,776</b>	3,160,928

Approved on behalf of the Chief and Council



Chief



Councillor

# Wawakapewin First Nation

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2021*

	<i>Schedules</i>	<i>2021 Budget</i>	<i>2021</i>	<i>2020</i>
<b>Revenue</b>				
Indigenous Services Canada (Note 9), (Note 11)		1,294,908	6,182,163	2,481,973
Ontario First Nations Limited Partnership (Note 12)		901,356	887,982	914,197
Ministry of Northern Development and Mines		189,838	195,534	199,109
Ministry of Indigenous Relations and Reconciliation		119,120	188,363	85,500
Other revenue		304,869	685,744	462,839
Revenue deferred in prior year (Note 7)		-	380,468	294,621
Revenue deferred to subsequent year (Note 7)		-	(2,914,199)	(380,468)
		<b>2,810,091</b>	<b>5,606,055</b>	<b>4,057,771</b>
<b>Segment expenses</b>				
Capital	4	477,514	367,731	624,149
Economic Development	5	30,000	16,695	82,843
First Nation Management	6	666,633	1,095,904	909,118
Health	7	805,747	911,825	738,297
Municipal Services	8	480,386	566,528	691,834
Other	9	543,827	505,524	878,021
<b>Total segment expenses (Schedule 2)</b>		<b>3,004,107</b>	<b>3,464,207</b>	<b>3,924,262</b>
<b>Surplus before other item</b>		<b>(194,016)</b>	<b>2,141,848</b>	<b>133,509</b>
<b>Other item</b>				
Loss on disposal of tangible capital assets		-	-	(171,149)
<b>Annual surplus (deficit)</b>		<b>(194,016)</b>	<b>2,141,848</b>	<b>(37,640)</b>
<b>Accumulated surplus, beginning of year</b>		<b>3,160,928</b>	<b>3,160,928</b>	<b>3,198,568</b>
<b>Accumulated surplus, end of year</b>		<b>2,966,912</b>	<b>5,302,776</b>	<b>3,160,928</b>

The accompanying notes are an integral part of these consolidated financial statements

**Wawakapewin First Nation**  
**Consolidated Statement of Changes in Net Financial Assets**  
*For the year ended March 31, 2021*

	<i>2021 Budget</i>	<i>2021</i>	<i>2020</i>
<b>Annual surplus (deficit)</b>	<b>(194,016)</b>	<b>2,141,848</b>	<b>(37,640)</b>
Purchases of tangible capital assets	<b>(285,000)</b>	<b>(1,838,188)</b>	(749,897)
Amortization of tangible capital assets	<b>285,000</b>	<b>411,134</b>	400,667
Loss on disposal of tangible capital assets	-	-	171,149
Increase in prepaid expenses	-	<b>(928)</b>	(6,564)
	-	<b>(1,427,982)</b>	(184,645)
Decrease (increase) in inventory held for use	-	<b>(51,751)</b>	86,060
<b>Increase (decrease) in net financial assets</b>	<b>(194,016)</b>	<b>662,115</b>	(136,225)
<b>Net financial assets, beginning of year</b>	<b>283,054</b>	<b>283,054</b>	419,279
<b>Net financial assets, end of year</b>	<b>89,038</b>	<b>945,169</b>	283,054

*The accompanying notes are an integral part of these consolidated financial statements*



**Wawakapewin First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2021*

	2021	2020
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	2,141,848	(37,640)
Non-cash items		
Amortization	411,134	400,667
Loss on disposal of capital assets	-	171,149
	<b>2,552,982</b>	534,176
Changes in working capital accounts		
Accounts receivable	17,260	114,082
Accounts payable and accruals	860,528	(25,762)
Deferred revenue	2,533,731	85,847
Inventory held for use	(51,751)	86,060
Prepaid expenses	(928)	(6,564)
	<b>5,911,822</b>	787,839
<b>Capital activity</b>		
Purchases of tangible capital assets	(1,838,188)	(749,897)
<b>Investing activities</b>		
Purchases of portfolio investments	(1,425)	395,662
Restricted cash	(699,192)	(3,906)
	<b>(700,617)</b>	391,756
<b>Increase in cash</b>	<b>3,373,017</b>	429,698
<b>Cash, beginning of year</b>	<b>571,521</b>	141,823
<b>Cash, end of year</b>	<b>3,944,538</b>	571,521

The accompanying notes are an integral part of these consolidated financial statements

**1. Nature of operations**

Wawakapewin First Nation (the "First Nation") is located in the province of Ontario and provides various services to its Members. Wawakapewin First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation that are either owned or controlled by the First Nation.

**2. Significant accounting policies**

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

***Reporting entity consolidated***

The Wawakapewin First Nation reporting entity includes the First Nation government and all related enterprises that are accountable to the First Nation and are either owned or controlled by the First Nation. These consolidated financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following controlled organization:

- Sheila Childforever Memorial Economic Development Corporation

All inter-entity balances have been eliminated on consolidation.

***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***

Cash is comprised of balances with banks. Cash subject to restrictions, if any, is included in restricted cash.

***Portfolio investments***

Portfolio investments are valued at the lower of cost and market value.

***Ottawa Trust Fund***

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported 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.

***Net financial assets***

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

***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.

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

***Inventory held for use***

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Inventories are written down to net realizable value when the cost is not estimated to be recoverable. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in retail selling price, the amount of the write-down previously recorded is reversed.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records.

Assets under construction represents the total cost of assets being constructed that are not available for use. When the construction phase has been completed and the assets are available for use they are amortized according to the rates indicated below.

***Amortization***

Tangible capital assets are amortized annually using the straight-line method at the following rates which are intended to amortize the cost of the assets over their estimated useful lives. Assets under construction are not amortized until the assets are put into use. One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

	<b>Years</b>
Band housing	15
Generating station	15
General buildings	10
Heavy vehicles	5
Land improvement	15
Roads	10
Vehicles and equipment	3-5
Water and sewer infrastructure	15

***Revenue recognition***

***Government transfers***

Government transfer revenue, including, but not limited to, Indigenous Services Canada funding, is recognized as the funding becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt, and is matched with related department expenses in the year of their occurrence. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

***Ontario First Nations Limited Partnership***

Revenue from Ontario First Nations Limited Partnership is recognized in the period in which the revenue was earned.

***Other revenue***

Investment and interest revenue is recognized on an accrual basis in the year that it is earned.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and collectability is reasonably assured.

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

***Measurement uncertainty***

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 and disclosure of contingent assets and liabilities at the date of the consolidated 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. Inventory is stated after provisions have been made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements and stipulations have been met on government transfer revenue and externally restricted revenue.

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the statement of operations in the year in which they become known.

***Liability for contaminated sites***

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2021.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

***Segments***

The First Nation conducts its business through six reportable segments as identified below. These reportable 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. These segments are differentiated by the major activities or services they provide. The First Nation's reportable segments are as follows:

*Capital* - includes capital projects, operations and maintenance of all on-reserve housing.

*Economic Development* - includes the activities of First Nation's economic development initiatives.

*First Nation Management* - includes governance and administration activities.

*Health* - includes health services provided to members of the First Nation.

*Municipal Services* - includes the development and maintenance of the community's infrastructure, buildings, roads and the provision of other more specialized community services.

*Other* - includes the planning, managing and delivery of large scale infrastructure and capital projects to the First Nation.

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

**Wawakapewin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**3. Accounts receivable**

	2021	2020
Indigenous Services Canada	159,962	182,079
Members	80,577	108,687
Goods and services tax and harmonized sales tax	74,143	89,281
Nishnawbe Aski Nation	36,393	13,675
Other and trade	36,421	7,134
Related party - Shibogama First Nations Council (Note 13)	1,300	5,200
	<b>388,796</b>	406,056
Less: Allowance for doubtful accounts	<b>52,166</b>	52,166
	<b>336,630</b>	353,890

The allowance for doubtful accounts pertains to accounts receivable from Members.

**4. Portfolio investments**

	2021	2020
<b>Measured at cost:</b>		
Guaranteed Investment Certificate, maturing August 5, 2021, 0.40% interest per annum	105,643	104,338
Investment in 2472881 Ontario Inc. - 1 share constituting 4.55%	10	10
Investment in Ontario First Nations Limited Partnership - 1 unit constituting 1.77% interest	10	10
Ontario First Nations Sovereign Wealth LP - 1 share constituting a 0.77% interest	1	1
OFN Asset Management GP Corp - 1 share constituting 0.77% interest	1	1
Investment in Ontario First Nations Limited Partnership - 1 unit constituting 1.77% interest	1	1
Thawikayhigan Limited Partnership - 100 units constituting 16.64% interest	100	-
2665686 Ontario Inc. - 20 shares constituting 16.67% interest	20	-
	<b>105,786</b>	104,361

**5. Restricted cash**

	2021	2020
Capital project	698,775	-
Ottawa Trust Fund	34,651	34,234
	<b>733,426</b>	34,234

*Capital project*

Capital project is related to funding received from Indigenous Services Canada that must be used only on the construction of the water treatment plant.

*Ottawa Trust Fund*

The Ottawa Trust Fund arises 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 similarly governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned, when it is measurable and when collection is reasonably assured. Capital and Revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with consent of the First Nation's Chief and Council.

<i>Capital trust</i>	\$3 (2020 - \$3); interest revenue \$nil (2020 - \$nil);
<i>Revenue trust</i>	\$34,648 (2020 - \$34,231); interest revenue \$417 (2020 - \$581); land lease - Bell Canada \$nil (2020 - \$3,325)

**Wawakapewin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**6. Accounts payable and accruals**

	2021	2020
Trade payables and accruals	1,245,641	396,248
Related party - Shibogama First Nations Council (Note 13)	15,371	4,236
	<b>1,261,012</b>	<b>400,484</b>

**7. Deferred revenue**

	2021	2020
<b>Indigenous Services Canada</b>		
Water treatment system	1,610,307	112,647
IPA distribution upgrades project	409,261	-
Aboriginal Headstart	202,357	97,539
Governance planning - P&ID	107,026	32,776
Winter road	100,000	-
Health Covid program delivery	75,572	-
Choose life - Jordan's Principle	68,338	63,343
Support fund - COVID-19	54,474	-
Water systems	44,779	-
Community development	33,535	-
Landfill study	33,462	33,462
Economic development	14,055	-
Nutrition education initiative	14,011	-
Crisis management	13,155	-
Health government and infrastructure support	12,011	-
Community health promotion and injury prevention	11,039	-
ADI chronic disease	9,504	-
Community based prevention	6,721	-
Brighter futures	6,455	-
Solvent Abuse Prevention	4,478	-
National Native Alcohol and Drug Abuse	3,710	-
School operations and maintenance	3,190	-
Canada Prenatal Program	2,987	-
First Nations water and wastewater action plan - water operations and maintenance	-	40,701
	<b>2,840,427</b>	<b>380,468</b>
Ministry of Indigenous Relations and Reconciliation	69,243	-
Ministry of Long-Term Care	4,529	-
	<b>2,914,199</b>	<b>380,468</b>

**8. Contingencies**

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2021 might be recovered.

**Wawakapewin First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**9. Tangible capital assets**

	2021	2020
<b>Assets under construction</b>		
Water treatment plant	1,637,718	-
Garage	55,052	-
Family well being centre	30,632	30,632
	<b>1,723,402</b>	30,632
Tangible capital assets in use	<b>2,502,687</b>	2,768,403
	<b>4,226,089</b>	2,799,035

**10. Accumulated surplus**

	2021	2020
Invested in tangible capital assets	4,226,089	2,799,035
Internally restricted for future expenses	632,103	-
Unrestricted accumulated surplus	409,933	327,659
Ottawa Trust Fund	34,651	34,234
	<b>5,302,776</b>	3,160,928

**11. Reconciliation of funding from Indigenous Services Canada**

The Indigenous Services Canada ("ISC") revenue of \$6,182,163 (2020 – \$2,481,973) on the statement of operations and accumulated surplus agrees to the ISC confirmation.

**12. Ontario First Nations Limited Partnership**

Based on the agreement between the First Nation and Ontario First Nations Limited Partnership ("OFNLP"), the First Nation receives from OFNLP twelve monthly payments equal to one-twelfth of 1.7% of the aggregate provincial gross gaming revenue. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development activities.

**13. Related party transactions**

During the year, the First Nation conducted the following transactions with Shibogama First Nations Council ("Shibogama"). The First Nation is a member of Shibogama. These transactions were recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	2021	2020
Revenue - Administration fees and other	2,760	29,348
Expenses - Rent	3,500	3,500
Expenses - Other	48,871	1,413

**14. Line of credit**

The First Nation has an approved operating line of credit of \$100,000 with interest to be charged at RBC prime interest rate plus 2.00% per annum. At March 31, 2021 the line of credit used was \$nil (2020 - \$nil), and the prime rate was 2.45%.

**15. Budget information**

The disclosed budget information was approved by the Chief and Council of the Wawakapewin First Nation on July 24, 2020.

**16. Economic dependence**

Wawakapewin First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of Treaties entered into with the Government of Canada. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

**17. Compliance with laws and regulations**

*Provision for site rehabilitation*

The Ontario Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under this environmental law, there is a requirement for closure and post-closure care of solid waste sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance. As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year-end, the extent to which the First Nation is bound by environmental laws of The Ontario Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these consolidated financial statements.

*First Nations Financial Transparency Act*

The First Nation was required to post its consolidated financial statements on a website and submit the consolidated financial statements to Indigenous Services Canada by July 30, 2021. Since the audit report date is dated after this date, the First Nation has not complied with this requirement. The possible effect of this non-compliance has not yet been determined. The First Nation fully intends to post its consolidated financial statements on a website upon release of these consolidated financial statements.

**18. Significant event**

During March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.



**Wawakapewin First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2021*

	<i>Assets under construction</i>	<i>Band housing</i>	<i>Building</i>	<i>Generating station</i>	<i>General buildings</i>	<i>Heavy vehicles</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	30,632	671,572	401,946	2,357,651	2,996,312	1,735,262	8,193,375
Acquisition of tangible capital assets	1,692,770	-	-	-	-	-	1,692,770
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	1,723,402	671,572	401,946	2,357,651	2,996,312	1,735,262	9,886,145
<b>Accumulated amortization</b>							
Balance, beginning of year	-	650,278	12,058	914,240	2,668,669	1,306,704	5,551,949
Annual amortization	-	5,774	24,117	130,842	40,231	140,363	341,327
Balance, end of year	-	656,052	36,175	1,045,082	2,708,900	1,447,067	5,893,276
<b>Net book value of tangible capital assets</b>	1,723,402	15,520	365,771	1,312,569	287,412	288,195	3,992,869
2020 Net book value of tangible capital assets	30,632	21,294	389,888	1,443,411	327,643	428,558	2,641,426

**Wawakapewin First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2021*

	<i>Subtotal</i>	<i>Land improvement</i>	<i>Roads</i>	<i>Vehicles and equipment</i>	<i>Water and sewer infrastructure</i>	<i>2021</i>	<i>2020</i>
<b>Cost</b>							
Balance, beginning of year	8,193,375	28,000	72,000	718,557	648,433	9,660,365	9,081,617
Acquisition of tangible capital assets	1,692,770	-	-	145,418	-	1,838,188	749,897
Disposal of tangible capital assets	-	-	-	-	-	-	(171,149)
Balance, end of year	9,886,145	28,000	72,000	863,975	648,433	11,498,553	9,660,365
<b>Accumulated amortization</b>							
Balance, beginning of year	5,551,949	24,273	72,000	578,650	634,458	6,861,330	6,460,663
Annual amortization	341,327	1,868	-	64,440	3,499	411,134	400,667
Balance, end of year	5,893,276	26,141	72,000	643,090	637,957	7,272,464	6,861,330
<b>Net book value of tangible capital assets</b>	<b>3,992,869</b>	<b>1,859</b>	<b>-</b>	<b>220,885</b>	<b>10,476</b>	<b>4,226,089</b>	<b>2,799,035</b>
2020 Net book value of tangible capital assets	2,641,426	3,727	-	139,907	13,975	2,799,035	

**Wawakapewin First Nation**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2021*

	2021	2020
<b>Consolidated expenses by object</b>		
Amortization	411,134	400,667
Bad debts	-	7,065
Bank charges and interest	7,719	7,089
Equipment rent	19,844	103,777
Fuel and gas	236,074	357,294
Honoraria	129,200	150,100
Housing renovation	219,851	377,833
Insurance	57,395	50,301
Land based activities and supplies	109,211	46,339
Materials	86,473	138,987
Other	244,991	149,357
Professional fees	286,913	289,421
Program delivery	131,923	170,033
Rent	8,756	3,500
Repairs and maintenance	248,696	438,825
Salaries and benefits	671,147	612,855
Supplies	262,633	143,874
Telephone	65,510	38,065
Training	859	35,345
Travel	265,878	403,535
	<b>3,464,207</b>	<b>3,924,262</b>

**Wawakapewin First Nation**  
**Schedule 3 - Consolidated Summary Schedule of Segment Operations**

*For the year ended March 31, 2021*

	<i>Schedule #</i>	<i>Revenue</i>	<i>Expenses</i>	<i>Transfers From (To)</i>	<i>2021 Surplus (Deficit)</i>	<i>2020 Surplus (Deficit)</i>
<b>Segments</b>						
Capital	4	320,876	367,731	46,855	-	98,917
Economic Development	5	22,695	16,695	-	6,000	2,515
First Nation Management	6	505,176	1,095,904	210,794	(379,934)	(474,024)
Health	7	1,108,701	911,825	-	196,876	136,752
Municipal Services	8	3,470,751	566,528	(2,739,638)	164,585	186,867
Other	9	177,856	505,524	2,481,989	2,154,321	11,333
<b>Total</b>		5,606,055	3,464,207	-	2,141,848	(37,640)

**Wawakapewin First Nation**  
**Capital**  
**Schedule 4 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2021*

	2021	2020
<b>Revenue</b>		
Indigenous Services Canada	320,876	205,491
Revenue deferred in prior year	33,462	149,888
Revenue deferred to subsequent year	(33,462)	(33,462)
	<b>320,876</b>	<b>321,917</b>
<b>Expenses</b>		
Housing renovation	219,851	377,833
Materials	38,928	56,849
Repairs and maintenance	77,316	153,464
Salaries and benefits	31,636	36,003
	<b>367,731</b>	<b>624,149</b>
<b>Deficit before transfers</b>	<b>(46,855)</b>	<b>(302,232)</b>
<b>Transfers between segments</b>	<b>46,855</b>	<b>401,149</b>
<b>Surplus (deficit)</b>	<b>-</b>	<b>98,917</b>

**Wawakapewin First Nation**  
**Economic Development**  
**Schedule 5 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2021*

	2021	2020
<b>Revenue</b>		
Indigenous Services Canada	111,000	36,000
Other	-	7,134
Revenue deferred in prior year	32,776	75,000
Revenue deferred to subsequent year	(121,081)	(32,776)
	<b>22,695</b>	<b>85,358</b>
<b>Expenses</b>		
Other	750	16,695
Salaries and benefits	15,945	23,685
Travel	-	42,463
	<b>16,695</b>	<b>82,843</b>
<b>Surplus</b>	<b>6,000</b>	<b>2,515</b>

**Wawakapewin First Nation**  
**First Nation Management**  
**Schedule 6 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2021*

	2021	2020
<b>Revenue</b>		
Indigenous Services Canada	293,432	121,841
Other	266,218	45,806
Revenue deferred to subsequent year	(54,474)	-
	<b>505,176</b>	<b>167,647</b>
<b>Expenses</b>		
Amortization	387,017	388,609
Bad debts	-	7,065
Bank charges and interest	7,050	6,919
Communication	32,726	11,126
Honoraria	126,200	134,100
Insurance	37,489	34,650
Internet	35,852	6,140
Materials	1,869	12,331
Professional fees	77,234	54,911
Rent	3,500	3,500
Salaries and benefits	159,672	91,864
Supplies	98,800	15,909
Training	-	5,429
Travel	128,495	136,565
	<b>1,095,904</b>	<b>909,118</b>
<b>Deficit before transfers</b>	<b>(590,728)</b>	<b>(741,471)</b>
<b>Transfers between segments</b>	<b>210,794</b>	<b>267,447</b>
<b>Deficit</b>	<b>(379,934)</b>	<b>(474,024)</b>

**Wawakapewin First Nation**  
**Health**  
**Schedule 7 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2021*

	2021	2020
<b>Revenue</b>		
Indigenous Services Canada	1,025,173	784,082
Ministry of Indigenous Relations and Reconciliation	103,363	-
Other revenue	316,672	251,849
Revenue deferred in prior year	160,882	-
Revenue deferred to subsequent year	(497,389)	(160,882)
	<b>1,108,701</b>	<b>875,049</b>
<b>Expenses</b>		
Honoraria	-	1,500
Land based activities and supplies	109,211	46,339
Materials	5,837	5,308
Other	208,582	74,109
Professional fees	34,147	13,721
Program delivery	131,923	170,033
Rent	5,256	-
Salaries and benefits	243,028	225,590
Supplies	71,708	50,568
Training	-	24,723
Travel	102,133	126,406
	<b>911,825</b>	<b>738,297</b>
<b>Surplus</b>	<b>196,876</b>	<b>136,752</b>



**Wawakapewin First Nation**  
**Municipal Services**  
**Schedule 8 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2021*

	2021	2020
<b>Revenue</b>		
Indigenous Services Canada	3,506,530	741,941
Ministry of Northern Development and Mines	195,534	199,109
Other	1,825	43,999
Revenue deferred in prior year	153,348	47,000
Revenue deferred to subsequent year	(386,486)	(153,348)
	<b>3,470,751</b>	<b>878,701</b>
<b>Expenses</b>		
Equipment rent	19,844	103,777
Fuel and gas	80,297	109,244
Insurance	8,217	7,163
Materials	7,618	55,579
Professional fees	78,530	100,337
Repairs and maintenance	147,354	95,676
Salaries and benefits	143,966	101,593
Supplies	52,643	70,807
Training	859	-
Travel	27,200	47,658
	<b>566,528</b>	<b>691,834</b>
<b>Surplus before transfers</b>	<b>2,904,223</b>	<b>186,867</b>
<b>Transfers between segments</b>	<b>(2,739,638)</b>	<b>-</b>
<b>Surplus</b>	<b>164,585</b>	<b>186,867</b>

# Wawakapewin First Nation

Other

## Schedule 9 - Consolidated Schedule of Segment Operations

For the year ended March 31, 2021

	2021	2020
<b>Revenue</b>		
Indigenous Services Canada	925,152	592,618
Ontario First Nations Limited Partnership	887,982	914,197
Ministry of indigenous Relations and Reconciliation	85,000	85,500
Other	101,029	114,051
Revenue deferred in prior year	-	22,733
Revenue deferred to subsequent year	(1,821,307)	-
	<b>177,856</b>	<b>1,729,099</b>
<b>Expenses</b>		
Amortization	24,117	12,058
Bank charges and interest	669	170
Fuel and gas	155,777	248,050
Honouraria	3,000	14,500
Insurance	11,689	8,488
Materials	32,221	8,920
Other	2,933	47,427
Professional fees	97,002	120,452
Repairs and maintenance	24,026	189,685
Salaries and benefits	76,900	134,120
Supplies	39,482	6,590
Telephone	29,658	31,925
Training	-	5,193
Travel	8,050	50,443
	<b>505,524</b>	<b>878,021</b>
<b>Surplus (deficit) before other items</b>	<b>(327,668)</b>	<b>851,078</b>
<b>Other items</b>		
Loss on disposal of tangible capital assets	-	(171,149)
<b>Surplus (deficit) before transfers</b>	<b>(327,668)</b>	<b>679,929</b>
<b>Transfers between segments</b>	<b>2,481,989</b>	<b>(668,596)</b>
<b>Surplus</b>	<b>2,154,321</b>	<b>11,333</b>