

Wawakapewin First Nation
Consolidated Financial Statements
March 31, 2024

Wawakapewin First Nation
Consolidated Financial Statements - Table of Contents
For the year ended March 31, 2024

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Management's Responsibility

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 fair 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 and its subsidiaries (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (net debt) and cash flows for the year then ended, and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies, and consolidated schedules of segment operations.

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, 2024, and the results of its consolidated operations, consolidated changes in its net financial assets (net debt) and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Section PS 3280 *Asset Retirement Obligations* of the Canadian Public Sector Accounting Standards ("PSAS") was adopted by the First Nation on April 1, 2022 with prospective application. This standard requires the recognition of an asset retirement obligation ("ARO") liability when there is a legal obligation that establishes a clear responsibility to incur retirement costs in relation to a tangible capital asset. The First Nation has not identified any ARO liabilities as at March 31, 2024 and we were unable to satisfy ourselves concerning the completeness of those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments would be necessary to total liabilities, net debt, tangible capital assets, accumulated surplus, expenses, annual surplus, or changes in net financial assets (net debt) as at and for the year-ended March 31, 2024.

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.

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 18, 2025

MNP LLP

Chartered Professional Accountants

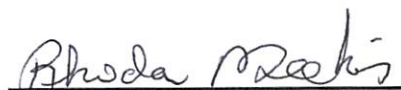
Wawakapewin First Nation
Consolidated Statement of Financial Position
As at March 31, 2024

	2024	2023
Financial assets		
Cash (Note 4)	2,225,273	1,916,797
Accounts receivable (Note 5)	1,349,094	635,061
Portfolio investments (Note 6)	108,494	106,473
Restricted cash (Note 7)	286,546	565,208
	3,969,407	3,223,539
Liabilities		
Accounts payable and accruals (Note 8)	2,045,414	1,584,148
Deferred revenue (Note 9)	2,918,376	2,297,481
	4,963,790	3,881,629
Net debt	(994,383)	(658,090)
Contingencies (Note 10)		
Non-financial assets		
Tangible capital assets (Note 11) (Schedule 1)	15,454,036	13,372,818
Inventory held for use	385,068	334,868
Prepaid expenses	44,074	37,686
	15,883,178	13,745,372
Accumulated surplus (Note 12)	14,888,795	13,087,282

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, 2024

	<i>Schedules</i>	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
Revenue				
Indigenous Services Canada (Note 13)		5,740,916	3,142,299	5,366,628
Ministry of Northern Development and Mines		1,682,904	1,696,748	195,534
Ontario First Nations Limited Partnership (Note 14)		986,256	1,090,345	764,911
Other revenue		1,030,257	534,710	505,808
Ministry of Indigenous Relations and Reconciliation		85,000	85,000	85,000
Drinking Water Settlement		-	-	500,000
Sioux Lookout Area Aboriginal Management Board		37,100	105,238	22,700
Revenue deferred in prior year (Note 9)		2,170,498	2,297,481	5,388,561
Revenue deferred to subsequent year (Note 9)		11,804	(2,918,376)	(2,297,481)
		11,744,735	6,033,445	10,531,661
Segment expenses				
Capital	4	7,922,774	265,324	88,768
Economic Development	5	40,194	25,818	133,896
First Nation Management	6	1,027,904	1,486,398	1,392,497
Health	7	1,755,704	920,042	1,098,020
Municipal Services	8	1,447,950	901,849	1,112,301
Other	9	1,642,374	632,501	415,596
Total segment expenses (Schedule 2)		13,836,900	4,231,932	4,241,078
Annual surplus (deficit)		(2,092,165)	1,801,513	6,290,583
Accumulated surplus, beginning of year		13,087,282	13,087,282	6,796,699
Accumulated surplus, end of year		10,995,117	14,888,795	13,087,282

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

Wawakapewin First Nation

Consolidated Statement of Changes in Net Financial Assets (Net Debt)

For the year ended March 31, 2024

	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
Annual surplus (deficit)	(2,092,165)	1,801,513	6,290,583
Purchases of tangible capital assets	-	(2,542,327)	(7,876,236)
Amortization of tangible capital assets	-	461,109	454,192
Change in prepaid expenses	-	(6,388)	(1,646)
Change in inventory held for use	-	(50,200)	38,410
Change in net financial assets (net debt)	(2,092,165)	(336,293)	(1,094,697)
Net financial assets (net debt), beginning of year	(658,090)	(658,090)	436,607
Net debt, end of year	(2,750,255)	(994,383)	(658,090)

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, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	1,801,513	6,290,583
Non-cash items		
Amortization	461,109	454,192
	2,262,622	6,744,775
Changes in working capital accounts		
Accounts receivable	(714,033)	39,139
Accounts payable and accruals	461,266	417,315
Deferred revenue	620,895	(3,091,080)
Inventory held for use	(50,200)	38,410
Prepaid expenses	(6,388)	(1,646)
	2,574,162	4,146,913
Capital activity		
Purchases of tangible capital assets	(2,542,327)	(7,876,236)
Investing activities		
Portfolio investments	(2,021)	(265)
Restricted cash	278,662	2,056,397
	276,641	2,056,132
Change in cash resources	308,476	(1,673,191)
Cash resources, beginning of year	1,916,797	3,589,988
Cash resources, end of year	2,225,273	1,916,797

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

Wawakapewin First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

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 government and all related entities that are accountable to the First Nation that are either owned or controlled by the First Nation. The First Nation is a non-taxable entity under the provisions of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2. Change in accounting policy

Effective April 1, 2023, the First Nation adopted PS 3400 Revenue on a prospective basis.

This standard differentiates between revenue arising from transactions with performance obligations (exchange transactions) and transactions that do not have performance obligations (non-exchange transactions) and provides guidance on appropriate revenue recognition policies for certain types of cash inflows.

Adoption of this section did not have a significant impact on the First Nation's consolidated financial statements.

3. 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:

Consolidated reporting entity

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 Sheila Childforever Memorial Economic Development Corporation, a controlled organization. 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 consolidated 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 (net debt)

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

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

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.

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, 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. The First Nation has a commitment to complete the construction of the Water Treatment System and the Hydro Compound Project.

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.

	Years
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

Long-lived assets

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

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, exceeds the value of future economic benefits associated with the asset.

Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

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

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.

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 consolidated 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, 2024.

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.

Employee future benefits

The First Nation's employee future benefit programs consist of defined contribution pension plans. As a defined contribution plan, the First Nation's contributions to the pension plans are expensed as incurred and no further liability exists.

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

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

Cash, accounts receivable and restricted cash are subsequently measured at their amortized cost using the effective interest rate method. Amortized cost is the amount at which the financial asset is measured at their initial recognition less principal payments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and less any reduction for impairment or uncollectibility.

Accounts payable and accruals are subsequently measured at their amortized cost using the effective interest rate method. Under this method, estimated future cash payments are discounted over the liability's expected life, or other appropriate period, to their net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between that initial amount and the maturity amount.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and, must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. Interest income is recognized in the consolidated statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus (deficit). Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets are tested annually for impairment. Management considers whether the invested has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, etc. in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the consolidated statement of remeasurement gains and losses.

Fair value measurements

The First Nation classifies fair value measurements recognized in the consolidated statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the First Nation to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy.

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

Statement of remeasurement gains and losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the consolidated statement of operations. The consolidated statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the consolidated statement of remeasurement gains and losses. Taken together, the two statements account for changes in a First Nation's net assets (liabilities) in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations. Interest and dividends attributable to all financial instruments are reported in the consolidated statement of operations. There are no transactions to report in the consolidated statement of remeasurement gains or losses, therefore no statement has been presented in these consolidated financial statements.

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, 2024

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

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), 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. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset. At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

4. 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, 2024 and 2023 no amount was outstanding on the line of credit, and the prime rate was 4.95% (2023 - 7.20%).

5. Accounts receivable

	2024	2023
Indigenous Services Canada	215,299	282,129
Members	62,387	57,982
Goods and Services Tax and Harmonized Sales Tax	133,906	118,201
Nishnawbe Aski Nation	157,470	171,532
Province of Ontario	726,960	57,383
Other	105,238	-
	1,401,260	687,227
Less: Allowance for doubtful accounts	52,166	52,166
	1,349,094	635,061

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

Wawakapewin First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

6. Portfolio investments

	2024	2023
Measured at cost:		
Guaranteed Investment Certificate, maturing August 2024, 1.90% interest per annum	108,351	106,330
Investment in 2472881 Ontario Inc. - 1 share (4.55% interest)	10	10
Investment in Ontario First Nations Limited Partnership - 1 unit (1.77% interest)	10	10
Ontario First Nations Sovereign Wealth LP - 1 share (0.77% interest)	1	1
OFN Asset Management GP Corp - 1 share (0.77% interest)	1	1
Investment in Ontario First Nations Limited Partnership - 1 unit (1.77% interest)	1	1
Thawikayhigan Limited Partnership - 100 units (16.64% interest)	100	100
2665686 Ontario Inc. - 20 shares (16.67% interest)	20	20
	108,494	106,473

7. Restricted cash

	2024	2023
Capital projects	248,648	529,123
Ottawa Trust Fund	37,898	36,085
	286,546	565,208

Capital projects

Funding received from Indigenous Services Canada and Canada Mortgage and Housing Corporation that must be used only on the construction of related capital projects has been recognized as restricted cash separate from cash resources.

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.

Capital trust \$3 (2023 - \$3); interest revenue \$nil (2023 - \$nil);
Revenue trust \$37,895 (2023 - \$36,082); interest revenue \$1,813 (2023 - \$531); land lease - Bell Canada \$nil (2023 - \$nil)

8. Accounts payable and accruals

	2024	2023
Trade payables and accruals	2,027,076	1,573,251
Related party - Shibogama First Nations Council (Note 15)	18,338	10,897
	2,045,414	1,584,148

Wawakapewin First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

9. Deferred revenue

	2024	2023
Indigenous Services Canada	2,758,236	2,274,781
Sioux Lookout Area Aboriginal Management Board	56,674	22,700
Other revenue	49,921	-
Nishnawbe Aski Nation	44,180	-
Ministry of Health and Long-Term Care	9,365	-
	2,918,376	2,297,481

10. 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, 2024 might be recovered.

11. Tangible capital assets

	2024	2023
Assets under construction		
Water treatment plant	3,462,211	3,459,595
Hydro compound	2,792,907	2,754,480
Garage	-	55,052
Capital housing renovations	-	732,922
Housing construction	810,277	443,497
DGS - Emergency repairs	369,001	164,117
Rapid Housing Initiatives	2,926,815	2,909,781
Backup Power Project	160,072	113,196
Bridge project	1,596,560	-
Water & wastewater project	269,146	-
	12,386,989	10,632,640
Tangible capital assets in use	3,067,047	2,740,178
	15,454,036	13,372,818

12. Accumulated surplus

	2024	2023
Invested in tangible capital assets	15,454,036	13,372,818
Drinking Water Settlement - Internally restricted for future expenses	200,000	200,000
Unrestricted accumulated deficit	(803,139)	(521,621)
Ottawa Trust Fund	37,898	36,085
	14,888,795	13,087,282

13. Reconciliation of funding from Indigenous Services Canada

The Indigenous Services Canada ("ISC") revenue of \$3,124,299 (2023 – \$5,366,628) on the statement of operations and accumulated surplus agrees to the ISC confirmation.

Wawakapewin First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

14. 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.

15. 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.

	2024	2023
Revenue - Administration fees and other	11,721	-
Expenses - Other	27,414	15,691

16. Budget information

The disclosed budget information was approved by the Chief and Council of Wawakapewin First Nation on March 28, 2023.

17. 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.

18. Compliance with laws and regulations

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 29, 2024. 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.

19. Financial instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

Risk management

The First Nation manages its credit risk by performing regular credit assessments of its customers, provides allowances for potentially uncollectible accounts receivable, consider credit ratings of counterparties.

Liquidity risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation expects to be able to meet its financial obligations in the foreseeable future.

19. Financial instruments *(Continued from previous page)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The First Nation is exposed to interest rate cash flow risk as the line of credit is at a variable interest rate.

Wawakapewin First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2024

	<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>
Cost							
Balance, beginning of year	10,632,640	671,572	432,578	2,357,651	3,763,703	1,735,262	19,593,406
Acquisition of tangible capital assets	2,542,323	-	-	-	-	-	2,542,323
Construction-in-progress	-	-	-	-	-	-	-
Transfer of tangible capital assets	(787,974)	-	-	-	787,974	-	-
Balance, end of year	12,386,989	671,572	432,578	2,357,651	4,551,677	1,735,262	22,135,729
Accumulated amortization							
Balance, beginning of year	-	667,599	84,409	1,306,766	2,829,041	1,678,794	6,566,609
Annual amortization	-	3,973	24,117	130,823	154,437	43,419	356,769
Balance, end of year	-	671,572	108,526	1,437,589	2,983,478	1,722,213	6,923,378
Net book value of tangible capital assets	12,386,989	-	324,052	920,062	1,568,199	13,049	15,212,351
2023 Net book value of tangible capital assets	10,632,640	3,973	348,171	1,050,885	936,190	56,468	13,028,327

Wawakapewin First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2024

	<i>Subtotal</i>	<i>Land improvement</i>	<i>Roads</i>	<i>Vehicles and equipment</i>	<i>Water and sewer infrastructure</i>	<i>2024</i>	<i>2023</i>
Cost							
Balance, beginning of year	19,593,406	28,000	72,000	1,145,748	648,433	21,487,587	13,611,347
Acquisition of tangible capital assets	2,542,323	-	-	-	-	2,542,323	599,373
Construction-in-progress	-	-	-	-	-	-	7,276,863
Transfer of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	22,135,729	28,000	72,000	1,145,748	648,433	24,029,910	21,487,583
Accumulated amortization							
Balance, beginning of year	6,566,609	28,000	72,000	804,738	643,418	8,114,765	7,660,573
Annual amortization	356,769	-	-	99,325	5,015	461,109	454,192
Balance, end of year	6,923,378	28,000	72,000	904,063	648,433	8,575,874	8,114,765
Net book value of tangible capital assets	15,212,351	-	-	241,685	-	15,454,036	13,372,818
2023 Net book value of tangible capital assets	13,028,327	-	-	341,009	3,482	13,372,818	

Wawakapewin First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2024

	2024	2023
Expenses by object		
Amortization	461,109	454,192
Bank charges and interest	8,460	7,502
Contingency	8,500	6,391
Economic development	-	5,947
Equipment rent	111,009	104,836
Food and beverage	-	14,272
Fuel and gas	184,293	132,678
Funding recovery	-	4,518
Honoraria	151,483	174,499
Housing renovation	-	39,518
Insurance	83,534	73,728
Land based activities and supplies	172,068	225,019
Materials	97,572	208,664
Medical supplies and prescriptions	6,856	7,500
Monthly internet fees	28,680	28,680
Other	77,468	144,584
Professional fees	400,760	305,433
Program delivery	116,219	80,420
Property management fees	3,886	2,520
Rent	14,622	18,822
Repairs and maintenance	437,568	438,223
Salaries and benefits	969,589	906,631
Supplies	443,563	311,023
Telephone	18,301	21,926
Training	7,000	46,601
Travel	429,392	476,951
	4,231,932	4,241,078

Wawakapewin First Nation
Schedule 3 - Consolidated Summary Schedule of Segment Operations
For the year ended March 31, 2024

	<i>Schedule #</i>	<i>Revenue</i>	<i>Expenses</i>	<i>Transfers From (To)</i>	<i>2024 Surplus (Deficit)</i>	<i>2023 Surplus (Deficit)</i>
Segments						
Capital	4	2,013,130	265,324	512,217	2,260,023	4,707,802
Economic Development	5	27,624	25,818	-	1,806	6,000
First Nation Management	6	322,234	1,486,398	422,619	(741,545)	(420,605)
Health	7	1,120,259	920,042	-	200,217	134,729
Municipal Services	8	962,997	901,849	20,000	81,148	71,413
Other	9	1,587,201	632,501	(954,836)	(136)	1,791,244
Total		6,033,445	4,231,932	-	1,801,513	6,290,583

Wawakapewin First Nation
Capital
Schedule 4 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	781,557	2,558,709
Other revenue	63,020	11,226
Ministry of Northern Development and Mines	1,487,370	-
Revenue deferred in prior year	1,168,104	2,290,417
Revenue deferred to subsequent year	(1,486,921)	(1,168,104)
	2,013,130	3,692,248
Expenses		
Bank charges and interest	1,021	642
Contingency	-	6,391
Housing renovation	-	39,518
Materials	15,886	23,390
Professional fees	55,852	-
Repairs and maintenance	192,565	18,827
	265,324	88,768
Surplus (deficit) before transfers	1,747,806	3,603,480
Transfers between segments	512,217	1,104,322
Surplus (deficit)	2,260,023	4,707,802

Wawakapewin First Nation
Economic Development
Schedule 5 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	36,000	36,000
Revenue deferred in prior year	-	103,896
Revenue deferred to subsequent year	(8,376)	-
	27,624	139,896
Expenses		
Honoraria	-	31,750
Other	4,194	34,902
Salaries and benefits	20,967	15,466
Travel	657	51,778
	25,818	133,896
Surplus (deficit)	1,806	6,000

Wawakapewin First Nation
First Nation Management
Schedule 6 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	194,061	221,883
Other revenue	102,365	161,652
Drinking Water Settlement	-	500,000
Revenue deferred in prior year	31,867	160,499
Revenue deferred to subsequent year	(6,059)	(31,867)
	322,234	1,012,167
Expenses		
Amortization	436,992	430,075
Bank charges and interest	6,924	5,347
Honoraria	150,983	137,445
Insurance	56,330	50,489
Materials	3,249	3,298
Other	-	12,882
Professional fees	210,826	194,288
Program delivery	584	-
Rent	12,810	12,810
Salaries and benefits	257,086	248,261
Supplies	151,482	82,168
Telephone	12,601	14,739
Training	1,000	15,866
Travel	185,531	184,829
	1,486,398	1,392,497
Surplus (deficit) before transfers	(1,164,164)	(380,330)
Transfers between segments	422,619	(40,275)
Surplus (deficit)	(741,545)	(420,605)

**Wawakapewin First Nation
Health**

Schedule 7 - Consolidated Schedule of Segment Operations

For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	1,059,694	1,021,267
Other revenue	314,363	278,614
Revenue deferred in prior year	695,817	628,685
Revenue deferred to subsequent year	(949,615)	(695,817)
	1,120,259	1,232,749
Expenses		
Food and beverage	-	14,272
Funding recovery	-	4,518
Land based activities and supplies	172,068	225,019
Materials	3,276	3,141
Medical supplies and prescriptions	6,856	7,500
Other	30,446	42,983
Professional fees	55,709	9,622
Program delivery	90,040	80,420
Rent	1,812	6,012
Repairs and maintenance	4,260	17,791
Salaries and benefits	268,225	337,152
Supplies	102,481	128,061
Telephone	-	145
Training	-	27,121
Travel	184,869	194,263
	920,042	1,098,020
Surplus (deficit)	200,217	134,729

Wawakapewin First Nation
Municipal Services
Schedule 8 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	842,484	836,447
Other revenue	-	4,200
Ministry of Northern Development and Mines	209,378	195,534
Revenue deferred in prior year	191,837	290,675
Revenue deferred to subsequent year	(280,702)	(191,837)
	962,997	1,135,019
Expenses		
Equipment rent	111,009	104,836
Fuel and gas	73,131	86,507
Insurance	9,853	9,406
Materials	3,294	157,136
Repairs and maintenance	214,362	414,621
Salaries and benefits	295,117	194,765
Supplies	141,506	106,559
Telephone	3,000	3,000
Travel	50,577	35,471
	901,849	1,112,301
Surplus (deficit) before transfers	61,148	22,718
Transfers between segments	20,000	48,695
Surplus (deficit)	81,148	71,413

Wawakapewin First Nation
Other

Schedule 9 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	228,503	692,322
Ontario First Nations Limited Partnership	1,090,345	764,911
Ministry of Indigenous Relations and Reconciliatio	85,000	85,000
Other revenue	54,962	50,116
Sioux Lookout Area Aboriginal Management Board	105,238	22,700
Revenue deferred in prior year	209,856	1,914,389
Revenue deferred to subsequent year	(186,703)	(209,856)
	1,587,201	3,319,582
Expenses		
Amortization	24,117	24,117
Bank charges and interest	515	1,513
Construction cost	-	(14,366)
Contingency	8,500	-
Economic development	-	5,947
Fuel and gas	111,162	46,171
Honoraria	500	5,304
Insurance	17,351	13,833
Materials	71,867	4,523
Monthly internet fees	28,680	28,680
Other	42,828	15,948
Professional fees	78,373	108,132
Program delivery	25,595	-
Property management fees	3,886	2,520
Repairs and maintenance	26,381	19,141
Salaries and benefits	128,194	124,456
Supplies	48,094	11,411
Telephone	2,700	4,042
Training	6,000	3,614
Travel	7,758	10,610
	632,501	415,596
Surplus (deficit) before transfers	954,700	2,903,986
Transfers between segments	(954,836)	(1,112,742)
Surplus (deficit)	(136)	1,791,244