

**Washagamis Bay First Nation**  
**Consolidated Financial Statements**  
*March 31, 2021*

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# Washagamis Bay First Nation

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For the year ended March 31, 2021

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Management’s Responsibility for Financial Reporting

To the Chief and Council and Members of Washagamis Bay First Nation,

The accompanying consolidated financial statements of Washagamis Bay First Nation (the “First Nation”) are the responsibility of and approved by Chief and Council.

Chief and Council 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 principles and methods, and making decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibilities for 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 the consolidated financial statements.

The First Nation’s 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 fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation’s external auditors.

Prairie Point Chartered Professional Accountants LLP, an independent firm, is appointed by the Chief and Council on behalf of the Members to audit the consolidated financial statements and report directly to the Members; their report follows. The external auditors have full and free access to, and meet periodically with, both Chief and Council and management to discuss their audit findings.

Chief and Council of Washagamis Bay First Nation

	Chief		Councillor
	Councillor		Councillor

November 24, 2021



## **Independent Auditors' Report**

To the members of Washagamis Bay First Nation

### **Opinion**

We have audited the accompanying consolidated financial statements of Washagamis Bay First Nation, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, change in net debt 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Washagamis Bay First Nation as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Washagamis Bay First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Washagamis Bay 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 Washagamis Bay First Nation or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 Washagamis Bay 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 Washagamis Bay First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Washagamis Bay First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



CHARTERED PROFESSIONAL ACCOUNTANTS

Winnipeg, Manitoba  
November 24, 2021

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

	2021	2020
<b>Financial assets</b>		
<b>Current</b>		
Cash (Note 3)	3,840,887	7,792,852
Accounts receivable (Note 4)	971,614	553,509
	4,812,501	8,346,361
<b>Portfolio Investments</b> (Note 5)	60,104	60,104
<b>Restricted Cash</b> (Note 6)	98,994	138,656
<b>Due from Indigenous Services Canada</b> (Note 7)	894,000	894,000
<b>Total financial assets</b>	5,865,599	9,439,121
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 8)	688,738	1,301,259
Deferred revenue (Note 9)	2,814,642	4,555,969
Current portion of long-term debt (Note 12)	1,819,377	1,757,355
	5,322,757	7,614,583
<b>Provision for landfill closure</b> (Note 11)	75,000	72,461
<b>Due to Indigenous Services Canada</b> (Note 7)	894,000	894,000
<b>Total liabilities</b>	6,291,757	8,581,044
<b>Net financial assets (net debt)</b>	(426,158)	858,077
<b>Contingent liabilities</b> (Note 15)		
<b>Non-financial assets</b>		
Tangible capital assets (Note 14)	17,488,118	8,800,046
<b>Total non-financial assets</b>	17,488,118	8,800,046
<b>Accumulated surplus</b>	17,061,960	9,658,123
<b>Approved on behalf of the Council</b>		
 _____ Chief	 _____ Councillor	
 _____ Councillor	 _____ Councillor	

The accompanying notes are an integral part of these financial statements

**Washagamis Bay First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2021*

	<b>2021</b> <i>Budget</i> <i>(unaudited)</i>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Indigenous Services Canada (Note 13)	3,163,758	9,482,407	7,309,584
Ontario First Nations Limited Partnership	395,969	557,087	576,570
Ministry of Community and Social Services (Note 13)	-	670,658	629,938
First Nations and Inuit Health (Note 13)	918,004	402,406	762,898
Ministry of Education (Note 13)	48,635	121,951	227,593
Kenora Chief's Advisory	359,027	422,875	326,518
Miscellaneous	-	191,871	282,918
Cottage Lot Fees	-	42,464	272,270
Ministry of Indigenous Affairs (Note 13)	168,000	244,900	256,262
Ministry of Health and Long-Term Care (Note 13)	88,505	88,505	92,081
Administration	-	196,091	75,145
Grand Council Treaty #3	-	458,728	409,338
Rental income	-	313,476	165,815
Shooniyaa Wa-Biitong	103,541	193,747	13,112
Canada Mortgage and Housing Corporation (Note 13)	871,541	-	4,920
Bimose Tribal Council	-	69,996	-
Deferred revenue - prior year (Note 9)	-	4,555,969	1,622,048
Deferred revenue - current year (Note 9)	-	(2,814,642)	(4,555,969)
Repayment of funding	-	-	(70,782)
	<b>6,116,980</b>	<b>15,198,489</b>	<b>8,400,259</b>
<b>Expenses</b>			
Administration	424,580	1,440,834	1,039,260
Education	1,216,245	2,394,314	1,089,365
Operations and Maintenance	325,634	582,994	730,924
Social Assistance	448,018	1,821,748	1,374,818
Health	844,280	894,183	713,151
Minor Capital	2,686,226	9,445,647	2,157,598
Ontario First Nations Limited Partnership	-	2,589	23,316
Land Management	168,000	182,797	289,299
Washagamis Bay Investment Corporation	-	182,638	256,247
<b>Total expenses (Schedule 1)</b>	<b>6,116,980</b>	<b>16,947,744</b>	<b>7,673,978</b>
<b>(Loss) Surplus</b>	<b>-</b>	<b>(1,749,255)</b>	<b>726,281</b>
<b>Accumulated surplus, beginning of year</b>	<b>9,658,123</b>	<b>9,658,123</b>	<b>7,232,711</b>
<b>Capital assets contribution received</b>	<b>8,663,212</b>	<b>9,153,092</b>	<b>1,699,131</b>
<b>Accumulated surplus, end of year</b>	<b>18,321,335</b>	<b>17,061,960</b>	<b>9,658,123</b>

The accompanying notes are an integral part of these financial statements

**Washagamis Bay First Nation**  
**Consolidated Statement of Change in Net Financial Assets (Net Debt)**  
*For the year ended March 31, 2021*

	<b>2021</b> <b>Budget</b> <b>(unaudited)</b>	<b>2021</b>	<b>2020</b>
<b>Annual surplus</b>	-	<b>(1,749,255)</b>	726,281
Capital assets contribution received	-	<b>9,153,092</b>	1,699,131
Acquisition of tangible capital assets	-	<b>(9,174,491)</b>	(1,755,430)
Amortization of tangible capital assets	-	<b>486,419</b>	312,564
Change in prepaid expenses	-	-	33,158
<b>Increase (decrease) in net financial assets (net debt)</b>	-	<b>(1,284,235)</b>	1,015,704
<b>Net assets (net debt), beginning of year</b>	<b>858,077</b>	<b>858,077</b>	(157,627)
<b>Net financial assets (net debt), end of year</b>	<b>858,077</b>	<b>(426,158)</b>	858,077

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



**Washagamis Bay 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>		
Surplus	(1,749,255)	726,281
Adjustments for non-cash items		
Amortization	486,419	312,564
Provision for landfill closure accretion	2,539	4,011
Changes in working capital accounts		
Accounts receivable	(418,105)	1,272,085
Prepaid expenses	-	33,158
Accounts payable and accruals	(612,521)	943,955
Deferred revenue	(1,741,327)	2,933,921
Repayable to funders	-	(408,337)
	(4,032,250)	5,817,638
<b>Financing activities</b>		
Proceeds (repayment) of long-term debt	62,022	(35,351)
	-	35,351
<b>Capital activities</b>		
Purchases of tangible capital assets	(9,174,491)	(1,755,430)
Capital asset contributions received	9,153,092	1,699,131
	(21,399)	(56,299)
<b>Investing activities</b>		
Investment in Niiwin Partnership	-	(25,000)
	-	(25,000)
<b>Increase (decrease) in cash resources</b>	(3,991,627)	5,700,988
<b>Cash, beginning of year</b>	7,931,508	2,230,520
<b>Cash, end of year</b>	3,939,881	7,931,508
<b>Supplementary cash flow information</b>		
Interest paid	22,998	14,769
Interest received	12,656	20,083
<b>Cash consists of:</b>		
Cash	3,840,887	7,792,852
Restricted cash	98,994	138,656
	3,939,881	7,931,508

The accompanying notes are an integral part of these financial statements

# Washagamis Bay First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2021*

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### 1. Operations

The Washagamis Bay First Nation (the "First Nation") is located in the province of Ontario and provides various services to its members. Washagamis Bay First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and 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 (PSAS) and including the following significant accounting policies:

#### ***Reporting entity***

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Washagamis Bay First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Washagamis Bay First Nation
- Washagamis Bay Investment Corporation

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in each schedule. Allocated administration has been presented as a decrease in overall revenue and expenses in the Consolidated Statement Operations and Accumulated Surplus.

#### ***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.

#### ***Financial Instruments***

The First Nation recognizes financial instruments when it becomes party to the contractual provisions of the instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are measured at their carrying or exchange amounts.

At initial recognition, the First Nation may irrevocably elect to subsequently measure a financial instrument at fair value. The First Nation has not made any such elections during the year. All financial assets and liabilities are subsequently measured at amortized cost.

#### ***Cash***

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### ***Tangible capital assets***

Tangible capital assets are initially recorded at cost. 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 as follows:

Buildings	25 to 55 years
Roads	50 to 100 years
Water	56 years
Vehicles	5 years
Houses	40 years
Equipment	10 years
Docks	15 years

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

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**2. Significant accounting policies (Cont.)**

***Tangible capital assets (Cont.)***

Assets under construction are not amortized until the asset is available for use. At completion, the construction costs are closed out to the appropriate asset classification and amortized over its useful life.

***Long-lived assets***

Long-lived assets consist of tangible capital assets. The First Nation performs impairment testing on long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in surplus (deficit) for the year.

***Liability for Contaminated Sites***

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the First Nation is directly responsible; or accepts responsibility; and
- a reasonable estimate of the amount can be made.

***Revenue recognition***

***Funding***

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

***Government Transfers***

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

***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. These estimates and assumptions are reviewed periodically and as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Accounts payable and accruals are based on historical charges for unbilled goods and services at year-end.

Amortization is based on the estimated useful lives of tangible capital assets.

Liability for contaminated sites is based on the estimated costs directly attributable to remediation activities.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

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

**2. Significant accounting policies (Cont.)**

***Measurement uncertainty (Cont.)***

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19, has resulted in a widespread health crisis that has affected economies around the world resulting in economic downturn. This outbreak may also cause staff shortages, increased government regulations or interventions, all of which may negatively impact the financial condition and/or results of operations of the First Nation. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and the severity of these developments.

***Segments***

The First Nation conducts its business through eight reportable segments: Administration, Education, Operations and Maintenance, Social Assistance, Health, Minor Capital, Ontario First Nations Limited Partnership and Land Management. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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

***Portfolio Investments***

First Nation Business Partnerships that are neither controlled by the First Nation nor dependent on the First Nation for their continued operations, are included in the consolidated financial statements at cost.

**3. Cash**

	<b>2021</b>	2020
Royal Bank of Canada	<b>3,814,807</b>	7,815,117
Unrestricted Trust Accounts	<b>26,080</b>	18,625
Less: CMHC Replacement Reserve	-	(40,890)
	<b>3,840,887</b>	7,792,852

**4. Accounts receivable**

	<b>2021</b>	2020
Indigenous Services Canada	<b>163,982</b>	152,428
Shooniyaa Wa-Biitong	<b>189,813</b>	-
Ontario First Nations Limited Partnership	<b>324,066</b>	-
Ministry of Education	<b>117,616</b>	117,119
Ministry of Indigenous Affairs	<b>94,717</b>	179,717
Harmonized Sales Tax Recievable	-	19,979
Other accounts receivable	<b>76,452</b>	44,559
Kenora Chief's Advisory	<b>4,968</b>	39,707
	<b>971,614</b>	553,509

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

**5. Portfolio Investments**

The First Nation has investments held at cost in the following partnerships:

	<b>2021</b>	<b>2020</b>
<b>Kakina Economic Development Group</b>		
Limited Partner Units - 99,999 (10% interest)	1	1
General Partner Shares - 100	<b>100</b>	100
<b>Ontario First Nations Limited Partnership</b>		
Limited Partner Units	1	1
General Partner Shares	<b>1</b>	1
<b>Sovereign Wealth LP</b>		
Limited Partner Units – 1 (0.3918% interest)	1	1
<b>Treaty 3 Investment Group</b>		
Limited Partner Units	<b>35,000</b>	<b>35,000</b>
<b>Niiwin Partnership</b>		
Limited Partner Units	<b>25,000</b>	25,000
	<b>60,104</b>	60,104

Sovereign Wealth LP primarily hold Hydro One Shares. In 2020, Sovereign Wealth LP reported net earnings of \$76.2 million (the First Nations interest at 0.3918% was a net gain of \$299K). No report was received in 2021.

Commencing with the 2012 fiscal year end and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and the Ontario First Nations Limited Partnership (OFNLP), the Province of Ontario shall pay to OFNLP 12 monthly payments equal to one-twelfth of the 1.7% of the aggregate provincial gross gaming revenues. OFNLP then distributes to the First Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development.

In 2020, Kakina Economic Development Group LP reported a net loss of \$7,156 (the First Nations interest at 10% was a net loss of \$716). The partnership units are not traded on an active market. No report was received in 2021

# Washagamis Bay First Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

### 6. Restricted Cash

#### **Capital and Revenue Trust**

The funds held in trust in the consolidated revenue fund of the Government of Canada are subject to audit by the office of the Auditor General of Canada. Revenue from the funds held in trust are recognized in the year in which it is earned when it is measurable, and collection is reasonably assured. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

#### **CMHC Replacement Reserve**

The First Nation was required by CMHC to set aside funds each year in a replacement reserve to fund the replacement of buildings financed by CMHC. The program ended on January 1, 2020 and the cash balance is no longer restricted.

	2021	2020
<b>Capital Trust</b>		
Balance, beginning of year	26,109	26,109
Balance, end of year	26,109	26,109
<b>Revenue Trust</b>		
Balance, beginning of year	71,656	69,775
Additions	1,229	1,881
Balance, end of year	72,885	71,656
<b>CMHC Replacement Reserve</b>		
Balance, beginning of year	40,891	39,141
(Transfers)/additions	(40,891)	1,750
Balance, end of year	-	40,891
	<b>98,994</b>	<b>138,656</b>

### 7. Washagamis Bay Investment Corporation

At March 31, 2021 the Washagamis Bay Investment Corporation had a balance owing to Indigenous Services Canada in trust of Washagamis Bay First Nation (the "First Nation") in the amount of \$894,000 (March 31, 2020 - \$848,000) that related to arrears in land lease payments for the years from 2004 - 2021.

Those funds, once flowed to ISC, will be deposited into the Ottawa Trust Fund in trust of the First Nation.

The balances owed have been reflected as follows:

Washagamis Bay Investment Corporation payable to ISC	(894,000)
Washagamis Bay First Nation receivable from the Ottawa	894,000

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

**8. Accounts payable and accruals**

	<b>2021</b>	<b>2020</b>
Trade payables and accruals	<b>688,738</b>	1,301,259

**9. Deferred revenue**

<b>Segment</b>	Balance, March 31, 2020	INAC Funding	Other Funding including repayments	Revenue Recognized	Balance March 31, 2021
Administration	-	637,213	932,291	1,374,092	<b>195,412</b>
Education	-	1,056,744	127,111	1,183,855	-
Operations & Maintenance	-	331,052	39,733	336,510	<b>34,275</b>
Social Assistance	-	1,029,755	1,415,482	1,890,883	<b>554,354</b>
Health	-	350,596	550,125	900,721	-
Minor Capital – Water Treatment Project and Immediate Needs Housing	4,555,969	5,982,443	16,902	8,524,713	<b>2,030,601</b>
Ontario First Nations Limited Partnership	-	-	233,021	233,021	-
Land Management	-	-	128,141	128,141	-
Washagamis Bay Investment Corp	-	-	218,475	218,475	-
	<b>4,555,969</b>	<b>9,387,803</b>	<b>3,661,281</b>	<b>14,790,411</b>	<b>2,814,642</b>

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

**11. Landfill closure and post closure liabilities**

The First Nation is currently operating a landfill site. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	<b>2021</b>	2020
Estimated closure and post closure costs	<b>75,000</b>	75,000
Discount rate	<b>0.00%</b>	0.46%
Discounted costs	<b>75,000</b>	74,657
Expected year capacity will be reached	<b>2021</b>	2021
Capacity (years)		
Used to date	<b>34</b>	33
Remaining	<b>-</b>	1
Total	<b>34</b>	34
Percent utilized	<b>100%</b>	97%
Liability based on percentage	<b>75,000</b>	72,461



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

**12. Long-term debt**

	2021	2020
Indigenous Services Canada Flooding Claim loan, unsecured, repayable when flood claim is settled, interest free, maturing in March 2025 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	1,018,201	971,179
Indigenous Services Canada Garden Island Land Claim loan, unsecured, repayable when land claim is settled, interest free, maturing in March 2023 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	786,176	786,176
Indigenous Services Canada Timber Harvesting loan, unsecured, repayable when land claim is settled, interest free, maturing in March 2025 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	15,000	-
	<b>1,819,377</b>	<b>1,757,355</b>

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal
2022	-
2023	786,176
2024	-
2025	1,033,201
2026	-

Interest on long-term debt amounted to \$nil (2020 - \$nil).

**13. Government transfers**

	Operating	Capital	2021	2020
<b>Federal government transfers</b>				
Indigenous Services Canada	9,482,407	-	9,482,407	7,309,584
First Nations and Inuit Health	402,406	-	402,406	762,898
Canada Mortgage and Housing Corporation	-	-	-	4,920
<b>Total Federal</b>	<b>9,884,813</b>	<b>-</b>	<b>9,884,813</b>	<b>8,077,402</b>
<b>Provincial government transfers</b>				
Ministry of Community and Social Services	622,697	-	622,697	629,938
Ministry of Indigenous Affairs	244,900	-	244,900	256,262
Ministry of Education	146,241	-	146,241	227,593
Ministry of Health and Long-Term Care	88,505	-	88,505	92,081
<b>Total Provincial</b>	<b>1,102,343</b>	<b>-</b>	<b>1,102,343</b>	<b>1,205,874</b>
	<b>10,987,156</b>	<b>-</b>	<b>10,987,156</b>	<b>9,283,276</b>

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

**14. Tangible Capital Assets**

<b>Cost</b>	<b>Docks</b>	<b>Buildings</b>	<b>Water</b>	<b>Roads</b>	<b>Vehicles</b>	<b>Houses</b>	<b>Equipment</b>	<b>Water Treatment Plant</b>	<b>Total</b>
Balance, Beginning of Year	47,500	2,235,448	255,751	2,185,084	507,632	6,957,954	8,799	1,487,792	13,685,960
Additions	-	1,036,324	-	-	-	1,533,883	131,397	6,472,887	9,174,491
Disposals	-	-	-	-	-	-	-	-	-
Balance, End of Year	47,500	3,271,772	255,751	2,185,084	507,632	8,491,837	140,196	7,960,679	22,860,451
<b>Accumulated Amortization</b>									
Balance, Beginning of Year	3,167	907,563	73,304	1,232,464	241,997	2,426,539	880	-	4,885,914
Annual Amortization	3,167	74,168	4,567	34,869	78,980	276,648	14,020	-	486,419
Balance, End of Year	6,334	981,731	77,871	1,267,333	320,977	2,703,187	14,900	-	5,372,333
<b>Net Book Value of Tangible Capital Assets</b>	<b>41,166</b>	<b>2,290,041</b>	<b>177,880</b>	<b>917,751</b>	<b>186,655</b>	<b>5,788,650</b>	<b>125,296</b>	<b>7,960,679</b>	<b>17,488,118</b>
March 31, 2020 Net Book Value of Tangible Capital Assets	44,333	1,327,885	182,447	952,620	265,635	4,529,426	7,919	1,487,792	8,800,046

The First Nation anticipates that housing construction costs of \$436,169 paid during the year will be subsequently funded by CMHC under Section 95.

**Washagamis Bay First Nation**  
**Schedule 1 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2021*

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**15. Contingent liabilities**

The First Nation has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements. The First Nation has not received any notice of repayment requirements.

In the previous year two lawsuits related to employment affairs were filed against the First Nation. At this time the outcome and estimated liability are unknown. No amounts have been recorded in the consolidated financial statements for these lawsuits.

**16. Economic dependence**

The First Nation receives 78% (2020 - 50%) of its revenue from Indigenous Services Canada 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. Financial instrument risk management**

The First Nation is susceptible to credit risk due to the balances of accounts receivable. Credit risk is the risk of financial loss if a debtor fails to make payments of interest and principal when due. Accounts receivable from federal and provincial governments pose minimal credit risk. Other receivables are monitored on a regular basis. The First Nation measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the First Nation's historical experience regarding collections.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and price risk. Unless otherwise noted, it's management's opinion that the First Nation is not exposed to significant currency, interest and price risk.

Liquidity risk is the risk that the First Nation will not be able to meet all cash outflow obligations as they become due. The First Nation mitigates this risk by monitoring cash activities.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

**18. Budget information**

The disclosed budget information has been approved by the Chief and Council of Washagamis Bay First Nation.

The budget process followed by management only includes activities managed directly by the First Nation. Management does not prepare budget for capital projects. As such, no amounts have been included in the annual budget of the First Nation for capital projects.

Management does not budget for amortization expenses and as such, no amounts have been included in the annual budget of the First Nation for amortization.

Management does not budget for revenues deposited into the Ottawa Trust Fund account or funds withdrawn from the Ottawa Trust Fund account. As such, no amounts have been included in the annual budget of the First Nation for the deposit made or the withdrawal of Ottawa Trust funds.

Management does not budget for Ontario First Nations Limited Partnership and Washagamis Bay Investment Corporation. And no amounts have been included in the annual budget of the First Nation.

**Washagamis Bay First Nation**  
**Schedule 1 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2021*

	<b>2021</b> <b>Budget</b> <b>(unaudited)</b>	<b>2021</b>	<b>2020</b>
<b>Consolidated expenses by object</b>			
Administration	-	196,091	82,560
Amortization	-	486,419	312,564
Bank charges and interest	-	10,989	15,279
Band member – Expense Assistance	-	64,635	43,850
Band member – Red River Exhibition	-	-	33,572
Community events	-	11,238	83,280
Contracted services	2,513,260	9,212,781	2,052,715
Covid-19	-	-	97,946
Equipment purchase	-	125,233	209,350
Financial assistance	-	-	18,896
Fuel and oil	-	70,617	29,975
Furniture and equipment	-	60,319	10,917
Honoraria	-	44,325	115,381
Insurance	-	38,963	40,372
Meeting	-	-	42,839
Miscellaneous	-	10,731	8,351
Pow-wow	-	-	24,000
Professional fees	-	956,841	678,485
Program expense	3,603,720	1,181,021	644,022
Rent	-	31,000	12,000
Repairs and maintenance	-	182,079	162,001
Salaries and benefits	-	2,539,313	1,298,565
School Build	-	489,880	-
Social assistance	-	455,856	649,212
Supplies	-	233,792	182,849
Telephone and internet	-	46,172	34,938
Travel	-	96,609	177,480
Tuition	-	342,614	573,479
Utilities	-	60,226	39,100
	<b>6,116,980</b>	<b>16,947,744</b>	<b>7,673,978</b>

# Washagamis Bay First Nation

## Schedule 2 – Summary of Consolidated Schedule of Revenue and Expenses by Segment

For the year ended March 31, 2021

	Schedule #	ISC Revenue	Other Revenue Including repayments	Deferred Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Surplus (Deficit)
Administration		637,213	921,698	195,412	1,363,499	1,440,834	-	(77,335)
Education		1,137,656	127,111	-	1,264,767	2,394,314	(1,036,324)	(1,129,547)
Operations and Maintenance		334,152	39,734	34,275	339,611	582,994	-	(243,383)
Social Assistance		1,029,755	1,415,482	554,354	1,890,883	1,821,748	-	69,135
Health		350,596	550,125	-	900,721	894,183	-	6,538
Minor Capital		5,993,035	4,572,871	2,030,601	8,535,305	9,445,647	(8,116,768)	(910,342)
Ontario First Nations Limited Partnership	3	-	557,087	-	557,087	2,589	-	554,498
Land Management		-	128,141	-	128,141	182,797	-	(54,656)
Washagamis Bay Investment Corporation	4	-	218,475	-	218,475	182,638	-	35,837
		9,482,407	8,530,724	2,814,642	15,198,489	16,947,744	(9,153,092)	(1,749,255)

**Washagamis Bay First Nation**  
**Ontario First Nations Limited Partnership**  
**Schedule 3 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2021*

	<b>2021</b> <b>Budget</b> <b>(unaudited)</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Ontario First Nations Limited Partnership	-	<b>557,087</b>	576,570
Deferred revenue – prior year	-	-	161,315
	-	<b>557,087</b>	737,885
<b>Expenses</b>			
Community events	-	-	432
Financial Assistance	-	<b>3,464</b>	12,600
Honoraria	-	-	5,050
Program expenses	-	<b>(875)</b>	2,170
Supplies	-	-	2,400
Travel	-	-	664
	-	<b>2,589</b>	23,316
<b>Surplus before transfers</b>	-	<b>554,498</b>	714,569
<b>Transfers between segments</b>			
Transfer to Elders Centre - 6 Plex	-	-	-
Transfer to Pow-Wow	-	-	-
Transfer to Health	-	-	-
Transfer to Minor Capital	-	-	-
Transfer to Land Management	-	-	-
<b>Surplus</b>	-	<b>554,498</b>	714,569

**Washagamis Bay First Nation**  
**Washagamis Bay Investment Corporation**  
**Schedule 4 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2021*

	<b>2021 Budget (unaudited)</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Cottage Lot Fees	-	<b>218,475</b>	243,255
<b>Expenses</b>			
Administration	-	-	281
Amortization	-	<b>6,186</b>	4,047
Automobile	-	<b>1,495</b>	-
Bank charges and interest	-	<b>637</b>	510
Band member – Christmas payout	-	<b>53,750</b>	65,094
Band member – Red River Exhibition	-	-	33,572
Bank member – Expense Assistance	-	<b>2,400</b>	-
Bank member – Expense Education	-	<b>12,647</b>	-
Community events	-	<b>2,500</b>	3,900
Contract services	-	<b>18,248</b>	-
Meals and entertainment	-	<b>3,190</b>	-
Medical	-	<b>3,742</b>	-
Miscellaneous	-	-	1,929
Pow-wow	-	-	24,000
Professional fees	-	-	37,245
Rent	-	<b>1,000</b>	-
Repairs and maintenance	-	<b>42,544</b>	45,410
Salaries and benefits	-	-	1,020
Supplies	-	-	5,600
Travel	-	<b>34,299</b>	33,639
		<b>182,638</b>	256,247
<b>Surplus (deficit) before transfers</b>	-	-	-
<b>Transfers between segments</b>			
Transfer from Ontario First Nations Limited Partnership	-	-	-
<b>Surplus (deficit)</b>	-	<b>35,837</b>	(12,992)