
WASAGAMACK FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

WASAGAMACK FIRST NATION

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MARCH 31, 2022

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Wasagamack First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

The Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditors' report.

The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Wasagamack First Nation and meet when required.



Chief

Councillor

Councillor

Councillor

Councillor

Councillor

INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership
Wasagamack First Nation

Opinion

We have audited the accompanying consolidated financial statements of Wasagamack First Nation, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, changes 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 Wasagamack First Nation as at March 31, 2022, and its consolidated financial performance and its consolidated statement of 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 Wasagamack 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 opinion.

Responsibilities of Management and Those Charged with Governance for the 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 Wasagamack 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 Wasagamack First Nation or to cease operations, or has no realistic alternative but to do so.

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

(continued.....)

Auditor's Responsibility 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 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 Wasagamack 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 Wasagamack 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 Wasagamack 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.

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
November 15, 2024

WASAGAMACK FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2022

2021

FINANCIAL ASSETS

Cash (Note 2)	\$ 6,547,740	\$ 19,926,496
Restricted cash (Note 3)	290,959	289,446
Accounts receivable (Note 4)	6,808,980	3,144,367
Inventory (Note 5)	<u>1,536,528</u>	<u>1,019,031</u>
Total financial assets	<u>15,184,207</u>	<u>24,379,340</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 6)	5,302,543	8,385,514
Deferred revenue (Note 7)	8,877,764	9,942,867
Long-term debt (Note 8)	<u>4,487,074</u>	<u>4,260,578</u>
Total liabilities	<u>18,667,381</u>	<u>22,588,959</u>
Net assets (debt)	<u>(3,483,174)</u>	<u>1,790,381</u>

NON-FINANCIAL ASSETS

Prepaid expenses	220,995	120,852
Tangible capital assets (Note 9)	145,422,279	72,736,719
Construction in progress (Note 10)	<u>14,444,809</u>	<u>73,158,023</u>
Total non-financial assets	<u>160,088,083</u>	<u>146,015,594</u>
Accumulated surplus	<u>\$ 156,604,909</u>	<u>\$ 147,805,975</u>

Contingent liabilities (Note 11)

Approved on behalf of Council

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

WASAGAMACK FIRST NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 2	2 0 2 1
REVENUE			
Indigenous Services Canada	\$ 21,108,718	\$ 43,175,874	\$ 45,354,424
Health Canada	4,051,599	5,786,473	5,910,215
Canada Mortgage and Housing Corporation	194,934	1,364,974	194,199
Employment and Social Development Canada	144,725	389,000	487,138
Province of Manitoba		478,654	468,757
Band generated revenue	179,180	3,619,376	2,356,955
Debt forgiveness			676,096
Joint venture income			600,000
Other revenue	1,842,457	4,346,926	1,896,315
Eliminations	-	(3,163,387)	(2,292,648)
	<u>27,521,613</u>	<u>55,997,890</u>	<u>55,651,451</u>
EXPENSES			
Governance and administration	2,719,072	3,249,326	1,897,557
Economic development	232,555	233,911	507,188
Social services	8,400,911	7,112,958	8,143,638
Education	10,561,822	11,412,159	8,754,700
Health	4,335,684	6,662,067	5,628,932
Community services	2,229,330	14,235,285	5,970,548
Employment and training		235,275	339,521
Housing	338,114	2,112,753	949,746
Band funds		5,108,609	4,071,314
Eliminations	-	(3,163,387)	(2,292,648)
	<u>28,817,488</u>	<u>47,198,956</u>	<u>33,970,496</u>
ANNUAL SURPLUS (DEFICIT)	(1,295,875)	8,798,934	21,680,955
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>147,805,975</u>	<u>147,805,975</u>	<u>126,125,020</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 146,510,100</u>	<u>\$ 156,604,909</u>	<u>\$ 147,805,975</u>

WASAGAMACK FIRST NATION

STATEMENT 3

STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET	2 0 2 2	2 0 2 1
Annual surplus	\$ (1,295,875)	\$ <u>8,798,934</u>	\$ <u>21,680,955</u>
Acquisition of tangible capital assets		(7,112,190)	(2,322,201)
Amortization of tangible capital assets		4,428,306	3,231,690
Acquisition of construction in progress	<u>-</u>	(<u>11,288,462</u>)	(<u>19,558,359</u>)
	<u>-</u>	(<u>13,972,346</u>)	(<u>18,648,870</u>)
Acquisition of prepaid expenses		(220,995)	(120,852)
Use of prepaid assets	<u>-</u>	<u>120,852</u>	<u>631,418</u>
	<u>-</u>	(<u>100,143</u>)	<u>510,566</u>
CHANGE IN NET ASSETS (DEBT) FOR YEAR	(1,295,875)	(<u>5,273,555</u>)	3,542,651
NET DEBT, <i>beginning of year</i>	<u>1,790,381</u>	<u>1,790,381</u>	(<u>1,752,270</u>)
NET ASSETS (DEBT), <i>end of year</i>	\$ <u>494,506</u>	\$ (<u>3,483,174</u>)	\$ <u>1,790,381</u>

WASAGAMACK FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 2 2	2 0 2 1
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from funding and other sources	\$ 51,268,174	\$ 55,627,272
Cash paid to suppliers and employees	(46,368,203)	(32,945,443)
Interest paid	(103,058)	(123,650)
	<u>4,796,913</u>	<u>22,558,179</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	(18,400,652)	(21,880,560)
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt	607,500	447,746
Repayment of long term debt	(381,004)	(365,805)
	<u>226,496</u>	<u>81,941</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	(13,377,243)	759,560
CASH, <i>beginning of year</i>	<u>20,215,942</u>	<u>19,456,382</u>
CASH, <i>end of year</i>	<u>\$ 6,838,699</u>	<u>\$ 20,215,942</u>
CASH COMPRISED OF		
Cash	\$ 6,547,740	\$ 19,926,496
Restricted cash	<u>290,959</u>	<u>289,446</u>
	<u>\$ 6,838,699</u>	<u>\$ 20,215,942</u>

WASAGAMACK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

REPORTING ENTITY

The Wasagamack First Nation (the "First Nation") reporting entity includes the Wasagamack First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These consolidated financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to combination:

- Wasagamack First Nation
- Wasagamack Health Authority
- Wasagamack Employment & Training
- Mehkana Development Corporation
- Wasagamack Wass Mart
- Wasagamack Bulk Fuel
- Atchitamo Development Inc.
- Teepee Radio Station

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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, construction in progress, prepaid expenses and inventories of supplies.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

INVENTORY

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

NET ASSETS (DEBT)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**TANGIBLE CAPITAL ASSETS*

Tangible capital assets are stated at cost and recorded in the capital assets. Social housing assets acquired under Canada Mortgage and Housing Corporation sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long term debt. Amortization of tangible capital assets is recorded on a straight line basis at the following annual rates:

Infrastructure	50 years
Roads	50 years
Buildings	40-50 years
Housing	40 years
Heavy equipment and vehicles	5-20 years
Equipment and furniture	5 years
Computers	5 years

Amortization is computed at one-half of the annual amortization in the year of acquisition.

SEGMENTS

The First Nation conducts its business through a number of reportable segments. These operating segments are established by management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

REVENUE RECOGNITION

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

FINANCIAL INSTRUMENTS

Financial instruments include cash, accounts receivable, accounts payable and accrued liabilities and long term debt. Unless otherwise stated, it is management's opinion that the First Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the carrying value of the First Nation's financial assets and liabilities approximates their fair value.

FAIR VALUE

Due to the short term nature of all financial instruments other than long term debt and long term investments, the carrying value as presented in financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so any difference would be accounted for in the period in which it becomes known. For long term investments and long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates.

2. CASH

Cash is comprised of the following:

	2 0 2 2	2 0 2 1
Unrestricted		
Atchitamo Developments	\$ 392,221	\$ 48,551
Mehkana Developments Inc.	76,195	132,811
Teepee Radio Station	13,084	152
Wasagamack Bulk Fuels	201,925	51,438
Wasagamack Employment and Training	17,242	156,317
Wasagamack First Nation	3,952,264	18,117,966
Wasagamack Health Authority	<u>1,894,809</u>	<u>1,419,261</u>
	<u>\$ 6,547,740</u>	<u>\$ 19,926,496</u>

3. RESTRICTED CASH

C.M.H.C. Replacement Reserve

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("C.M.H.C.") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to tangible capital assets. Under the terms of the agreements with C.M.H.C., the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by C.M.H.C. from time to time. At March 31, 2022, \$259,554 (2021 - \$259,554) had been deposited into separate accounts leaving an overfunded balance of \$44,673 (2021 - \$44,673).

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 primarily 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 collection is reasonably assured. Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the First Nation's Council.

	2 0 2 2	2 0 2 1
C.M.H.C. Replacement Reserve	\$ 259,554	\$ 259,554
Ottawa Trust Fund	<u>31,405</u>	<u>29,892</u>
	<u>\$ 290,959</u>	<u>\$ 289,446</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022
4. ACCOUNTS RECEIVABLE

	2 0 2 2	2 0 2 1
Indigenous Services Canada		
A&C Water - > 1.5M	\$ 141,810	\$
Firesmart	7,000	7,000
Manitoba Schools Initiative - Construction	5,091,900	291,038
Manitoba Schools Initiative - Non construction		450
Manitoba Schools Initiative - Teacherages		114,600
Preparedness Mitigation	7,000	7,000
Roads and Bridges	403,158	1,129,703
Response - 2017 Wildfire Evacuation Costs		169,932
Tuition Agreement		6,904
Response (COVID-19)	169,932	105,254
Provincial School Tuition	-	6,673
Subtotal	<u>5,820,800</u>	<u>1,838,554</u>
Other	<u>2,002,634</u>	<u>1,872,338</u>
	<u>7,823,434</u>	<u>3,710,892</u>
Less: Allowance for doubtful accounts	<u>(1,014,454)</u>	<u>(566,525)</u>
	<u>\$ 6,808,980</u>	<u>\$ 3,144,367</u>

5. INVENTORY

	2 0 2 2	2 0 2 1
Fuel for resale	\$ <u>1,536,528</u>	\$ <u>1,019,031</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 2	2 0 2 1
Indigenous Services Canada		
Band Employee Benefits Plans	\$ 56,213	\$ 56,213
Basic Needs	8,730	176,782
Planning, Design and Construction		9,087
Wastewater O&M	30,142	20,228
Wastewater Systems	-	826
Subtotal	<u>95,085</u>	<u>263,136</u>
First Nations and Inuit Health		
Administration and Governance	28,918	28,918
New School Project	452,885	3,420,670
Wastewater Treatment Project		344,458
Soil Remediation Project	50,019	12,800
Landfill Infrastructure Project	270,294	812,657
Trade payables	3,448,265	1,800,735
Accrued liabilities	<u>957,077</u>	<u>1,702,140</u>
	<u>\$ 5,302,543</u>	<u>\$ 8,385,514</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022
7. DEFERRED REVENUE

	2 0 2 2	2 0 2 1
Indigenous Services Canada		
Capacity Building	\$ 74,320	\$ 12,558
Capacity Innovation	153,878	90,628
Capital - Micro Home Units	30,361	
Child and family services - community well being		200,597
Contribution - Equipment (Hitrac Loader)	149,500	
Contribution - Equipment (Septic Truck)	150,729	
Contribution - Equipment (Track Machine)	72,500	
Firesmart	10,000	10,000
Former Nursing Station Soil	223,444	401,136
Infrastructure Construction Landfill Upgrade	47,644	230,350
Infrastructure Fund	125,000	
Major Capital - Micro Home Units		81,400
Leadership Governance Capacity Development		21,000
Manitoba School Initiative - Teaching Kitchen		694,868
Manitoba School Initiative - Teacherages Construction		2,335,044
Manitoba School Initiative - School Construction	4,736,588	1,342,427
Nurses Residences	6,759	500,000
Preparedness / Mitigation	10,000	10,000
Renovation - Housing Needs		181,164
Roads and Bridges		1,594,510
Roads and Bridges - Access Road to All Weather Project	656,391	
School Generator	600,000	
Tuition Agreement		6,904
Wastewater Treatment Plant Upgrade	80,652	323,693
Water and Wastewater to New School Project	184,790	268,620
Subtotal	7,312,556	8,304,899
First Nations and Inuit Health		
Aboriginal Head Start (ASHOR) COVID		27,952
Day Care		22,723
Jordan's Principle	522,456	577,322
Maternal Child Health	64,174	-
Subtotal	586,630	627,997
Assembly Manitoba Chiefs	515,973	774,588
Employment and Social Development Canada	462,605	235,383
	<u>\$ 8,877,764</u>	<u>\$ 9,942,867</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022
8. LONG TERM DEBT

	2 0 2 2	2 0 2 1
CMHC mortgage payable, 1.30% repayable in monthly installments of \$7,053 (P & I), due April 2026.	\$ 636,419	\$ 712,501
CMHC mortgage payable, 2.70% repayable in monthly installments of \$6,826 (P & I), due November 2023.	779,331	839,437
CMHC mortgage payable, 1.83% repayable in monthly installments of \$4,646 (P & I), due December 2024.	1,037,462	1,073,934
CMHC mortgage payable, 2.02% repayable in monthly installments of \$6,153 (P & I), due December 2024.	1,215,000	
TFG Financial Corporation loan, 8.56% repayable in monthly installments of \$3,730 (P & I), due February 2024.	78,874	115,184
TFG Financial Corporation loan payable, 9.64%, repayable in monthly installments of \$12,660 (P & I), due February 2023.	132,071	264,259
TFG Financial Corporation loan payable, 12.78%, repayable in monthly installments of \$5,260 (P & I), due April 2025.	160,171	200,017
C.M.H.C. mortgage advances to be converted to long term debt upon completion of Post-96 housing project.	<u>447,746</u>	<u>1,055,246</u>
	\$ <u>4,487,074</u>	\$ <u>4,260,578</u>

All mortgages are secured by a ministerial guarantee from the Minister of Indigenous Services Canada and an assignment of fire insurance and are insured by CMHC.

The scheduled principal amounts payable within the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2023	\$ 395,326
2024	272,438
2025	243,403
2026	193,672
2027	191,485

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

9. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2022	Total 2021
Landfill	\$ 4,124,937	\$	\$ 4,124,937	\$	\$	\$	\$ 4,124,937	\$ 4,124,937
Infrastructure	53,919,172	468,681	54,387,853	10,450,799	1,083,069	11,533,868	42,853,985	43,468,373
Roads	2,681,669		2,681,669	549,777	53,634	603,411	2,078,258	2,131,892
Buildings	12,868,059	74,046,165	86,914,224	5,420,758	1,079,180	6,499,938	80,414,286	7,447,301
Housing	18,056,522	1,829,480	19,886,002	8,209,937	571,184	8,781,121	11,104,881	9,846,585
Heavy equipment and vehicles	12,586,509	718,500	13,305,009	7,562,287	1,433,182	8,995,469	4,309,540	5,024,222
Equipment and furniture	2,613,141	51,038	2,664,179	1,937,784	197,716	2,135,500	528,679	675,357
Computers	478,345	-	478,345	460,293	10,339	470,632	7,713	18,052
	<u>\$ 107,328,354</u>	<u>\$ 77,113,864</u>	<u>\$ 184,442,218</u>	<u>\$ 34,591,635</u>	<u>\$ 4,428,304</u>	<u>\$ 39,019,939</u>	<u>\$ 145,422,279</u>	<u>\$ 72,736,719</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022
10. CONSTRUCTION IN PROGRESS

	2 0 2 2	2 0 2 1
Landfill Rehabilitation Project	\$ 3,839,182	\$ 1,990,966
Civil Infrastructure for Professional Housing Units for New School		8,258,881
Manitoba School Initiative		60,554,094
CMHC Rapid Housing Initiative	1,349,430	
CMHC Housing - 6 Units		1,188,702
11 Teacherages Project	5,321,437	
Band Housing - 10 Units	1,399,001	825,100
Band Housing - 6 Units	637,997	
Band Housing - 2 Units	263,896	
CMHC Housing - 4 Units	1,633,866	340,280
	<u>\$ 14,444,809</u>	<u>\$ 73,158,023</u>

Construction in progress will be transferred to tangible capital assets upon completion and will be amortized accordingly.

11. CONTINGENT LIABILITIES

- a) The First Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their agreements. At this time no estimate of the requirements, if any, to reimburse the agencies can be made. If any amounts become repayable, they will be accounted for in the year of determination.
- b) The First Nation entered into a Joint Venture agreement to carry out work related to various construction projects. The First Nation holds a 51% share and shall participate in the net gains and profits and share in the losses and liabilities of the joint venture. Losses, if any, will be accounted for in the year of determination.

12. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 2	2 0 2 1
Arrangement:	\$ 47,928,637	\$ 49,784,094
Plus: I.S.C. revenue deferred from prior year	8,304,899	9,949,127
F.N.I.H. revenue deferred from prior year	627,997	464,314
Less: I.S.C. revenue deferred to following year	(7,312,556)	(8,304,899)
F.N.I.H. revenue deferred to following year	(586,630)	(627,997)
TOTAL I.S.C. AND F.N.I.H. REVENUE PER FINANCIAL STATEMENTS	<u>\$ 48,962,347</u>	<u>\$ 51,264,639</u>

REVENUE PER STATEMENT OF OPERATIONS (Statement 2)

Indigenous Services Canada	\$ 43,175,874	\$ 45,354,424
First Nations and Inuit Health	<u>5,786,473</u>	<u>5,910,215</u>
	<u>\$ 48,962,347</u>	<u>\$ 51,264,639</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2022****13. ECONOMIC DEPENDENCE**

Wasagamack First Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada.

14. RELATED PARTY TRANSACTIONS

In the normal course of business the First Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the First Nation and related parties aggregate revenue and expenditures derived from related parties is not determinable.

15. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 2	2 0 2 1
Amortization of tangible capital assets	\$ 4,428,304	\$ 3,231,690
Bad debt	447,928	72,055
Equipment and materials	854,551	745
Community events and assistance	2,642,140	1,040,681
Contract fees and services		99,000
COVID-19 response and support	3,151,192	3,416,027
Freight and postage	147,236	
Fuel	1,398,483	1,468,022
Insurance	167,649	138,012
Interest and bank charges	134,536	150,569
Repairs and maintenance	7,305,787	1,159,125
Other	297,329	239,769
Professional and consulting fees	1,024,894	412,513
Salaries and benefits	13,519,975	11,985,435
Social assistance	5,577,650	5,804,719
Student support	224,421	315,688
Supplies and materials	2,856,537	2,795,759
Telephone and communications	233,407	201,033
Training and workshops	325,312	121,257
Travel and accommodations	1,458,402	651,503
Utilities	722,923	493,957
Vehicle cost	280,300	172,937
	<u>\$ 47,198,956</u>	<u>\$ 33,970,496</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

16. SEGMENT DISCLOSURE

Wasagamack First Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the year are as follows:

	Government and Administration		Economic Development		Social Services		Education	
	<u>2 0 2 2</u>	<u>2 0 2 1</u>	<u>2 0 2 2</u>	<u>2 0 2 1</u>	<u>2 0 2 2</u>	<u>2 0 2 1</u>	<u>2 0 2 2</u>	<u>2 0 2 1</u>
Revenues								
Federal Government								
ISC	\$ 1,508,265	\$ 1,974,649	\$ 233,054	\$ 528,210	\$ 9,038,880	\$ 8,252,697	\$ 13,114,646	\$ 11,262,231
CMHC								
ESDC	-	-	-	-	-	-	-	-
Subtotal	1,508,265	1,974,649	233,054	528,210	9,038,880	8,252,697	13,114,646	11,262,231
Other revenue	<u>2,689,704</u>	<u>1,494,088</u>	-	-	-	-	<u>15,300</u>	<u>15,000</u>
Total revenue	<u>4,197,969</u>	<u>3,468,737</u>	<u>233,054</u>	<u>528,210</u>	<u>9,038,880</u>	<u>8,252,697</u>	<u>13,129,946</u>	<u>11,277,231</u>
Expenses								
Amortization	135,877	140,901					113,663	122,419
Debt servicing	7,869							
Other	2,087,164	780,424	207,578	472,816	6,461,196	7,682,355	5,093,562	2,911,894
Salaries and benefits	<u>1,018,414</u>	<u>976,232</u>	<u>26,333</u>	<u>34,372</u>	<u>651,763</u>	<u>461,283</u>	<u>6,204,934</u>	<u>5,720,387</u>
Total expenses	<u>3,249,324</u>	<u>1,897,557</u>	<u>233,911</u>	<u>507,188</u>	<u>7,112,959</u>	<u>8,143,638</u>	<u>11,412,159</u>	<u>8,754,700</u>
Surplus (Deficit)	\$ <u>948,645</u>	\$ <u>1,571,180</u>	\$ <u>(857)</u>	\$ <u>21,022</u>	\$ <u>1,925,921</u>	\$ <u>109,059</u>	\$ <u>1,717,787</u>	\$ <u>2,522,531</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

16. SEGMENT DISCLOSURE (continued)

	Health		Community Services		Employment and Training		Housing	
	<u>2 0 2 2</u>	<u>2 0 2 1</u>	<u>2 0 2 2</u>	<u>2 0 2 1</u>	<u>2 0 2 2</u>	<u>2 0 2 1</u>	<u>2 0 2 2</u>	<u>2 0 2 1</u>
Revenues								
Federal Government								
ISC	\$	\$	\$	\$	\$	\$	\$	\$
FNIH	5,786,473	5,910,215	16,965,265	14,307,812	52,054	2,315,764	8,976,771	
CMHC						1,364,974	194,199	
ESDC	<u>145,785</u>	<u>202,479</u>	<u>-</u>	<u>-</u>	<u>243,215</u>	<u>284,659</u>	<u>-</u>	<u>-</u>
Subtotal	5,932,258	6,112,694	16,965,265	14,307,812	243,215	336,713	3,680,738	9,170,970
Other revenue	<u>884,600</u>	<u>767,933</u>	<u>122,569</u>	<u>113,825</u>	<u>-</u>	<u>-</u>	<u>440,737</u>	<u>223,144</u>
Total revenue	<u>6,816,858</u>	<u>6,880,627</u>	<u>17,087,834</u>	<u>14,421,637</u>	<u>243,215</u>	<u>336,713</u>	<u>4,121,475</u>	<u>9,394,114</u>
Expenses								
Amortization	415,937	345,666	3,116,077	1,971,153	1,401	2,806	259,945	267,328
Debt servicing							51,680	55,383
Other	2,618,957	2,154,783	9,665,439	2,973,866	106,757	135,408	1,775,197	627,035
Salaries and benefits	<u>3,627,173</u>	<u>3,128,483</u>	<u>1,453,770</u>	<u>1,025,529</u>	<u>127,117</u>	<u>201,307</u>	<u>25,931</u>	<u>-</u>
Total expenses	<u>6,662,067</u>	<u>5,628,932</u>	<u>14,235,286</u>	<u>5,970,548</u>	<u>235,275</u>	<u>339,521</u>	<u>2,112,753</u>	<u>949,746</u>
Surplus (Deficit)	<u>\$ 154,791</u>	<u>\$ 1,251,695</u>	<u>\$ 2,852,548</u>	<u>\$ 8,451,089</u>	<u>\$ 7,940</u>	<u>\$ (2,808)</u>	<u>\$ 2,008,722</u>	<u>\$ 8,444,368</u>

WASAGAMACK FIRST NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

16. SEGMENT DISCLOSURE *(continued)*

	Band Funds		Eliminations		TOTAL	
	<u>2 0 2 2</u>	<u>2 0 2 1</u>	<u>2 0 2 2</u>	<u>2 0 2 1</u>	<u>2 0 2 2</u>	<u>2 0 2 1</u>
Revenues						
Federal Government						
ISC	\$	\$	\$	\$	\$ 43,175,874	\$ 45,354,424
FNIH					5,786,473	5,910,215
CMHC					1,364,974	194,199
ESDC	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>389,000</u>	<u>487,138</u>
Subtotal	-	-	-	-	50,716,321	51,945,976
Other revenue	<u>4,292,046</u>	<u>3,384,133</u>	<u>(3,163,387)</u>	<u>(2,292,648)</u>	<u>5,281,569</u>	<u>3,705,475</u>
Total revenue	<u>4,292,046</u>	<u>3,384,133</u>	<u>(3,163,387)</u>	<u>(2,292,648)</u>	<u>55,997,890</u>	<u>55,651,451</u>
Expenses						
Amortization	385,404	381,417			4,428,304	3,231,690
Debt servicing	43,586	57,988			103,135	113,371
Other	4,295,079	3,184,464	(3,163,387)	(2,292,648)	29,147,542	18,630,397
Salaries and benefits	<u>384,540</u>	<u>447,445</u>	<u>-</u>	<u>-</u>	<u>13,519,975</u>	<u>11,995,038</u>
Total expenses	<u>5,108,609</u>	<u>4,071,314</u>	<u>(3,163,387)</u>	<u>(2,292,648)</u>	<u>47,198,956</u>	<u>33,970,496</u>
Surplus (Deficit)	<u>\$ (816,563)</u>	<u>\$ (687,181)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,798,934</u>	<u>\$ 21,680,955</u>