

Weenusk First Nation
Financial Statements
March 31, 2017

Weenusk First Nation Contents

For the year ended March 31, 2017

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Management's Responsibility

To the Members of Weenusk First Nation

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

Management is responsible for the preparation and presentation of the accompanying 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 judgment is required.

In discharging its responsibilities for the integrity and fairness of the 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 financial statements.

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

MNP LLP is appointed by the Members to audit the 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.

February 23, 2018

 Chief

 Director of Finance

Independent Auditors' Report

To the Chief and Council and Members of Weenusk First Nation:

We have audited the accompanying financial statements of Weenusk First Nation, which comprise the statement of financial position as at March 31, 2017, and the statements of operations and accumulated surplus, changes in net debt and changes in financial position for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The Organization's statement of operations and statement of changes in net debt do not present a comparison of the results for the accounting period with those originally planned, which constitutes a departure from Canadian public sector accounting standards.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Weenusk First Nation as at March 31, 2017 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter

We wish to draw your attention to Note 4 of the financial statements which describes the effects of a correction of a prior period error. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements for the year ended March 31, 2016 were audited by another firm of Chartered Professional Accountants who expressed an unqualified opinion on those financial statements dated February 13, 2017.

Timmins, Ontario
February 23, 2018


Chartered Professional Accountants
Licensed Public Accountants

Weenusk First Nation Statement of Financial Position

As at March 31, 2017

	2017	2016 (Restated)
Financial assets		
Cash and cash equivalents (Note 5)	294,923	25,944
Accounts receivable (Note 6)	397,134	590,682
Inventory for resale (Note 7)	189,343	147,298
Total of assets	881,400	763,924
Liabilities		
Accounts payable and accrued liabilities (Note 9)	3,485,801	3,914,513
Deferred revenue (Note 4), (Note 10)	133,046	-
Advances from related Nation entity (Note 11)	41,869	30,316
Long-term debt (Note 12)	2,214,581	2,357,359
Total of financial liabilities	5,875,297	6,302,188
Net debt (Note 4)	(4,993,897)	(5,538,264)
Contingent liabilities (Note 13)		
Commitments (Note 14)		
Non-financial assets		
Tangible capital assets (Note 4), (Note 15)	8,308,046	8,897,040
Fuel inventory	169,299	131,704
Prepaid expenses	144,194	110,443
Total non-financial assets	8,621,539	9,139,187
Accumulated surplus (Note 16)	3,627,642	3,600,923

Approved on behalf of the First Nation



Chief



Councillor

The accompanying notes are an integral part of these financial statements

Weenusk First Nation
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	2017	2016 <i>(Restated)</i>
Revenue		
Indigenous and Northern Affairs Canada	4,162,116	3,846,635
Health Canada	722,293	752,043
Other revenue		
Administration recovered	29,400	104,000
Ministry of Natural Resources	-	913,436
Nishnawbe - Aski Nation	333,313	272,861
Interest	102	115
Other	1,471,992	1,039,698
Ministry of Employment and Training Services	109,686	11
Ontario First Nations Limited Partnership	1,084,459	960,229
Canada Mortgage and Housing Corporation Subsidy	192,914	162,262
Ministry of Health and Long Term Care	-	45,000
Rent	154,605	196,710
Deferred revenue - current year <i>(Note 10)</i>	(133,046)	-
Earnings (loss) from investment in Nation business entities <i>(Note 11)</i>	(16,806)	936
	8,111,028	8,293,936
Program expenditures		
Band Support	1,105,083	1,330,634
Community Infrastructure and Buildings	1,936,196	1,963,107
Economic Development and Other Funded Programs	1,025,456	861,658
Community Health	1,208,088	1,011,149
Education	2,007,091	2,052,241
Social Housing	577,709	536,177
Capital Projects and Major Repairs	-	1,500
Site 500 Projects	206,936	1,048,201
Total expenditures <i>(Schedule 2)</i>	8,066,559	8,804,667
Surplus (deficit) before other items	44,469	(510,731)
Other income		
Gain on disposal of tangible capital assets	-	16,865
Repayments/repayable to funder	(17,750)	(188,386)
Surplus (deficit)	26,719	(682,252)
Accumulated surplus, beginning of year	3,600,923	3,814,532
Correction of an error <i>(Note 4)</i>	-	468,643
Accumulated surplus (deficit), beginning of year, as restated	3,600,923	4,283,175
Accumulated surplus, end of year	3,627,642	3,600,923

The accompanying notes are an integral part of these financial statements

Weenusk First Nation
Statement of Change in Net Debt
For the year ended March 31, 2017

	2017	2016 <i>(Restated)</i>
Annual surplus (deficit)	26,719	(682,252)
Purchase of tangible capital assets	(53,297)	(114,295)
Amortization of tangible capital assets	642,291	742,829
Gain on sale of tangible capital assets	-	(16,865)
Proceeds on sale of tangible capital assets	-	21,500
Change in fuel inventory	(37,595)	142,592
Change in prepaid expenses	(33,751)	107,701
Decrease in net debt	544,367	201,210
Net debt, beginning of year <i>(Note 4)</i>	(5,538,264)	(5,739,474)
Net debt, end of year	(4,993,897)	(5,538,264)

Weenusk First Nation
Statement of Changes in Financial Position
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	26,719	(682,252)
Non-cash items		
Amortization	642,291	742,829
Deferred revenue - current year	133,046	-
Gain on disposal of tangible capital assets	-	(16,865)
Loss (earnings) from investment in Nation business entities	16,807	(936)
	818,863	42,776
Changes in working capital accounts		
Accounts receivable	193,548	387,529
Prepaid expenses	(33,751)	107,701
Fuel inventory	(79,640)	(4,701)
Accounts payable and accrued liabilities	(428,711)	(515,115)
	470,309	18,190
Financing activities		
Repayment of long-term debt	(142,778)	(165,734)
Repayment of advances from related Nation entities & department	(5,255)	(2,842)
	(148,033)	(168,576)
Capital activities		
Purchase of tangible capital assets	(53,297)	(114,295)
Proceeds on sale of tangible capital assets	-	21,500
	(53,297)	(92,795)
Increase (decrease) in cash resources	268,979	(243,181)
Cash resources, beginning of year	25,944	269,125
Cash resources, end of year	294,923	25,944

1. Nature of operations

The Weenusk First Nation (the "First Nation") is a First Nation located in the James Bay region of Ontario, and provides various services for the benefit of its members. Weenusk 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 Nation. The First Nation operates under the Indian Act.

2. Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of operations. Should the First Nation be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

At the date of these financial statements, the First Nation, pursuant to Indigenous and Northern Affairs Canada (INAC) directives, was operating under a co-management arrangement with a Remedial Management Plan in place. During the 2017 fiscal year the First Nation's working capital deficiency decreased by \$648,173 (2016 - increase of \$682,247). At March 31, 2017, the First Nation has net debt of \$4,993,897 (2016 - \$5,538,264).

The continuation of the First Nation is dependent upon the continuing availability of Federal and Provincial funding, and the First Nation's continued compliance with funding requirements. These financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the First Nation were unable to continue its operations.

3. Significant accounting policies

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

Reporting entity

Weenusk First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Winisk 500 Corporation

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 and cash equivalents

Cash and cash equivalents include balances with banks and cash on balances on hand to be deposited.

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

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling costs.

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to March 31, 2017, the First Nation has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

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 and prepaid expenses.

Net financial assets (net debt)

The First Nation's 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 (deficit).

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of receipt and also are recorded as revenue.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Method</i>	<i>Rate</i>
Water and sewer infrastructure	straight-line	75 years
Landfill	straight-line	30 years
Buildings	straight-line	15 - 30 years
Canada Mortgage and Housing Corporation and rental units	straight-line	25 years
Roads	straight-line	25 years
Machinery and equipment	straight-line	7 years
Vehicles	straight-line	3 - 7 years
Computer equipment	straight-line	4 years

Long-lived assets

Long-lived assets consist of tangible capital assets. 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, 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. 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)*

Funds held in 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 as part of cash on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

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

Long-term debt

Long-term financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in long-term debt.

Repayments of long-term financing are recognized as a decrease in long-term debt.

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 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.

Externally restricted revenue

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Other income

Other income is recognized in the year in which the related expenses are incurred if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

Measurement uncertainty

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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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.

Provisions are made for slow moving and obsolete inventory.

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

Accrued liabilities are estimated based on historical charges for unbilled goods and services at year-end.

Payable to funding agencies is based on anticipated repayment requirements; however, actual repayments will be determined upon funding agencies' review of the financial statements.

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

Segments

The First Nation conducts its business through eight reportable segments:

- Band support
- Community Infrastructure and Buildings
- Economic Development and Other Funded Programs
- Community Health
- Education
- Social Housing Rentals
- Capital Projects and Major Repairs
- Site 500 Projects
- Ontario First Nations Limited Partnership Distributions

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 financial statements as disclosed in Note 3 the *Significant accounting policies*.

4. Correction of an error

During the year, the First Nation determined that there were unrecorded capital assets under construction of \$468,639. For 2016, the impact of this correction has resulted in an increase in accumulated deficit of \$468,639 an increase in tangible capital assets under construction of \$468,639 and an increase in net debt of \$468,639.

Weenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2017

5. Cash and cash equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation ("CMHC"), the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation. (Note 14)

Restricted cash of the Ottawa Trust Fund relates to funds on deposit with Indigenous and Northern Affairs Canada generated from land that is leased to non-native parties and interest earned on the related lease rentals. 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 Chief and Council.

	2017	2016
Unrestricted cash	271,952	13,002
Externally restricted cash - CMHC social housing reserves	17,342	7,415
Externally restricted cash - Funds held in Ottawa Trust Fund	5,629	5,527
Total	294,923	25,944

6. Accounts receivable

	2017	2016
Accounts receivable	303,372	521,535
Indigenous and Northern Affairs Canada	93,762	69,147
	397,134	590,682

7. Inventory for resale

Inventory predominately represents gasoline for resale to First Nation members and to parties external to the First Nation.

The cost of inventories recognized as an expense and included in various programs amounted to \$817,790 (2016 – \$871,072).

8. Advances from related Nation business entity

The advances from Winisk 500, a subsidiary reported net of equity interest, are non-interest bearing, unsecured, and have no set terms of repayment.

9. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include government remittances totalling \$18,368 (2016 - \$8,469).

Weenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2017

10. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Funding received</i>	<i>Expenditures</i>	<i>Balance, end of year</i>
Nishnawbe Aski Nation	-	47,136	-	47,136
Ministry of Natural Resources - Land Use Planning	-	11,425	-	11,425
Indigenous and Northern Affairs Canada - Capacity Development	-	74,485	-	74,485
	-	133,046	-	133,046

11. Investment in related Nation business entity

The First Nation owns 100% of Winisk 500 Corporation.

Summary financial information for the investment in Winisk 500 Corporation, accounted for using the modified equity method, for the year ended March 31, 2017 is as follows:

	<i>As at March 31, 2017</i>	<i>As at March 31, 2016</i>
Assets		
Accounts receivable	1,432	5,480
Intangible assets	-	2,195
Total assets	1,432	7,675
Liabilities		
Accounts payable and accrued liabilities	43,300	37,992
Advances from Weenusk First Nation	553,253	547,998
Total liabilities	596,553	585,990
Share capital	1	1
Accumulated deficit	(595,122)	(578,316)
Total revenue	-	5,472
Total expenses	16,806	4,536
Annual surplus (deficit)	(16,806)	936

Weenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2017

12. Long-term debt

	2017	2016
Canada Mortgage and Housing Corporation mortgage payable, renewal July 2021, due October 2025, repayable in monthly installments of \$7,380 including interest of 1.13% per annum, secured by a guarantee by Indigenous and Northern Affairs Canada.	724,141	802,298
Canada Mortgage and Housing Corporation mortgage payable, renewal July 2021, due December 2035, repayable in monthly installments of \$4,150 including interest of 1.13% per annum, secured by a guarantee by Indigenous and Northern Affairs Canada.	841,290	879,585
Canada Mortgage and Housing Corporation mortgage payable, renewal November 2017, due November 2037, repayable in monthly installments of \$3,079 including interest of 1.61% per annum, secured by a guarantee by Indigenous and Northern Affairs Canada.	649,150	675,476
	2,214,581	2,357,359

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

2018	147,994
2019	149,804
2020	151,638
2021	153,494
2022	155,374
Thereafter	1,456,277

Interest on long-term debt amounted to \$36,773 (2016 - \$55,394).

13. Contingencies

The First Nation has entered into accountable contribution agreements with several government funding agencies. 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.

14. Commitments

The First Nation is under a co-management agreement with Capacity Development Services Ltd. The First Nation is responsible for variable payments to Capacity Development Services Ltd. based on work performed during the year.

The First Nation is required to provide for replacement reserve funding under the terms of agreements with Canada Mortgage and Housing Corporation. At fiscal year end, the bank account supporting the reserves is underfunded by \$205,078 (2016 - \$193,215).

15. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

No amortization has been recorded on Capital Projects in Progress as they have not been completed for use at March 31, 2017.

Weenusk First Nation
Notes to the Financial Statements
For the year ended March 31, 2017

16. Accumulated surplus

Accumulated surplus consists of the following:

	2017	2016
Unappropriated members' equity (deficit)		
General	(2,692,077)	(3,146,089)
Internally restricted		
Invested in tangible capital assets	6,093,465	6,539,681
Externally restricted		
Ontario First Nations Limited Partnership distributions, regular funds	11,194	449
Ontario First Nations Limited Partnership distributions, future generations' funds	1,408	298
Ontario First Nations Limited Partnership distributions, reporting	-	427
Restricted funds held in trust in Ottawa	5,629	5,527
Social housing replacement reserve	208,023	200,630
	226,254	207,331
	3,627,642	3,600,923

The Ottawa trust fund represents trust funds held in Ottawa trust accounts derived from capital or revenue sources.

The social housing replacement reserve is an externally restricted reserve which is required by the CMHC and which must be funded. As of March 31, 2017, there was a funding shortfall of \$190,681 (2016 - \$193,215). The impact of this under-funding has not been determined.

Ontario First Nations Limited Partnership

The First Nation holds one unit in the Ontario First Nation Limited Partnership ("OFNLP") and a share in a related company Ontario First Nations General Partner Inc. - the carrying value of which are nominal and are therefore not recorded in these financial statements.

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and OFNLP, the Province of Ontario shall pay to OFNLP 12 monthly payments equal to one-twelfth of 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.

17. Economic dependence

Weenusk First Nation receives a significant portion of its revenue from INAC as a result of Treaties entered into with the Government of Canada. These treaties are administered by INAC 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. Non-compliance with First Nations Financial Transparency Act

First Nations Financial Transparency Act requires the First Nation to file their financial statements by July 31, 2017. The First Nation was unable to meet this deadline and therefore is not in compliance with the First Nations Financial Transparency Act.

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.

The First Nation manages its credit risk through ongoing analysis and monitoring of the accounts receivable balances and collections. The accounts are written down or an allowance for doubtful accounts is recorded when applicable.

A credit concentration exists relating to trade accounts receivable. As at March 31, 2017, two customers accounted for 65% (March 31, 2016 – two customers for 58%) of revenues from operations and three customers accounted for 76% (March 31, 2016 – one customer for 12%) of the accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The First Nation enters into transactions to purchase goods and services on credit and borrow funds from financial institutions or other creditors, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the First Nation's future net cash flows for the possibility of negative net cash flow.

Contractual maturities of long-term debt are disclosed in Note 12.

The First Nation manages the liquidity risk resulting from its accounts payable and long-term debt through program expense monitoring. The First Nation's working capital deficiency restricts the First Nation in paying its creditors in the normal course of operations.

20. Segments

The First Nation provides a wide range of services to its members such as education, health and social services, economic development, public works and housing and other general services. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and activities they encompass are as follows:

Band Support

The band support program oversees the delivery of all services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of Chief and Council.

Community Infrastructure and Buildings

The community infrastructure and buildings program is responsible for the infrastructure, including roads, water, sewer and building maintenance.

Economic Development and Other Funded Programs

The economic development program is responsible for promoting economic growth within the First Nation.

Community Health

The community health program provides a diverse bundle of services directed towards the well-being of members, including such activities as pre-natal care, nursing, health representation, traditional healing, family violence and many other smaller programs designed to enhance the health of members. The social services department is responsible for administering social assistance payments as well as providing services directed towards members.

Education

The education department provides direct elementary school services and secondary education by entering into service contracts with provincially funded area school boards.

Social Housing

The social housing program is responsible for providing affordable housing to members.

Capital Projects and Major Repairs

The capital projects and major repairs program is responsible for carrying out capital projects and major repairs to buildings and facilities in the First Nation.

Site 500 Projects

The site 500 Projects program is responsible for carrying out projects as part of the Site 500 Camp contract.

Ontario First Nations Limited Partnership Distributions

The OFNLP distributions program is responsible for allocating distributions to various segments of the First Nation.

21. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Weenusk First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Buildings</i>	<i>Water and Sewer Infrastructure</i>	<i>Roads</i>	<i>Vehicles</i>	<i>Machinery and Equipment</i>	<i>Landfill</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	6,188,163	2,642,387	703,505	957,125	2,452,043	472,746	13,415,969
Acquisition of tangible capital assets	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	6,188,163	2,642,387	703,505	957,125	2,452,043	472,746	13,415,969
Accumulated amortization							
Balance, beginning of year	3,384,305	959,950	573,830	811,774	1,694,463	156,006	7,580,328
Annual amortization	161,638	31,516	5,958	30,816	261,803	14,182	505,913
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	3,545,943	991,466	579,788	842,590	1,956,266	170,188	8,086,241
Net book value of tangible capital assets	2,642,220	1,650,921	123,717	114,535	495,777	302,558	5,329,728
Net book value of tangible capital assets 2016	2,803,858	1,682,437	129,675	145,351	757,580	316,740	5,835,641

Weenusk First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Subtotal</i>	<i>Canada Mortgage and Housing Corporation and Rental Units</i>	<i>Computer Equipment</i>	<i>Capital Projects in Progress</i>	<i>2017</i>	<i>2016</i>
						<i>(Restated)</i>
Cost						
Balance, beginning of year	13,415,969	6,306,283	248,283	567,950	20,538,485	20,470,540
Acquisition of tangible capital assets	-	-	-	53,297	53,297	114,295
Disposal of tangible capital assets	-	-	-	-	-	(46,350)
Balance, end of year	13,415,969	6,306,283	248,283	621,247	20,591,782	20,538,485
Accumulated amortization						
Balance, beginning of year	7,580,328	3,863,171	197,946	-	11,641,445	10,940,331
Annual amortization	505,913	125,513	10,865	-	642,291	742,829
Accumulated amortization on disposals	-	-	-	-	-	(41,715)
Balance, end of year	8,086,241	3,988,684	208,811	-	12,283,736	11,641,445
Net book value of tangible capital assets	5,329,728	2,317,599	39,472	621,247	8,308,046	8,897,040
Net book value of tangible capital assets 2016	5,835,641	2,443,112	50,337	567,950	8,897,040	

Weenusk First Nation
Schedule 2 - Schedule of Expenses by Object
For the year ended March 31, 2017

	2017	2016
Expenses by object		
Administration	55,041	141,987
Amortization	642,291	742,829
Bad debts	108,785	172,752
Bank charges and interest	42,814	31,633
Contracted services	280,987	403,208
Insurance	102,586	150,965
Interest on long-term debt	36,773	55,394
Professional fees	328,198	924,575
Rent	32,620	-
Repairs and maintenance	683,271	852,157
Salaries and benefits	2,945,559	2,968,171
Special projects	-	7,136
Supplies	1,400,919	1,057,251
Telephone	64,043	66,312
Training	2,845	-
Transportation	8,168	10,790
Travel	569,510	590,987
Tuition	280,905	340,924
Utilities	481,244	487,596
Expenditure recoveries	-	(200,000)
	8,066,559	8,804,667

Weenusk First Nation
Band Support
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016
Revenue		
Indigenous and Northern Affairs Canada		
Fixed contribution	4,164	4,094
Set contribution	146	180
Grant contribution	443,485	442,075
Other revenue		
Administration charges	29,400	104,000
Interest	102	115
Other	110,107	116,835
	587,404	667,299
Expenses		
Administration	20,217	18,461
Amortization	17,295	62,413
Bank charges and interest	32,233	20,091
Contracted services	141,210	128,710
Insurance	9,071	12,447
Professional fees	308,035	559,540
Rent	27,120	-
Salaries and benefits	344,630	316,378
Supplies	79,826	68,741
Telephone	28,053	26,419
Travel	81,104	98,582
Utilities	16,289	18,852
	1,105,083	1,330,634
Deficit before transfers	(517,679)	(663,335)
Transfers between programs		
Transfer from Ontario First Nations Limited Partnership	349,101	200,000
Transfers to Seniors' Housing - Social Housing Rentals	-	(37,800)
	349,101	162,200
Deficit	(168,578)	(501,135)

Weenusk First Nation
Community Infrastructure and Buildings
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016
Revenue		
Indigenous and Northern Affairs Canada		
Fixed contribution	1,473,432	1,119,572
Set contribution	-	345,430
Other revenue		
Other	563,315	307,290
Ministry of Employment and Training Services	82,695	-
Deferred revenue - current year	(11,425)	-
	2,108,017	1,772,292
Expenses		
Administration	31,578	97,430
Amortization	395,358	174,399
Bank charges and interest	226	-
Contracted services	65,320	94,839
Insurance	75,421	106,226
Professional fees	600	176
Repairs and maintenance	483,165	642,122
Salaries and benefits	593,066	798,622
Supplies	10,393	836
Telephone	25,656	28,032
Travel	30,765	8,342
Utilities	224,648	212,083
Expenditure recoveries	-	(200,000)
	1,936,196	1,963,107
Surplus (deficit) before transfers	171,821	(190,815)
Transfers from Ontario First Nations Limited Partnership	127,500	182,000
Surplus (deficit)	299,321	(8,815)

Weenusk First Nation
Economic Development and Other Funded Programs
Schedule 5 - Schedule of Revenue and Expenses

For the year ended March 31, 2017

	2017	2016
Revenue		
Indigenous and Northern Affairs Canada		
Fixed contribution	200,000	135,000
Set contribution	44,178	27,000
Other revenue		
Nishnawbe - Aski Nation	98,172	51,036
Other	500,086	562,449
Ministry of Employment and Training Services	26,992	11
Deferred revenue - current year	(47,136)	-
	822,292	775,496
Expenses		
Administration	400	541
Amortization	21,471	21,471
Bad debts	-	30
Bank charges and interest	2,777	2,757
Contracted services	22,248	46,129
Professional fees	-	27,000
Repairs and maintenance	5,913	-
Salaries and benefits	250,066	192,168
Supplies	658,291	529,563
Travel	63,918	41,999
Utilities	372	-
	1,025,456	861,658
Deficit before transfers	(203,164)	(86,162)
Transfers from Ontario First Nations Limited Partnership	183,000	141,000
Surplus (deficit)	(20,164)	54,838

Weenusk First Nation
Community Health
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016
Revenue		
Government funding		
Health Canada	722,293	752,043
Other revenue		
Nishnawbe - Aski Nation	81,226	44,203
Other	41,724	25,655
Ministry of Health and Long Term Care	-	45,000
	845,243	866,901
Expenses		
Administration	722	506
Contracted services	5,929	265
Professional fees	12,700	26,660
Salaries and benefits	737,656	689,477
Supplies	295,591	139,907
Training	523	-
Travel	38,806	33,525
Utilities	116,161	120,809
	1,208,088	1,011,149
Deficit before other items	(362,845)	(144,248)
Repayable to funder	(17,750)	-
Transfers from Ontario First Nations Limited Partnership	305,389	85,000
Deficit	(75,206)	(59,248)

Weenusk First Nation
Education
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016
Revenue		
Government funding		
Indigenous and Northern Affairs Canada		
Fixed contribution	1,577,026	1,028,734
Set contribution	345,200	645,550
Other revenue		
Nishnawbe - Aski Nation	153,915	177,622
Other	(406)	27,469
	2,075,735	1,879,375
Expenses		
Administration	1,581	17,573
Amortization	97,342	97,342
Bank charges and interest	2	7,717
Contracted services	-	11,428
Professional fees	6,863	27,558
Salaries and benefits	766,729	692,577
Special projects	-	7,136
Supplies	355,451	316,753
Telephone	10,335	9,912
Training	2,323	-
Transportation	8,168	10,790
Travel	353,617	376,680
Tuition	280,905	340,924
Utilities	123,775	135,851
	2,007,091	2,052,241
Surplus (deficit) before other items	68,644	(172,866)
Repayable to funder	-	(179,986)
Surplus (deficit) before transfers	68,644	(352,852)
Transfers between programs		
Transfers from Ontario First Nations Limited Partnership	42,000	270,000
Transfers to Capital Projects	-	(25,195)
	42,000	244,805
Surplus (deficit)	110,644	(108,047)

Weenusk First Nation
Social Housing
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016
Revenue		
Government funding		
Indigenous and Northern Affairs Canada	74,485	-
Canada Mortgage and Housing Corporation Subsidy	192,914	162,262
Rent	154,605	196,710
Deferred revenue - current year	(74,485)	-
	347,519	358,972
Expenses		
Administration	-	7,000
Amortization	110,824	110,824
Bad debts	108,785	172,721
Contracted services	44,548	-
Insurance	20,682	29,129
Interest on long-term debt	36,773	55,394
Professional fees	-	11,948
Repairs and maintenance	170,082	140,887
Salaries and benefits	83,891	2,909
Supplies	1,324	1,451
Telephone	-	1,950
Travel	800	1,964
	577,709	536,177
Deficit before transfers	(230,190)	(177,205)
Transfers between programs		
Transfers from Ontario First Nations Limited Partnership	66,760	83,000
Transfers from Band Support	-	37,800
	66,760	120,800
Deficit	(163,430)	(56,405)

Weenusk First Nation
Capital Projects and Major Repairs
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016
Revenue		
Indigenous and Northern Affairs Canada	-	99,000
Expenses		
Contracted services	-	1,500
Surplus (deficit) before other items	-	97,500
Repayable to funder	-	(8,400)
Surplus (deficit) before transfers	-	89,100
Transfers from Education	-	25,195
Surplus (deficit)	-	114,295

Weenusk First Nation
Site 500 Projects
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016
Revenue		
Other revenue		
Ministry of Natural Resources	-	913,436
Other	257,165	-
	257,165	913,436
Expenses		
Administration	541	480
Amortization	-	276,379
Bank charges and interest	7,576	1,068
Contracted services	1,732	120,337
Insurance (recovery)	(2,588)	3,163
Professional fees	-	271,692
Rent	5,500	-
Repairs and maintenance	24,111	69,148
Salaries and benefits	169,521	276,039
Supplies	43	-
Travel	500	29,895
	206,936	1,048,201
Surplus (deficit) before other items	50,229	(134,765)
Other income (expense)		
Gain on disposal of tangible capital assets	-	16,865
Surplus (deficit)	50,229	(117,900)

Weenusk First Nation
Ontario First Nations Limited Partnership Distributions
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016
Revenue		
Ontario First Nations Limited Partnership	1,084,459	960,229
Transfers between programs		
Transfers to Band Support	(349,101)	(200,000)
Transfers to Community Infrastructure and Buildings	(127,500)	(182,000)
Transfers to Economic Development and Other Funded Programs	(183,000)	(141,000)
Transfers to Community Health	(305,389)	(85,000)
Transfers to Education	(42,000)	(270,000)
Transfers to Social Housing	(66,760)	(83,000)
	(1,073,750)	(961,000)
Surplus (deficit)	10,709	(771)