

**Moravian Of The Thames First Nation**

**Financial Statements**  
**March 31, 2017**

## Management's Report

### *Management's Responsibility for the Consolidated Financial Statements*

The accompanying consolidated financial statements of Moravian Of The Thames First Nation are the responsibility of management and have been approved by Chief and Council.

The consolidated 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 Canadian Institute of Chartered Accountants 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 consolidated 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 consolidated financial statements and the external auditors' report.

The external auditors, Collins Barrow Sarnia, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Moravian Of The Thames First Nation and meet when required.

On Behalf of Moravian Of The Thames First Nation:

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Dennis Lough

Chief

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Doug Peltz

Council

July 13, 2017

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## **Independent Auditor's Report**

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### **To The Members Of Moravian Of The Thames First Nation**

We have audited the accompanying financial statements of Moravian of the Thames First Nation, which comprise the consolidated statement of financial position as at March 31, 2017 and the consolidated statements of operations, changes in net assets and cash flows 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.

#### *Auditor's 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 auditor's 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 of our qualified audit opinion.

**Independent  
Auditor's Report cont'd....**

*Basis for Qualified Opinion*

Under Section 3150 of the Public Sector Accounting Handbook, the Moravian Of The Thames First Nation is required to capitalize tangible capital assets and record the appropriate amortization on those assets. Tangible capital assets acquired prior to 1998 have not been capitalized, and as a result, no amortization has been recorded on these assets. Accordingly, we are unable to determine whether any adjustments might be necessary to tangible capital assets, net assets, expenses and revenue over expenditures.

*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 Moravian of the Thames First Nation as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*Other Matter*

Our audit was made for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Collins Barrs Sarnia L.L.P." The signature is fluid and cursive, with "Collins" and "Barrs" on the first line and "Sarnia L.L.P." on the second line.

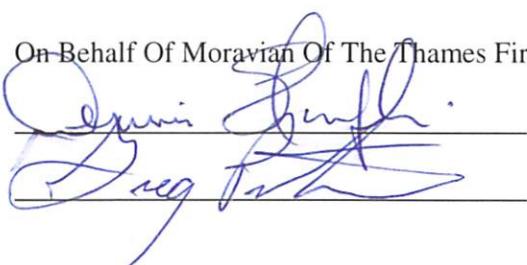
Sarnia, Ontario  
July 13, 2017

**Chartered Accountants  
Licensed Public Accountants**

**Moravian Of The Thames First Nation  
Consolidated Statement Of Financial Position  
March 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>Financial Assets</b>		
Cash (note 2)	\$ 3,259,155	\$ 2,986,760
Trust Funds in Ottawa (note 3)	174,487	170,717
Short-term investments (note 4)	1,191,771	1,181,404
Accounts receivable (note 5)	516,122	217,737
Investments (note 6)	2,782,815	3,394,836
Investments in business enterprises (note 8)	471,763	900,261
Due from related company (note 7)	1,112,198	310,211
Loans receivable (note 9)	890,802	881,682
Less allowance for doubtful accounts (note 9)	<u>(890,802)</u>	<u>(881,682)</u>
<b>Total Financial Assets</b>	<b><u>9,508,311</u></b>	<b><u>9,161,926</u></b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 10)	151,067	138,357
Payable to funding source (note 11)	121,531	79,553
Due to related company (note 7)	-	156
Deferred revenue (note 12)	247,501	323,438
Deposits on hand	25,572	24,458
Current portion of long-term debt (note 13)	550,149	694,681
Long-term debt (note 13)	<u>1,344,214</u>	<u>1,004,952</u>
<b>Total Liabilities</b>	<b><u>2,440,034</u></b>	<b><u>2,265,595</u></b>
<b>Net Financial Assets</b>	<b><u>7,068,277</u></b>	<b><u>6,896,331</u></b>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 14)	6,909,605	6,924,664
Prepaid expenses	<u>31,800</u>	<u>24,457</u>
<b>Total Non-Financial Assets</b>	<b><u>6,941,405</u></b>	<b><u>6,949,121</u></b>
<b>Accumulated Surplus</b>	<b><u>\$ 14,009,682</u></b>	<b><u>\$ 13,845,452</u></b>
Contingent Liability (note 18)		

On Behalf Of Moravian Of The Thames First Nation



**Moravian Of The Thames First Nation  
Consolidated Statement Of Operations  
For The Year Ended March 31, 2017**

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
AANDC- Fixed	\$ 1,082,848	\$ 1,082,848	\$ 1,034,368
AANDC- Set	357,890	357,890	231,606
AANDC- Grant	324,862	324,862	324,884
Health Canada	1,018,531	1,018,531	1,032,347
OFNLP	840,000	829,112	736,830
AIAI	318,801	318,823	280,944
Stepping Stones	546,103	634,874	657,620
Provincial	353,306	331,006	283,719
Education	328,311	325,867	294,185
MCSS	180,000	176,467	208,695
SFNS	706,700	706,700	601,387
CMHC	116,764	116,384	121,971
Other	676,659	792,114	1,127,917
Rental	251,660	244,455	236,318
Administration	370,000	396,644	353,607
Repayable to Funding Source	-	(68,755)	(68,070)
Deferred Revenue- Beginning	267,805	267,805	229,198
Deferred Revenue- Ending	-	(247,501)	(267,805)
	<u>7,740,240</u>	<u>7,608,126</u>	<u>7,419,721</u>
<b>Expenditures</b>			
Administration	1,308,024	1,161,705	1,100,485
Economic development	230,410	180,070	268,110
Education	1,326,578	1,261,305	1,274,502
Childcare	456,102	417,514	427,005
Social services	525,918	614,689	637,435
Land and trust services	325,798	206,146	214,935
Health	1,337,332	1,330,802	1,256,961
Employment assistance	274,254	261,671	246,575
Community infrastructure	206,693	207,990	238,512
Community development	635,970	562,380	585,866
OFNLP	938,356	503,878	664,276
Amortization	-	381,867	392,997
	<u>7,565,435</u>	<u>7,090,017</u>	<u>7,307,659</u>
Annual Surplus	174,805	518,109	112,062
Loss On Investment		(428,498)	(251,614)
CMHC Operating Surplus Deferral		72,796	-
CMHC Replacement Reserve		(17,339)	(22,250)
Reserve Trust Fund		3,770	2,372
Replacement Reserve		<u>15,393</u>	<u>15,316</u>
Accumulated Surplus (Deficit) at End of Year	\$ <u>174,805</u>	\$ <u>164,231</u>	\$ <u>(144,114)</u>

**Moravian Of The Thames First Nation**  
**Consolidated Statement Of Changes In Net Financial Assets**  
**For The Year Ended March 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>Annual surplus (deficit)</b>	<b>\$ 164,231</b>	<b>\$ (144,114)</b>
<b>Tangible capital assets:</b>		
Acquisition of tangible capital assets	(366,809)	(316,335)
Amortization of tangible capital assets	<u>381,867</u>	<u>392,997</u>
	<u>179,289</u>	<u>(67,452)</u>
Use of prepaid expenses	<u>(7,343)</u>	<u>17,475</u>
<b>Change in net financial assets</b>	<b>171,946</b>	<b>(49,977)</b>
<b>Net financial assets at beginning of year</b>	<b><u>6,896,331</u></b>	<b><u>6,946,308</u></b>
<b>Net financial assets at end of year</b>	<b><u>\$ 7,068,277</u></b>	<b><u>\$ 6,896,331</u></b>

**Moravian Of The Thames First Nation  
Consolidated Statement Of Cash Flows  
For The Year Ended March 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>Cash Provided By (Used For)</b>		
<b>Operating Activities</b>		
Accumulated surplus (deficit)	\$ 164,231	\$ (144,114)
Items not requiring cash:		
Loss on investment	428,498	251,614
Amortization	<u>381,867</u>	<u>392,997</u>
	<u>974,596</u>	<u>500,497</u>
Change in non-cash working capital items affecting operations:		
Accounts receivable	(298,384)	343,511
Due from related company	(801,987)	(18,086)
Prepaid expenses	(7,343)	17,475
Accounts payable and accrued liabilities	12,710	55,062
Due to related company	(156)	156
Forgivable loan with Naahii Eatery	-	-
Deposits on hand	1,114	2,860
Deferred revenue	(75,937)	60,165
Payable to funding source	<u>41,978</u>	<u>52,961</u>
	<u>(153,409)</u>	<u>1,014,601</u>
<b>Investing Activities</b>		
Trust funds in Ottawa	(3,770)	(2,372)
Short-term investments	(10,367)	(9,510)
Investments	612,021	(30,455)
Investments in government business enterprises	-	(294,377)
Purchase of tangible capital assets	<u>(366,811)</u>	<u>(316,335)</u>
	<u>231,073</u>	<u>(358,672)</u>
<b>Financing Activities</b>		
Long-term debt	<u>194,731</u>	<u>(114,218)</u>
<b>Increase In Cash Position</b>	<b>272,395</b>	<b>247,334</b>
<b>Cash Position, Beginning</b>	<b><u>2,986,760</u></b>	<b><u>2,739,426</u></b>
<b>Cash Position, Ending</b>	<b>\$ 3,259,155</b>	<b>\$ 2,986,760</b>

**Moravian Of The Thames First Nation**  
**Notes To Financial Statements**  
**March 31, 2017**

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**1. Significant Accounting Policies**

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**Basis of Accounting**

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 Canadian Institute of Chartered Accountants.

**Reporting Entity**

The Moravian of the Thames First Nation reporting entity includes the Moravian of the Thames First Nation government and all related entities that are controlled by the First Nation.

**Principles of Consolidation**

These consolidated financial statements have been prepared in accordance with general accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, as well as the Year-End Reporting Handbook for First Nations, except for the fact that the First Nation has not accounted for tangible capital assets acquired prior to 1998 or amortization thereon.

**Cash and Cash Equivalents**

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

**Loans Receivable**

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by management.

**Investments**

Investments in guaranteed investment certificates are recorded at cost plus accrued interest.

Investments in equity instruments quoted in an active market are carried at fair value. Transaction costs associated with the acquisition of these investments are recognized in net income in the period incurred. Changes in fair value are recorded in income at each balance sheet date.

**Tangible Capital Assets**

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Amortization of tangible capital assets is calculated by the diminishing balance method using the following rates:

Computers	30%
Equipment	20%
Furniture and fixtures	20%
Land improvements	20 years
Roads	8%
Fencing	10%
Band buildings	4%
Water system	4%
Infrastructure	4%
Vehicles	30%
Internet towers	10%

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# **Moravian Of The Thames First Nation**

## **Notes To Financial Statements**

**March 31, 2017**

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### **1. Significant Accounting Policies cont'd...**

#### **Revenue Recognition**

Revenues are recognized in the period in which the transaction or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

#### **Government Business Enterprises**

The investment in Naahii Inc., and Naahii Grocery Store Inc. are accounted for using the modified equity basis which reflects Moravian of the Thames First Nation's investment in those enterprise's. Under the modified equity basis, the enterprise's accounting principles are not adjusted to conform with those of the First Nation and inter-organizational transactions and balances are not eliminated.

#### **Financial Instruments**

The First Nation initially measures its financial instruments at fair value, except for certain non-arm's length transactions that are measured at the exchange amount.

Financial instruments measured at amortized cost include cash, trust funds, accounts receivable, investments, due to/from related parties, accounts payable and accrued liabilities, deferred revenue, and long-term debt.

Financial assets measured at amortized cost are tested for impairment at the end of each year, and the amount of any write-down, if any, is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement and the amount of reversal is recognized in net income. The reversal may be recorded provided it is no greater than the amount that has previously been reported as a reduction in the asset and it does not exceed original cost.

#### **Use Of Estimates**

In preparing the consolidated financial statements for Moravian of the Thames First Nation, management is required 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 period. Items requiring the use of significant estimates include those related to useful lives of assets, allowance for doubtful accounts, accrued accounts payable and the fair value of financial instruments. Actual results could differ from these estimates.

**Moravian Of The Thames First Nation**  
**Notes To Financial Statements**  
**March 31, 2017**

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<b>2. Cash and Cash Equivalents</b>	<b>2017</b>	<b>2016</b>
Under the terms of an agreement with Canada Mortgage and Housing Corporation, Moravian of the Thames 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 with any interest earned to be credited as revenue to the Apartment Replacement and Subsidy Fund. Cash and cash equivalents is comprised of the following:		
Externally Restricted		
Apartment Replacement Reserve	\$ 148,102	\$ 67,784
Internally Restricted		
Economic Development	(4,747)	25,130
Unrestricted		
Operating	<u>3,115,800</u>	<u>2,893,846</u>
Total Cash and Cash Equivalents	<u>\$ 3,259,155</u>	<u>\$ 2,986,760</u>

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**3. Trust Funds**

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	<b>March 31, 2016</b>	<b>Additions 2017</b>	<b>March 31, 2017</b>
Revenue	\$ 60,703	\$ 3,770	\$ 64,473
Capital	<u>110,014</u>	<u>—</u>	<u>110,014</u>
	<u>\$ 170,717</u>	<u>\$ 3,770</u>	<u>\$ 174,487</u>

The trust funds arise 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

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<b>4. Short-Term Investments</b>	<b>2017</b>	<b>2016</b>
OFNLP Future Generations Investment	\$ 724,063	\$ 717,764
Regular Investment	<u>467,708</u>	<u>463,640</u>
Total Investments	<u>\$ 1,191,771</u>	<u>\$ 1,181,404</u>

OFNLP money and other First Nation funds have been invested in several interest bearing vehicles that will become due at various times within the next 12 months.

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**Moravian Of The Thames First Nation**  
**Notes To Financial Statements**  
**March 31, 2017**

<b>5. Accounts Receivable</b>	<b>2017</b>	<b>2016</b>
<b>Federal Funding</b>		
INAC Transfer Payments	\$ <u>21,646</u>	\$ 23,844
Health Canada	<u>16,604</u>	<u>-</u>
	<u><u>38,250</u></u>	<u><u>23,844</u></u>
<b>Provincial Funding</b>		
Homemakers	39,989	42,507
Ontario Power Authority	72,000	27,000
Ministry of Child and Youth Services	82,913	-
Other Grants	<u>3,687</u>	<u>-</u>
	<u><u>198,589</u></u>	<u><u>69,507</u></u>
<b>Other Programs</b>		
AIAI	<u>3,530</u>	<u>8,750</u>
<b>CMHC Receivable</b>	<u>68,885</u>	<u>-</u>
<b>Other Receivables</b>		
SFNS employment and training	155,836	32,613
Miscellaneous	144,184	163,150
Stepping Stones	<u>32,936</u>	<u>39,960</u>
	<u><u>332,956</u></u>	<u><u>235,723</u></u>
<b>Water Fees</b>	<u>13,319</u>	<u>9,048</u>
	<u>655,529</u>	<u>346,872</u>
<b>Allowance for Doubtful Accounts</b>	<u>139,407</u>	<u>129,135</u>
	<u><u>\$ 516,122</u></u>	<u><u>\$ 217,737</u></u>

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**Moravian Of The Thames First Nation**  
**Notes To Financial Statements**  
**March 31, 2017**

<b>6. Investments</b>	<b>2017</b>	<b>2016</b>			
OFNLP Future Generations Investment	<u>\$ 2,782,815</u>	<u>\$ 3,394,836</u>			
Gaming revenue and other Band funds have been invested in several interest bearing vehicles that will become due at various times.					
<b>7. Related Parties Transactions</b>	<b>2017</b>	<b>2016</b>			
The First Nation's advance and the amounts due from related companies are interest-free with no set terms of repayment. As of March 31, 2017, the balance owing (to)/from are as follows:					
<b>Due to Related Company</b>					
Lunaapeew Development LP	<u>\$ _____ -</u>	<u>\$ (156)</u>			
<b>Due from Related Companies</b>					
Naahii Grocery Store Inc.	<u>\$ 92,975</u>	<u>\$ 49,539</u>			
Lunaapeew Development LP	<u>787,499</u>	<u>-</u>			
Naahii Inc.	<u>231,724</u>	<u>260,672</u>			
	<u><b>\$ 1,112,198</b></u>	<u><b>\$ 310,211</b></u>			
<b>8. Investment in Business Enterprises</b>	<b>2017</b>	<b>2016</b>			
	Naahii Inc.	Naahii Grocery Store Inc.	Lunaapeew Development LP	Total	Total
Balance, beginning of year	<u>\$ 903,552</u>	<u>\$ (272,661)</u>	<u>\$ 269,370</u>	<u>\$ 900,261</u>	<u>\$ 857,498</u>
Investment during the year					<u>294,377</u>
Share of net income (loss)	<u>(33,873)</u>	<u>(133,979)</u>	<u>(260,646)</u>	<u>(428,498)</u>	<u>(251,614)</u>
Balance, end of year	<u><b>\$ 869,679</b></u>	<u><b>\$ (406,640)</b></u>	<u><b>\$ 8,724</b></u>	<u><b>\$ 471,763</b></u>	<u><b>\$ 900,261</b></u>

Moravian Delaware Nation owns 100% of Naahii Inc., Naahii Grocery Store and Lunaapeew Development. Naahii Inc. is a plaza renting out space to companies in First Nation. Lunaapeew Development is a gas station. The initial investment with Naahii Inc, Naahii Grocery Store Inc. and Lunaapeew Development is \$1,599,832.

The income (loss) from the enterprises are reported on the statement of operations. Cash advances to or from the enterprises are recorded as an increase or decrease in the investment in the enterprises.

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**Moravian Of The Thames First Nation**  
**Notes To Financial Statements**  
**March 31, 2017**

<b>8. Investment in Business Enterprises cont'd...</b>	<b>2017</b>	<b>2016</b>
<b>Naahii Inc.</b>		
<b>Balance Sheet</b>		
<b>Assets</b>		
Cash	\$ 2,162	\$ -
Accounts receivable	<u>46,153</u>	<u>50,585</u>
	<u>48,315</u>	<u>50,585</u>
Due from related parties- Naahii Grocery Store Inc.	395,266	384,145
Property, plant and equipment	<u>975,274</u>	<u>1,019,369</u>
	<u>\$ 1,418,855</u>	<u>\$ 1,454,099</u>
<b>Liabilities</b>		
Bank Overdraft	\$ -	\$ 1,972
Accounts payable and accrued liabilities	<u>5,500</u>	<u>5,751</u>
	<u>5,500</u>	<u>7,723</u>
Due to Moravian Band- related parties	231,724	260,671
Due to related party - Lunaapeew Development	62,049	4,555
Long-term debt	<u>249,903</u>	<u>277,598</u>
	<u>549,176</u>	<u>550,547</u>
<b>Shareholders' Equity</b>		
Capital Stock	100	100
Deficit	(301,847)	(267,974)
Contributed Surplus	<u>1,171,426</u>	<u>1,171,426</u>
	<u>869,679</u>	<u>903,552</u>
	<u>\$ 1,418,855</u>	<u>\$ 1,454,099</u>
<b>Results of Operations</b>		
<b>Revenue</b>		
Rental	\$ 26,020	\$ 30,552
<b>Expenditures</b>		
Honorarium	-	7,651
Utilities	5,125	4,458
Repairs and maintenance	-	300
Interest on long-term debt	9,798	7,197
Interest and bank charges	-	70
Professional fees	-	724
Office supplies	875	906
Amortization	<u>44,095</u>	<u>46,323</u>
	<u>59,893</u>	<u>67,629</u>
Deficiency Of Revenues Over Expenditures	\$ (33,873)	\$ (37,077)

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**Moravian Of The Thames First Nation  
Notes To Financial Statements  
March 31, 2017**

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<b>8. Investment in Business Enterprises cont'd...</b>	<b>2017</b>	<b>2016</b>
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**Lunaapeew Development LP**

**Balance Sheet**

**Assets**

Cash	\$ -	\$ 298,498
Accounts receivable	<u>30,992</u>	4,040
Due from related parties	-	43,407
Inventory	<u>32,848</u>	<u>24,501</u>
	<u>63,840</u>	370,446

**Intangible Assets**

Property, Plant and Equipment	<u>1,447,606</u>	<u>740,954</u>
	<u>\$ 1,511,446</u>	<u>\$ 1,111,400</u>

**Liabilities**

Accounts payable and accrued liabilities	\$ 20,867	\$ 36,644
Current portion of long-term debt	<u>757,973</u>	<u>805,386</u>
	<u>863,630</u>	<u>842,030</u>
Due to related parties- Naahii Inc	<u>639,092</u>	<u>-</u>
	<u>639,092</u>	<u>842,030</u>

**Shareholders' Equity**

Retained Earnings	<u>8,724</u>	<u>269,370</u>
	<u>\$ 1,511,446</u>	<u>\$ 1,111,400</u>

**Moravian Of The Thames First Nation**  
**Notes To Financial Statements**  
**March 31, 2017**

<b>8. Investment in Business Enterprises cont'd...</b>	<b>2017</b>	<b>2016</b>	
	<b>Gas Station</b>	<b>Tim Hortons</b>	<b>Total</b>
<b>Lunaapeew Development LP</b>			
<b>Results of Operations</b>			
Revenue			
Sales	<b>\$ 3,941,859</b>	<b>\$ 257,546</b>	<b>\$ 4,199,405</b>
Cost of Goods Sold			
Inventory, beginning	<b>24,501</b>	<b>-</b>	<b>24,501</b>
Purchases and freight	<b>3,811,944</b>	<b>106,740</b>	<b>3,918,684</b>
	<b>3,836,445</b>	<b>106,740</b>	<b>3,943,185</b>
Inventory, ending	<b>32,848</b>	<b>-</b>	<b>32,848</b>
	<b>3,803,597</b>	<b>106,740</b>	<b>3,910,337</b>
Gross Profit	<b>138,262</b>	<b>150,806</b>	<b>289,068</b>
			<b>57</b>
Expenditures			
Advertising	<b>1,694</b>	<b>10,302</b>	<b>11,996</b>
Amortization	<b>30,409</b>	<b>48,084</b>	<b>78,493</b>
Bank charges and interest	<b>47,039</b>	<b>3,538</b>	<b>50,577</b>
Board and travel	<b>825</b>	<b>-</b>	<b>825</b>
Wages	<b>203,911</b>	<b>126,723</b>	<b>330,634</b>
Miscellaneous	<b>840</b>	<b>-</b>	<b>840</b>
Fees and permits	<b>563</b>	<b>1,167</b>	<b>1,730</b>
Royalties	<b>-</b>	<b>15,453</b>	<b>15,453</b>
Insurance	<b>7,893</b>	<b>-</b>	<b>7,893</b>
Office	<b>807</b>	<b>-</b>	<b>807</b>
Professional fees	<b>7,686</b>	<b>54,384</b>	<b>62,070</b>
Rent	<b>2,266</b>	<b>-</b>	<b>2,266</b>
Subway remodelling	<b>30,457</b>	<b>-</b>	<b>30,457</b>
Repairs and maintenance	<b>11,078</b>	<b>-</b>	<b>11,078</b>
Security	<b>244</b>	<b>-</b>	<b>244</b>
Telephone	<b>817</b>	<b>-</b>	<b>817</b>
Utilities	<b>5,866</b>	<b>-</b>	<b>5,866</b>
	<b>352,395</b>	<b>259,651</b>	<b>612,046</b>
Loss From Operations	<b>(214,133)</b>	<b>(108,845)</b>	<b>(322,978)</b>
			<b>(117,793)</b>
Other Income			
Band support funding	<b>62,332</b>	<b>-</b>	<b>62,332</b>
			<b>92,786</b>
Deficiency Of Revenues Over Expenditures	<b>\$ (151,801)</b>	<b>\$ (108,845)</b>	<b>\$ (260,646)</b>
			<b>\$ (25,007)</b>

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**Moravian Of The Thames First Nation**  
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<b>8. Investment in Business Enterprises cont'd...</b>	<b>2017</b>	<b>2016</b>
<b>Naahii Grocery Store Inc.</b>		
<b>Balance Sheet</b>		
<b>Assets</b>		
Accounts receivable	\$ -	\$ 327
Inventory	<u>52,000</u>	<u>48,848</u>
Prepaid expenses	<u>900</u>	<u>900</u>
	<u><u>52,900</u></u>	<u><u>50,075</u></u>
Property, plant and equipment	<u><u>225,175</u></u>	<u><u>265,971</u></u>
	<u><u>\$ 278,075</u></u>	<u><u>\$ 316,046</u></u>
<b>Liabilities</b>		
Bank overdraft	\$ 83,269	\$ 76,834
Accounts payable and accrued liabilities	<u><u>33,686</u></u>	<u><u>29,949</u></u>
	<u><u>116,955</u></u>	<u><u>106,783</u></u>
Advances from Delaware Nation	<u><u>92,975</u></u>	<u><u>49,539</u></u>
Due to Related Parties - Lunaapeew Development	<u><u>79,518</u></u>	<u><u>8,239</u></u>
Due to Related Parties - Naahii Inc	<u><u>395,266</u></u>	<u><u>384,145</u></u>
Long-Term Debt	<u><u>-</u></u>	<u><u>40,000</u></u>
	<u><u>684,714</u></u>	<u><u>588,706</u></u>
<b>Shareholders' Equity</b>		
Capital Stock	<u><u>100</u></u>	<u><u>100</u></u>
Deficit	<u><u>(540,568)</u></u>	<u><u>(406,589)</u></u>
Contributed Surplus	<u><u>133,829</u></u>	<u><u>133,829</u></u>
	<u><u>(406,639)</u></u>	<u><u>(272,660)</u></u>
	<u><u>\$ 278,075</u></u>	<u><u>\$ 316,046</u></u>

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**Moravian Of The Thames First Nation**  
**Notes To Financial Statements**  
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<b>8. Investment in Business Enterprises cont'd...</b>	<b>2017</b>	<b>2016</b>
<b>Naahii Grocery Store Inc.</b>		
<b>Results of Operations</b>		
Revenue		
Sales	<u>\$ 514,696</u>	<u>\$ 402,738</u>
Cost of Sales		
Inventory, beginning	<u>48,848</u>	<u>62,237</u>
Purchases	<u>427,619</u>	<u>348,518</u>
	<u>476,467</u>	<u>410,755</u>
Inventory, ending	<u>52,000</u>	<u>48,848</u>
	<u>424,467</u>	<u>361,907</u>
Gross Profit	<u>90,229</u>	<u>40,831</u>
Expenditures		
Advertising	<u>-</u>	<u>295</u>
Amortization	<u>40,796</u>	<u>49,273</u>
Bank charges and interest	<u>8,428</u>	<u>7,733</u>
Interest on long-term debt	<u>7,268</u>	<u>4,885</u>
Office	<u>9,219</u>	<u>4,639</u>
Professional fees	<u>5,000</u>	<u>9,789</u>
Rent	<u>-</u>	<u>-</u>
Repairs and maintenance	<u>445</u>	<u>4,715</u>
Sub-contract	<u>2,809</u>	<u>6,774</u>
Telephone	<u>1,871</u>	<u>3,565</u>
Utilities	<u>30,048</u>	<u>29,195</u>
Travel	<u>1,870</u>	<u>-</u>
Wages	<u>116,454</u>	<u>109,498</u>
	<u>224,208</u>	<u>230,361</u>
Deficiency Of Revenues Over Expenditures	<u>\$ (133,979)</u>	<u>\$ (189,530)</u>

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**Moravian Of The Thames First Nation**  
**Notes To Financial Statements**  
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<b>9. Loans Receivable</b>	<b>2017</b>	<b>2016</b>
Housing loans	\$ 580,475	\$ 590,325
Sanitation loans	121,272	131,105
100% repayable	184,086	150,839
Custom and miscellaneous loans	4,969	6,665
Renovation loans	<u>-</u>	<u>2,748</u>
	<u>890,802</u>	<u>881,682</u>
Allowance for doubtful accounts	<u>890,802</u>	<u>881,682</u>
	<u>\$ _____ -</u>	<u>\$ _____ -</u>

Due to the history of poor collections and accountability, the above loans have been recognized as substantially doubtful.

During the year, \$33,043 (2016 - \$61,784) was collected or adjustments made on these loans and \$42,163 (2016 - \$15,447) were new loans added. Payments were applied to the appropriate loans and an adjustment was made to reduce the allowance. This recovery to the allowance is recognized as revenue in the Housing loan repayment program.

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<b>10. Accounts Payable and Accrued Liabilities</b>	<b>2017</b>	<b>2016</b>
Trades payable	\$ 149,216	\$ 135,856
Other accrued liabilities	<u>1,851</u>	<u>2,501</u>
	<u>\$ 151,067</u>	<u>\$ 138,357</u>

**Moravian Of The Thames First Nation**  
**Notes To Financial Statements**  
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<b>11. Payable to Funding Source</b>	<b>2017</b>	<b>2016</b>
Federal government	\$ 48,196	\$ 53,849
Provincial government	<u>73,335</u>	<u>25,704</u>
	<u>\$ 121,531</u>	<u>\$ 79,553</u>

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<b>12. Deferred Revenue</b>	<b>2017</b>	<b>2016</b>
Administration - police funds	\$ -	\$ 1,777
ASETS Childcare funding	1,704	6,642
ASETS CRF funding	18,867	14,629
ASETS EI Funding	2,367	2,709
Children's fund	6,206	15,297
Energy plan	46,097	1,097
Headstart fundraising	12,058	18,119
Housing loan repayments	-	18,753
Land claims	-	64,819
Language	18,333	43,984
Lifelong learning	-	23,353
Loan Repayments	22,942	-
Minor capital	67,531	-
New Relationships	714	3,669
Recreation	234	227
Rental properties	50,448	36,568
Youth Centre	-	16,160
CMHC	-	55,458
Other	<u>-</u>	<u>177</u>
	<u>\$ 247,501</u>	<u>\$ 323,438</u>

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**Moravian Of The Thames First Nation**  
**Notes To Financial Statements**  
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<b>13. Long-Term Debt</b>	<b>2017</b>	<b>2016</b>
BMO Loan payable at 2.88%, repayable in monthly instalments of \$2,412 principal and interest, due July 1, 2017.	\$ 142,325	\$ 171,272
BMO Loan payable. No terms of repayment as of July 13, 2017.	40,000	-
Mortgage payable at 0.72%, repayable in monthly instalments. The terms of repayment have not been determined yet. Loan is recorded as current.	275,008	-
Mortgage payable at 1.92%, repayable in monthly instalments of \$1,099 principal and interest. The mortgage is due April 1, 2019.	237,472	246,044
Mortgage payable at 2.17%, repayable in monthly instalments of \$1,476 principal and interest. The mortgage is due December 1, 2020.	270,636	283,378
Mortgage payable at 2.65%, repayable in monthly instalments of \$5,170 principal and interest. The mortgage is due April 1, 2021.	497,105	548,519
Mortgage payable at 1.49%, repayable in monthly instalments of \$2,090 principal and interest. The mortgage is due March, 2022.	<u>431,817</u>	<u>450,420</u>
	1,894,363	1,699,633
Current portion	<u>550,149</u>	<u>694,681</u>
	<u>\$ 1,344,214</u>	<u>\$ 1,004,952</u>

The principal reduction required over the next five years are as follows:

<b>2018</b>	\$ 550,149
<b>2019</b>	93,997
<b>2020</b>	306,061
<b>2021</b>	305,918
<b>2022</b>	<u>638,238</u>
	<u>\$ 1,894,363</u>

**Moravian Of The Thames First Nation**  
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**14. Tangible Capital Assets**

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2017	Total 2016
<b>Tangible Capital Assets</b>								
Computers	\$ 251,676	\$ 11,691	\$ 263,367	\$ 207,221	\$ 16,844	\$ 224,065	\$ 39,302	\$ 44,455
Equipment	577,031	32,831	609,862	448,485	32,275	480,760	129,102	128,546
Furniture and fixtures	102,653	-	102,653	57,654	9,000	66,654	35,999	44,999
Land improvements	25,009	-	25,009	3,750	1,252	5,002	20,007	21,259
Roads	384,617	-	384,617	218,291	13,306	231,597	153,020	166,326
Fencing	19,006	-	19,006	6,537	1,247	7,784	11,222	12,469
Band buildings	5,538,871	151,913	5,690,784	1,814,414	185,250	1,999,664	3,691,120	3,724,457
Water system	4,733,615	-	4,733,615	2,426,401	92,289	2,518,690	2,214,925	2,307,214
Infrastructure	251,981	-	251,981	115,386	5,464	120,850	131,131	136,595
Vehicles	496,402	-	496,402	421,379	22,505	443,884	52,518	75,023
Internet towers	40,129	-	40,129	15,771	2,436	18,207	21,922	24,358
Prior to March 31, 1998	1	-	1	-	-	-	1	1
	<u>12,420,991</u>	<u>196,435</u>	<u>12,617,426</u>	<u>5,735,289</u>	<u>381,868</u>	<u>6,117,157</u>	<u>6,500,269</u>	<u>6,685,702</u>
<b>Assets Under Construction</b>								
Construction of new homes	<u>238,962</u>	<u>170,374</u>	<u>409,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,336</u>	<u>238,962</u>
<b>Total</b>	<b>\$ 12,659,953</b>	<b>\$ 366,809</b>	<b>\$ 13,026,762</b>	<b>\$ 5,735,289</b>	<b>\$ 381,868</b>	<b>\$ 6,117,157</b>	<b>\$ 6,909,605</b>	<b>\$ 6,924,664</b>

Assets under construction having a value of \$409,336 have not been amortized. Amortization of these assets will commence when the asset is put into service.

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**Moravian Of The Thames First Nation**  
**Notes To Financial Statements**  
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<b>15. Accumulated Surplus</b>	<b>2017</b>	<b>2016</b>
Accumulated surplus consists of the following individual surplus funds, reserves and reserve funds:		
<b>Surplus</b>		
Invested in tangible capital assets	\$ 6,909,605	\$ 6,924,664
Equity in Lunaapeew Development LP	8,724	269,370
Equity in Naahii Inc.	869,679	903,552
Equity In Naahii Grocery Store Inc	(406,640)	(272,660)
	<b>\$ 7,381,368</b>	<b>\$ 7,824,926</b>
<b>Reserves</b>		
Operating	<b>\$ 6,305,725</b>	<b>\$ 5,782,025</b>
<b>Reserves Funds</b>		
Trust	174,487	170,717
Replacement Reserve	148,102	67,784
	<b>\$ 322,589</b>	<b>\$ 238,501</b>
<b>Accumulated Surplus</b>	<b>\$ 14,009,682</b>	<b>\$13,845,452</b>

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<b>16. Expenses By Object</b>	<b>2017</b>	<b>2016</b>
Administration	\$ 329,695	\$ 298,515
Amortization	381,867	392,997
Bad debt	6,000	(12,000)
Interest on debt	21,762	32,108
Interest and bank charges	726	482
Office and other	264,806	316,681
Operations and maintenance	598,342	566,075
Professional services	97,595	120,465
Utilities	105,596	122,853
Program delivery	2,625,407	2,446,960
Travel	124,432	94,615
Wages and benefits	2,015,237	2,258,856
Community support	514,280	664,276
Writedown of accounts receivable	4,272	4,776
	<b>\$ 7,090,017</b>	<b>\$ 7,307,659</b>

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**Moravian Of The Thames First Nation  
Notes To Financial Statements  
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**17. Segmented Information**

Moravian of the Thames First Nation is a diversified local government that provides a wide range of services to its members, including water, fire protection, technical services, recreation, social services, health services, education, social housing and economic development among others. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, requirements and limitations.

The First Nation's services are provided by departments and their activities are recorded in these funds. Certain departments that have been disclosed in the segmented information, along with the service they provide, are as follows:

**Administration**

Manages the administrative operations of the First Nation. Those costs that relate directly to the administration of the various segments have been allocated to the appropriate segment.

**Economic Development**

Manages the development of the First Nation for the members, such as an energy plan, and tourism.

**Education**

Provides elementary and secondary education instructional services and provides financial support to students.

**Childcare**

Manages the activities of the First Nation's children's daycare program.

**Social Services**

Administers the provision of social assistance to qualifying members.

**Land and Trust Services**

Provides housing for members of the First Nation.

**Health**

Provides a variety of health care programs and support to First Nation members.

**Employment Assistance**

Provides employment assistance to members of the First Nation.

**Community Infrastructure**

Manages First Nation infrastructure programs including facilities operations and maintenance, capital projects, water and waste water plant operations and other related activities.

**Community Development**

Undertakes activities of the Munsee-Delaware Nation Service Club

**OFNLP**

Undertakes activities of the Ontario First Nation Limited Partnership fund, which derives revenue from gaming facilities located in the Province of Ontario.

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**17. Segmented Information**

	Administration		Economic Development		Education		Childcare	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>REVENUES</b>								
AANDC	\$ 709,984	707,131	63,700	63,700	643,249	536,553	27,200	27,200
Union of Ontario Indians	-	-	-	-	-	-	-	-
AIAI	-	35,000	-	-	-	-	-	-
Health Canada	-	-	-	-	-	-	-	-
Provincial	-	-	214,199	195,936	-	-	-	-
Ministry of Education	-	-	-	-	-	-	325,867	294,185
MCSS	-	-	-	-	-	-	-	-
Stepping Stones	-	-	-	-	-	-	20,185	20,185
CMHC	-	-	-	-	-	-	-	-
Admin Fees	396,644	352,903	-	-	-	-	-	-
Rental	101,000	91,128	-	-	-	-	-	-
SFNS	102,224	125,345	-	-	604,476	476,042	-	-
OFNLP	-	-	-	-	-	-	-	-
Other	182,395	205,154	5,520	21,032	55,500	125,100	73,770	72,617
	1,492,247	1,516,660	283,419	280,668	1,303,225	1,137,695	447,022	414,187
Repayable to funding source	0	(36,349)	-	61,318	-	18,631	-	-
Deferred revenue - beginning of year	17,074	1,349	4,767	10,840	23,353	91,301	6,642	15,215
Deferred revenue - end of year	(73,736)	(17,074)	46,811	4,767	-	23,353	1,704	6,642
<b>Total revenues</b>	<b>1,435,584</b>	<b>1,464,586</b>	<b>180,056</b>	<b>268,110</b>	<b>1,326,578</b>	<b>1,205,643</b>	<b>451,960</b>	<b>422,760</b>
<b>EXPENDITURES</b>								
Administration	15,334	18,802	19,783	25,625	67,309	45,063	37,158	37,158
Amortization	381,867	392,997	-	-	-	-	-	-
bad debt	6,000	12,000	-	-	-	-	-	-
Interest on debt	-	-	-	-	-	-	-	-
Interest and bank charges	726	482	-	-	-	-	-	-
Office, supplies and other	173,764	238,596	3,693	9,721	3,536	1,322	5,646	5,781
Operations and maintenance	293,591	238,762	-	3,496	70,550	84,980	20,446	22,692
Professional services	23,057	27,408	-	38,223	-	-	-	-
Social assistance payments	-	-	-	-	-	-	-	-
Utilities	19,944	16,060	-	-	4,900	4,956	7,868	6,431
Program delivery	125,012	83,398	24,590	21,565	964,170	967,134	144,163	159,731
Travel	55,152	37,641	2,028	10,255	1,044	2,575	-	-
Wages and benefits	438,723	449,005	129,977	159,225	149,795	168,472	202,233	195,213
Community Support	10,401	-	-	-	-	-	-	-
Written down of accounts receivable	-	2,331	-	-	-	-	-	-
<b>Total expenses</b>	<b>1,543,572</b>	<b>1,493,482</b>	<b>180,070</b>	<b>268,110</b>	<b>1,261,305</b>	<b>1,274,502</b>	<b>417,514</b>	<b>427,005</b>
<b>Loss on investment</b>	<b>(428,498)</b>	<b>(251,614)</b>						
<b>Excess surplus (deficiency) of revenue over expenses</b>	<b>\$ (536,486)</b>	<b>(280,510)</b>	<b>14</b>	<b>0</b>	<b>65,273</b>	<b>68,859</b>	<b>34,446</b>	<b>4,245</b>

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**17. Segmented Information cont..**

	Social Services		Land and Trust Services		Health		Employment Assistance	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>REVENUES</b>								
AANDC	\$ -	-	55,004	28,377	-	-	37,300	11,400
Union of Ontario Indians	-	-	-	-	-	-	-	-
AIAI	-	-	-	-	318,823	236,944	-	-
Health Canada	-	-	-	-	1,018,531	1,032,347	-	-
Provincial	-	-	-	-	-	-	-	-
Ministry of Education	-	-	-	-	-	-	-	-
MCSS	-	-	-	-	-	-	-	-
Stepping Stones	614,689	637,435	-	-	-	-	-	-
CMHC	-	-	106,784	112,201	-	-	9,600	9,770
Admin Fees	-	-	-	704	-	-	-	-
Rental	-	-	137,928	139,003	-	-	-	-
SFNS	-	-	-	-	-	-	-	-
OFNLP	-	-	-	-	-	-	-	-
Other	-	-	33,163	48,126	-	-	218,666	231,380
	614,689	637,435	332,879	328,411	1,337,354	1,269,291	265,566	252,550
Repayable to funding source	-	-	-	-	6,554	13,090	-	-
Deferred revenue - beginning of year	-	-	55,322	49,370	-	4,011	17,339	11,363
Deferred revenue - end of year	-	-	73,390	55,322	-	-	21,234	17,339
Total revenues	614,689	637,435	314,811	322,460	1,330,801	1,260,212	261,671	246,575
<b>EXPENDITURES</b>								
Administration	-	-	14,718	12,157	107,466	101,900	23,841	24,568
Amortization	-	-	-	-	-	-	-	-
bad debt	-	-	-	-	-	-	-	-
Interest on debt	-	-	21,762	32,108	-	-	-	-
Interest and bank charges	-	-	-	-	-	-	-	-
Office and other	12,924	13,362	21,555	13,466	17,253	11,553	-	-
Operations and maintenance	-	-	67,775	67,134	19,639	22,484	-	-
Professional services	-	-	10,000	3,100	52,707	51,733	-	-
Social assistance payments	-	-	-	-	-	-	-	-
Utilities	-	-	15,899	18,699	23,220	20,017	-	-
Program delivery	516,812	530,404	16,332	22,037	519,214	394,717	215,930	185,565
travel	9,537	7,108	9,028	6,300	36,505	23,538	-	-
Wages and benefits	75,416	86,561	29,078	39,933	554,797	631,019	21,900	36,442
Community support	-	-	-	-	-	-	-	-
Writtenown of accounts receivable	-	-	-	-	-	-	-	-
Total expenses	614,689	637,435	206,146	214,935	1,330,802	1,256,961	261,671	246,575
Prior year adjustment	-	-	-	-	-	-	-	-
CMHC Operating surplus reallocation	-	-	17,339	22,250	-	-	-	-
Excess surplus (deficiency) of revenue over expenses	\$ -	-	91,326	85,274	1	3,251	0	-

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**17. Segmented Information cont..**

	Community Infrastructure		Community Development		OFNLP	
	2017	2016	2017	2016	2017	2016
<b>REVENUES</b>						
AANDC	\$ 169,163	164,323	60,000	52,174	-	-
Union of Ontario Indians	-	-	-	-	-	-
AIAI	-	-	-	9,000	-	-
Health Canada	-	-	-	-	-	-
Provincial	19,482	19,482	97,325	68,301	-	-
Ministry of Education	-	-	-	-	-	-
MCSS	-	-	176,467	208,695	-	-
Stepping Stones	-	-	-	-	-	-
CMHC	-	-	-	-	-	-
Admin Fees	-	-	-	-	-	-
Rental	-	-	5,527	6,188	-	-
SFNS	-	-	-	-	-	-
OFNLP	-	-	-	-	829,112	736,830
Other	17,978	18,414	151,010	339,011	54,112	67,084
	206,623	202,219	490,329	683,369	883,224	803,914
Repayable to funding source	-	-	883	-	-	-
Deferred revenue - beginning of year	-	-	143,310	45,748	-	-
Deferred revenue - end of year	-	-	30,625	143,310	-	-
<b>Total revenues</b>	<b>206,623</b>	<b>202,219</b>	<b>602,130</b>	<b>585,806</b>	<b>883,224</b>	<b>803,914</b>
<b>EXPENDITURES</b>						
Administration	28,297	25,744	15,791	7,500	-	-
Amortization	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-
Interest on debt	-	-	-	-	-	-
Interest and bank charges	-	-	-	-	-	-
Office and other	7,555	8,035	18,880	14,846	-	-
Operations and maintenance	102,193	113,310	24,149	13,217	-	-
Professional services	-	-	11,831	-	-	-
Social assistance payments	-	-	-	-	-	-
Utilities	9,025	19,773	24,739	36,918	-	-
Program delivery	-	-	99,183	82,409	-	-
Travel	6,845	1,787	4,294	5,410	-	-
Wages and benefits	49,805	67,419	363,513	425,566	-	-
Community support	-	-	-	-	503,878	664,276
Write-down of accounts receivable	4,272	2,445	-	-	-	-
<b>Total expenses</b>	<b>207,990</b>	<b>238,512</b>	<b>562,380</b>	<b>585,866</b>	<b>503,878</b>	<b>664,276</b>
adjustment to prior year surplus	-	-	-	-	-	-
<b>Excess surplus of revenue over expenses</b>	<b>\$ - 1,367</b>	<b>- 36,293</b>	<b>39,750</b>	<b>- 59</b>	<b>379,346</b>	<b>139,638</b>

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**Moravian Of The Thames First Nation  
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**18. Contingent Liability**

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Moravian of the Thames First Nation has entered into contribution agreements with various federal 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 guaranteed housing loans, to a third party financial institution, for members living on the reserve. Total value for this program is \$500,000. As of the end of the year, no loans were in default. Any potential amounts required to be paid under this guarantee have not been reflected in the financial statements and will be charged to operations in the year incurred.

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**19. Financial Instruments Risks Disclosures**

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The main risks of Moravian of the Thames First Nation financial instruments are exposed to are credit risk, liquidity risk, and market risk each of which is discussed below.

**Credit Risk**

Moravian of the Thames First Nation is exposed to credit risk in the event of non-payment by their customers for their accounts receivable. Moravian of the Thames First Nation believes there is high risk associated with these amounts due to nonpayment's to housing loans.

**Liquidity Risk**

Liquidity risk relates to the risk the Moravian of the Thames First Nation will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on its balance sheet consist of accounts payable and accrued liabilities. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations.

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**19. Financial Instruments Risks Disclosures cont'd...**

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**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

*Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. All of Moravian of the Thames First Nation financial instruments are in Canadian dollars and consequently is not subject to currency risk.

*Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Moravian of the Thames First Nation is exposed to interest rate price risk to the extent that a portion of the long-term debt is at a fixed interest rate

*Other Price Risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk and interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Moravian of the Thames First Nation is not exposed to other price risk.

**Changes in Financial Instruments Risks Disclosures**

There have been no significant changes in these risk exposures from the prior year.

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**20. Comparative Figures**

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The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.