

Consolidated Financial Statements of

WALPOLE ISLAND FIRST NATION

March 31, 2018



Tel: (519)336-9900
Fax: (519)332-4828
www.bdo.ca

BDO Canada LLP
Kenwick Place, 250 Christina Street North
P O Box 730
Sarnia, Ontario N7T 7J7

Independent Auditor's Report

To the Band Council of Walpole Island First Nation

We have audited the accompanying consolidated financial statements of **Walpole Island First Nation** which comprise the consolidated statement of financial position as at March 31, 2018 and the consolidated statement of operations, change in net financial 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 for our audit opinion.

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Opinion

In our opinion, these consolidated financial statements financial statements present fairly, in all material respects, the financial position of Walpole Island First Nation as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Sarnia, Ontario
December 19, 2018

WALPOLE ISLAND FIRST NATION

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WALPOLE ISLAND FIRST NATION
Consolidated Statement of Financial Position
As at March 31, 2018

	<u>2018</u>	<u>2017</u>
FINANCIAL ASSETS		
Cash	\$ 5,521,041	\$ 9,904,137
Short-term deposits	12,371,064	5,450,834
Trust funds in Ottawa (Note 3)	7,637,065	7,469,773
Accounts receivable (Note 4)	5,268,866	2,856,163
Loans to Band members (Note 5)	3,565,426	3,570,694
Investment in related parties (Note 6)	12,050,566	10,651,973
	46,414,028	39,903,574
LIABILITIES		
Accounts payable and accrued charges	3,823,334	2,341,235
Payable to funding sources	1,430,750	784,574
Deferred revenue (Note 7)	1,503,994	1,758,729
Rental deposits	9,325	7,425
Housing commitments	212,112	361,964
Long-term debt (Note 8)	97,240	97,240
	7,076,755	5,351,167
CONTINGENT LIABILITIES (Note 9)		
NET FINANCIAL ASSETS	39,337,273	34,552,407
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	19,411,662	18,718,252
Prepaid assets	296,784	160,953
	19,708,446	18,879,205
ACCUMULATED SURPLUS (Note 11)	\$ 59,045,719	\$ 53,431,612

APPROVED BY THE BAND

 Chief of Band

 Director of Operations

WALPOLE ISLAND FIRST NATION

Consolidated Statement of Operations

For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
REVENUE			
Indigenous and Northern Affairs Canada			
Canada ("INAC")			
Grant	\$ 744,349	\$ 744,349	\$ 741,860
Fixed contribution	9,702,356	9,610,337	8,298,761
Set contribution	1,583,781	1,412,902	2,526,637
Health Canada	-	3,320,867	2,802,368
Canadian Mortgage and Housing Corporation ("CMHC")	-	48,244	24,579
Human Resources and Skills Development Canada	-	1,279,907	1,114,253
Other federal funding	4,552,088	1,213,005	390,483
Province of Ontario	10,985,518	10,540,586	10,034,075
Independent First Nations	-	144,871	68,621
Ontario First Nations Limited Partnership	1,766,223	2,016,521	1,989,574
Lease, rent and hosting	-	1,209,775	1,175,810
Interest and dividends	7,501	376,127	279,166
User fees	-	584,317	614,534
Other	3,028,678	6,711,992	6,814,344
	32,370,494	39,213,800	36,875,065
EXPENSE			
Governance and administration - Schedule 1	2,236,661	2,764,429	2,785,728
Operations and maintenance - Schedule 2	4,482,394	6,395,472	4,171,867
Education - Schedule 3	9,712,505	9,314,183	8,822,754
Health and social - Schedule 4	14,314,134	12,755,153	12,114,241
Economic development - Schedule 5	1,814,101	2,983,847	3,137,739
Housing and Band rentals - Schedule 6	1,107,800	417,493	323,135
Independent First Nations - Schedule 7	144,871	95,098	64,592
	33,812,466	34,725,675	31,420,056
Annual surplus (deficit) from operations before net earnings from government enterprises	(1,441,972)	4,488,125	5,455,009
Net earnings from government enterprises	-	1,125,982	2,613,134
ANNUAL SURPLUS (DEFICIT)	\$ (1,441,972)	5,614,107	8,068,143
Accumulated Surplus, beginning of year (Note 11)		53,431,612	45,363,469
ACCUMULATED SURPLUS, END OF YEAR (Note 11)		\$ 59,045,719	\$ 53,431,612

WALPOLE ISLAND FIRST NATION

Consolidated Statement of Change in Net Financial Assets

For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
ANNUAL SURPLUS			
Annual surplus (deficit)	\$ (1,441,972)	\$ 5,614,107	\$ 8,068,143
Acquisition of tangible capital assets	-	(2,516,878)	(450,492)
Amortization of tangible capital assets	-	1,823,468	1,695,479
	(1,441,972)	4,920,697	9,313,130
Utilization of inventory	-	-	621
Acquisition of prepaid assets	-	(296,784)	(160,953)
Utilization of prepaid assets	-	160,953	109,604
	-	(135,831)	(50,728)
NET CHANGE IN NET FINANCIAL ASSETS	(1,441,972)	4,784,866	9,262,402
Net financial assets, beginning of year	34,552,407	34,552,407	25,290,005
NET FINANCIAL ASSETS, END OF YEAR	\$ 33,110,435	\$ 39,337,273	\$ 34,552,407

WALPOLE ISLAND FIRST NATION

Consolidated Statement of Cash Flows

As at March 31, 2018

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 5,614,107	\$ 8,068,143
Items not affecting cash		
Amortization of tangible capital assets	1,823,468	1,695,479
	<u>7,437,575</u>	<u>9,763,622</u>
Changes in non-cash working capital items		
Accounts receivable	(2,412,703)	(656,614)
Accounts payable	1,482,099	1,338
Payable to funding sources	646,176	495,808
Deferred revenue	(254,735)	477,065
Rental deposits	1,900	75
Housing commitments	(149,852)	33,537
Inventory	-	621
Prepaid expenses	(135,831)	(51,349)
	<u>6,614,629</u>	<u>10,064,103</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,516,878)	(450,492)
INVESTING ACTIVITIES		
Purchase of short-term investments	(6,920,230)	(412,298)
Increase in trust funds in Ottawa	(167,292)	(141,583)
Increase in investment in related parties	(1,398,593)	(2,612,776)
Net decrease in loans to Band members	5,268	(103,447)
	<u>(8,480,847)</u>	<u>(3,270,104)</u>
NET CHANGE IN CASH POSITION	(4,383,096)	6,343,507
Cash position, beginning of year	9,904,137	3,560,630
CASH POSITION, END OF YEAR	\$ 5,521,041	\$ 9,904,137

WALPOLE ISLAND FIRST NATION

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

1. PURPOSE OF THE ORGANIZATION

The Walpole Island First Nation is located in Walpole Island, Ontario. The elected government consists of a Chief and twelve members of Council. The organization manages and administers all political, social and economic programs of this First Nation.

2. ACCOUNTING POLICIES

Management's responsibility for the financial statements

These financial statements of the organization are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards for local government entities.

Basis of presentation

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government entities as defined in the CPA Canada Public Sector Accounting Handbook

Principal of consolidation

Commercial enterprises that meet the definition of a government business enterprise and government business partnership are included in the consolidated financial statements on a modified equity basis. Under the modified equity method of accounting, only Walpole Island First Nation's investment in the government business enterprise, government business partnership and the First Nation's portion of the enterprise's and partnership's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise and partnership that are different from those of Walpole Island First Nation and inter-organizational balances and transactions are not eliminated.

Organizations accounted for on a modified equity basis include:

Three Fires Development Corporation
Tahgahoning Enterprises Inc.
Walpole Algonac Ferry Ltd.
Giiwedini Noodin FN Energy Corporation

Short-term deposits

Short-term deposits consisting of guaranteed investment certificates are recorded at cost.

Loans to Band members

Funding received for the purpose of building and renovating houses and the commitment of those funds to a particular First Nation member are netted together in the specific program. Commitments outstanding at the end of the year are reported as liabilities.

WALPOLE ISLAND FIRST NATION

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

2. ACCOUNTING POLICIES - continued

Loans to Band members – continued

Agreements exist between the Council and the members regarding the terms of repayment of various expenses. The portion of the expenses determined to be repayable are recorded as loans due from the members on the Consolidated Statement of Financial Position.

Loans to band members are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. When the loss is known with sufficient precision and there is no realistic prospect of recovery, the loan receivable is reduced by the amount of the loss. Loans are reviewed on an annual basis by management.

Tangible capital assets

Tangible capital assets have been recorded at cost less accumulated amortization. Cost includes all amounts that are directly related to the acquisition, design, construction, development, improvement and betterment of assets. Costs includes overhead directly attributed to construction and development, as well as interest costs that are directly attributed to the acquisition or construction of the asset.

Amortization is computed using the following annual rates and methods:

Buildings and structures	10 – 40 years	straight-line
Infrastructure	5 – 25 years	straight-line
Vehicles	5 years	straight-line
Equipment	10 - 20 years	straight-line
Computer hardware	3 years	straight-line

Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that give rise to the revenues. All revenues are recorded on an accrual basis.

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 consolidated statement of operations as the stipulation is settled.

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized in revenue when used for the specific purpose.

Rental revenue is recognized when it is due in accordance with the respective agreements.

Investment income earned is recognized as revenue on an accrual basis.

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

WALPOLE ISLAND FIRST NATION

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

2. ACCOUNTING POLICIES - continued

Liability for contaminated sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the First Nation is directly responsible or accepts responsibility; it is expected the future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributed to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded at net of any expected recoveries. At March 31, 2018, the First Nation has not identified any instances that meet the criteria for a liability for contaminated sites.

Management estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditure during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known.

Reserve Accounting

The First Nation records accounting transactions using the reserve accounting method generally in use for government organizations. A reserve is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various reserves have been amalgamated for the purpose of presentation in the financial statements. The First Nation maintains the following reserves:

Operating – the operating reserve reports the general activities of the First Nation administration

Enterprise – the enterprise reserve reports the activities of the various investments in government business enterprises. These government business enterprises include wholly owned subsidiaries Three Fires Development Corporation, Tahgahoning Enterprises Inc., Walpole Algonac Ferry Ltd. The reserve also reports the First Nation's proportionate share of its government business partnership in Giiwedín Noodin FN Energy Corporation.

Internally restricted – the internally restricted reserve reports the designated assets, as established by the First Nation's council, which require Band Council motion to release any portion of these funds for expenditure.

Externally restricted – the externally restricted reserve reports the activities and assets of all externally restricted assets, including the Trust funds in Ottawa and Ontario First Nations Limited Partnership.

WALPOLE ISLAND FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

3. TRUST FUNDS IN OTTAWA

	<u>2018</u>	<u>2017</u>
Revenue trust fund	\$ 6,799,367	\$ 6,632,075
Capital trust fund	837,698	837,698
	<u>\$ 7,637,065</u>	<u>\$ 7,469,773</u>

4. ACCOUNTS RECEIVABLE

Federal Government programs	\$ 3,559,234	\$ 1,767,324
Provincial Government programs	529,171	220,502
Other program receivables	1,099,449	814,506
Other receivables – net of allowance	46,952	39,155
HST recoverable	34,060	14,676
	<u>\$ 5,268,866</u>	<u>\$ 2,856,163</u>

5. LOANS TO BAND MEMBERS

Housing loans	\$ 6,815,303	\$ 6,820,571
Less: allowance for doubtful loans	3,249,877	3,249,877
	<u>\$ 3,565,426</u>	<u>\$ 3,570,694</u>

Housing loans are interest free. An allowance for doubtful accounts has been created to allow for loans that may not ultimately be collectible.

WALPOLE ISLAND FIRST NATION

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

6. INVESTMENT IN RELATED PARTIES

The investment in related parties is made up of investments in government business enterprises and government business partnership through advances to and shares in these corporations. The advances to these corporations are non-interest bearing, unsecured and are due on demand.

	<u>2018</u>	<u>2017</u>
Advances to		
Tahgahoning Enterprises Inc.	\$ 457,202	\$ 457,215
Walpole Algonac Ferry Ltd.	407,624	135,000
	864,826	592,215
Equity		
Three Fires Development Corporation	1,318,163	1,298,007
Tahgahoning Enterprises Inc.	5,608,924	5,345,229
Walpole Algonac Ferry Ltd.	296,288	401,682
Giiwedini Noodin FN Energy Corporation	3,962,365	3,014,840
	11,185,740	10,059,758
	\$ 12,050,566	\$ 10,651,973

The shares in Three Fires Development Corporation, Tahgahoning Enterprises Inc. and Walpole Algonac Ferry Ltd. are owned and controlled by the Band and are considered investments in government business enterprises and are accounted for using the modified equity method as indicated in Note 2. Financial statements for each of the Band controlled corporations have been prepared for the year ended March 31, 2018. These financial statements may provide additional information as to the financial affairs and resources of these government business enterprises to the users of these financial statements.

The shares in Giiwedini Noodin FN Energy Corporation are owned 50% by Walpole Island First Nation and are considered an investment in government business partnership and are accounted for using the modified equity method as indicated in Note 2. Financial statements for Giiwedini Noodin FN Energy Corporation have been prepared for the year ended December 31, 2017. These financial statements may provide additional information as to the financial affairs and resources of this government business partnership to the users of these financial statements.

The long-term debt incurred by Giiwedini Noodin FN Energy Corporation for the investment in the partnership is secured by a general security agreement covering all assets of the corporation and a limited resource share pledge agreement with respect to the pledge share capital of this corporation by Walpole Island First Nation. There is no other recourse.

WALPOLE ISLAND FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

7. DEFERRED REVENUE

	<u>2018</u>	<u>2017</u>
Indigenous and Northern Affairs Canada	\$ 42,794	\$ 45,341
Human Resources and Skills Development Canada	286,864	269,561
Other funding sources	241,566	586,823
Leases and hosting agreements	932,770	857,004
	<u>\$ 1,503,994</u>	<u>\$ 1,758,729</u>

8. LONG-TERM DEBT

0% promissory note due March 2020	\$ 97,240	\$ 97,240
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Principal amounts due in the next two years are as follows:

2019	\$ -
2020	\$ 97,240

9. CONTINGENT LIABILITIES

- a) Various claims have been filed against the First Nation for wrongful dismissals. It is Chief and Council's opinion that this claim is unfounded and the First Nation will vigorously defend the claim. The outcome and the amount of losses, if any, are not determinable at this time and accordingly, no provision for losses have been made in these financial statements.
- b) The First Nation has been named defendant in a legal action alleging breach of contract. The damages sought in this legal action amount to \$950,000. The First Nation had filed a counterclaim of \$178,300 for breach of contract against the plaintiff. It is Chief and Council's opinion that this claim is unfounded and the claim will be vigorously defended by the First Nation. The outcome and the amount of losses, if any, are not determinable at this time and accordingly, no provision for losses have been made in these financial statements.

WALPOLE ISLAND FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

10. TANGIBLE CAPITAL ASSETS

		Land	Building and Structures	Infrastructure	Vehicles	Equipment	Computers Hardware	Assets under Construction	2018 Total
Cost, beginning of year	\$	6,600	\$ 17,011,994	\$ 16,676,250	\$ 2,472,941	\$ 2,649,504	\$ 411,547	\$ -	\$ 39,228,836
Additions		-	903,797	346,040	349,810	824,752	92,479	-	2,516,878
Disposals		-	-	-	-	-	(11,049)	-	(11,049)
Cost, end of the year		6,600	17,915,791	17,022,290	2,822,751	3,474,256	492,977	-	41,734,665
Accumulated amortization, beginning of the year		-	8,249,301	7,383,390	2,400,033	2,145,049	332,811	-	20,510,584
Amortization		-	458,594	1,010,420	95,769	183,472	75,213	-	1,823,468
Disposals		-	-	-	-	-	(11,049)	-	(11,049)
Accumulated amortization, end of year		-	8,707,895	8,393,810	2,495,802	2,328,521	396,975	-	22,323,003
Net carrying amount, end of year	\$	6,600	\$ 9,207,896	\$ 8,628,480	\$ 326,949	\$ 1,145,735	\$ 96,002	\$ -	\$ 19,411,662
									2017 Total
Cost, beginning of year	\$	6,600	\$ 16,855,224	\$ 15,558,609	\$ 2,472,941	\$ 2,531,914	\$ 308,498	\$ 1,044,558	\$ 38,778,344
Additions			156,770	58,669	-	117,590	103,049	14,414	450,492
Transfers		-	-	1,058,972	-	-	-	(1,058,972)	-
Cost, end of the year		6,600	17,011,994	16,676,250	2,472,941	2,649,504	411,547	-	39,228,836
Accumulated amortization, beginning of the year		-	7,820,963	6,396,930	2,341,734	2,019,745	235,732	-	18,815,104
Amortization		-	428,338	986,460	58,299	125,304	97,079	-	1,695,480
Accumulated amortization, end of year		-	8,249,301	7,383,390	2,400,033	2,145,049	332,811	-	20,510,584
Net carrying amount, end of year	\$	6,600	\$ 8,762,693	\$ 9,292,860	\$ 72,908	\$ 504,455	\$ 78,736	\$ -	\$ 18,718,252

WALPOLE ISLAND FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

11. ACCUMULATED SURPLUS

The First Nation segregates its accumulated surplus into the following categories:

	<u>2018</u>	<u>2017</u>
Operating reserve	\$ 32,932,061	\$ 29,533,934
Enterprise reserve	12,050,566	10,651,973
Internally restricted reserve		
Economic development	20,000	20,000
Triangle prairie	5,773	5,773
Waterworks	102,892	102,892
Land purchase future development	40,000	-
Aboriginal and treaty rights and defence	3,557,635	3,557,635
Externally restricted reserve		
Trust Funds in Ottawa	7,637,065	7,469,773
Ontario First Nations Limited Partnership	2,699,727	2,089,632
	\$ 59,045,719	\$ 53,431,612

12. CLASSIFICATION OF EXPENSE BY OBJECT (TYPE OF EXPENSE)

The consolidated statement of operations presents the expense by function; the following classifies the same expense by object.

Amortization	\$ 1,823,468	\$ 1,695,479
Bad debts (recovered)	132,740	(441,441)
Consolidated revenue fund		
Administration	113,472	65,340
Childcare	306,232	240,249
Core services	80,086	49,528
Labour market programs	423,347	332,171
Partnership development	47,147	67,524
Construction and renovations	13,989	-
Consulting and management fees	587,867	39,713
Education services and allowances	2,765,207	2,738,502
Employment insurance fund		
Administration	29,296	22,419
Core services	35,432	27,848
Labour market programs	145,894	128,415
Partnership development	23,263	37,727
Equipment	180,168	133,384
General office and supplies	440,829	466,874
Grants, donations and incentives	36,799	74,875
Honoraria	220,963	250,382
Insurance	182,374	177,268

WALPOLE ISLAND FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

12. CLASSIFICATION OF EXPENSE BY OBJECT (TYPE OF EXPENSE) – continued

	<u>2018</u>	<u>2017</u>
Interest and bank charges	29,219	28,013
Lower Indian Reserve distribution	7,390	13,974
Materials, supplies and outside purchases	3,434,498	3,440,585
Miscellaneous	483,854	1,557
Professional fees	383,517	365,822
Program resources	440,601	627,561
Rent and utilities	810,131	888,361
Repairs and maintenance	786,994	651,491
Social assistance benefits	4,996,362	5,115,016
Telephone	175,019	177,410
Training and professional development	1,128,673	927,743
Transportation	677,568	684,619
Travel	451,303	427,878
Vehicle	83,130	35,078
Wages and benefits	13,248,843	11,928,691
	\$ 34,725,675	\$ 31,420,056

13. SEGMENTED INFORMATION

Walpole Island First Nation is a diversified government institution that provides a wide range of services to its members, including education, infrastructure maintenance, medical and other health services, administration, capital, enterprises and other services.

For each reported segment, revenues and expenses include amounts that are directly attributable to the segment and amounts that are allocation on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information, including transfers that have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Services are provided by departments and their activities are reported in these segments. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

WALPOLE ISLAND FIRST NATION

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

13. SEGMENTED INFORMATION – continued

Governance and Administration

The governance and administration department oversees the delivery of all governmental 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 government activities of Chief and Council.

Operations and Maintenance

The operations and maintenance department is responsible for monitoring and maintaining the First Nation resources. This department supports other departments of the First Nation to ensure the continued success of the services being provided to the community. This department is also responsible for public services such as the operation and maintenance of roads, the water and sanitation system and waste management. Maintenance of Band buildings and community infrastructure is also included in this segment.

Education

The education department provides services to elementary students through operation of Bkejwanong Elementary school, Bkejwanong Children's Centre and the public library. It also provides support for secondary students, primarily by entering into service contracts with provincially funded area school boards. In addition, the department supports post-secondary students by providing funds for tuition fees, books and living allowances.

Health and Social

The health department provides a diverse bundle of services directed towards the well-being of members including such activities as medical transportation, home support services, prenatal and early childhood care, nursing, health representation, traditional hearing and many other smaller programs designed to enhance the health of members.

The social assistance department is responsible for administering assistance payments as well as providing services directed towards members.

Economic Development

The economic development provides a wide array of other services, including fire protection, police protection, family violence prevention, youth employment projects and economic development. Also included are community events such as the Pow Wow and Community Days.

Housing and Band Rentals

The housing and band rentals department is responsible for all housing including rental units, CMHC rent-to-own housing and any Residential Repair Assistance Programs (RRAP).

WALPOLE ISLAND FIRST NATION
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

13. SEGMENTED INFORMATION – continued

Independent First Nations

The Independent First Nations department is responsible to provide services to the member of the First Nation that are funded by the Independent First Nations.

14. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the presentation of the current year.

15. BUDGET INFORMATION

The budget amounts for comparison purposes are unaudited and have been reclassified to conform to the financial statement presentation of the current year.

WALPOLE ISLAND FIRST NATION

Schedule of Revenue and Expense

Governance and administration

For the year ended March 31, 2018

Schedule 1

	<u>2018</u>	<u>2017</u>
Revenue		
Indigenous and Northern Affairs Canada		
Grant	\$ 744,349	\$ 741,860
Fixed contribution	507,529	433,512
Set contribution	16,181	263,810
Lease, rent and hosting	121,292	113,575
Other	91,672	99,681
	<u>1,481,023</u>	<u>1,652,438</u>
Expense		
Amortization	187,827	228,637
Equipment	2,374	34,502
General office and supplies	53,455	100,208
Honoraria	175,313	202,875
Insurance	7,895	7,495
Interest and bank charges	28,644	27,830
Material, supplies and outside purchases	132,104	162,855
Professional services	372,118	318,174
Rent and utilities	7,821	5,768
Repairs and Maintenance	-	1,320
Telephone	47,153	48,128
Training and professional development	18,627	25,363
Travel	133,910	127,710
Vehicle	3,145	3,239
Wages and benefits	1,594,043	1,491,624
	<u>2,764,429</u>	<u>2,785,728</u>
Annual deficit	\$ (1,283,406)	\$ (1,133,290)

WALPOLE ISLAND FIRST NATION

Schedule of Revenue and Expense

Operations and maintenance

For the year ended March 31, 2018

Schedule 2

	<u>2018</u>	<u>2017</u>
Revenue		
Indigenous and Northern Affairs Canada		
Fixed contribution	\$ 1,238,509	\$ 1,099,173
Set contribution	60,000	189,103
Other federal funding	761,901	-
Province of Ontario	208,794	208,794
Ontario First Nations Limited Partnership	2,016,521	1,989,574
Lease, rent and hosting	1,001,547	975,678
Interest and dividends	372,186	276,640
User fees	296,039	346,494
Other	5,224,200	5,089,461
	11,179,697	10,174,917
Expense		
Amortization	1,198,431	1,154,032
Bad debts (recovered)	99,330	(368,931)
Consulting and management fees	395,511	30,400
Equipment	16,658	13,019
General office and supplies	18,073	65,605
Grants, donations and incentives	650	-
Honoraria	3,100	3,100
Insurance	99,057	94,762
Interest and bank charges	323	-
Lower Indian Reserve disbursements	7,390	13,974
Material, supplies and outside purchases	1,025,622	771,004
Miscellaneous	483,854	1,557
Program resources	440,601	627,561
Rent and utilities	333,097	360,643
Repair and maintenance	530,807	389,445
Social service benefits	158,752	25,926
Telephone	27,973	25,997
Training and professional development	83,069	22,610
Travel	29,493	7,925
Vehicle	21,453	7,690
Wages and benefits	1,422,228	925,548
	6,395,472	4,171,867
Annual surplus	\$ 4,784,225	\$ 6,003,050

WALPOLE ISLAND FIRST NATION

Schedule of Revenue and Expense

Education

For the year ended March 31, 2018

Schedule 3

	<u>2018</u>	<u>2017</u>
Revenue		
Indigenous and Northern Affairs Canada		
Fixed contribution	\$ 6,143,892	\$ 5,273,353
Set contribution	1,068,344	1,614,213
Province of Ontario	1,197,950	1,207,243
Lease and rent revenue	9,240	10,320
User fees	58,612	67,191
Other	883,600	916,424
	<u>9,361,638</u>	<u>9,088,744</u>
Expense		
Amortization	191,439	142,357
Consulting and management fees	192,356	1,813
Education services and allowances	2,765,207	2,738,502
Equipment	72,122	47,879
General office and supplies	47,263	44,557
Honoraria	36,175	38,182
Insurance	24,438	24,271
Materials, supplies and outside purchases	525,740	605,134
Professional fees	-	12,500
Rent and utilities	149,437	145,175
Repairs and maintenance	60,821	92,385
Telephone	14,772	20,388
Training and professional development	158,239	205,637
Transportation	458,937	444,208
Travel	67,021	57,130
Vehicle	12,166	6,737
Wages and benefits	4,538,050	4,195,899
	<u>9,314,183</u>	<u>8,822,754</u>
Annual surplus	\$ 47,455	\$ 265,990

WALPOLE ISLAND FIRST NATION

Schedule of Revenue and Expense

Health and Social

For the year ended March 31, 2018

Schedule 4

	<u>2018</u>	<u>2017</u>
Revenue		
Indigenous and Northern Affairs Canada		
Fixed contribution	\$ 755,055	\$ 536,675
Set contribution	218,377	412,304
Health Canada	3,305,867	2,703,550
Human Resources and Skills Development Canada	-	17,301
Other federal funding	-	2,400
Province of Ontario	9,040,435	8,442,961
User fees	8,627	4,540
Other	232,012	414,203
	13,560,373	12,533,934
Expense		
Amortization	57,536	19,014
Bad debts	1,257	1,082
Construction and renovations	13,989	-
Equipment	83,875	20,872
General office and supplies	278,360	219,532
Grants, donations and incentives	36,149	74,875
Insurance	12,613	11,902
Materials, supplies and outside purchases	1,258,061	1,087,698
Professional fees	-	8,221
Rent and utilities	112,119	128,358
Repairs and maintenance	28,015	30,191
Social assistance benefits	4,837,610	5,089,090
Telephone	60,159	55,870
Training and professional development	807,195	612,117
Transportation	218,631	240,411
Travel	167,912	156,800
Vehicle	22,707	8,052
Wages and benefits	4,758,965	4,350,156
	12,755,153	12,114,241
Annual surplus	\$ 805,220	\$ 419,693

WALPOLE ISLAND FIRST NATION

Schedule of Revenue and Expense

Economic development

For the year ended March 31, 2018

Schedule 5

	<u>2018</u>	<u>2017</u>
Revenue		
Indigenous and Northern Affairs Canada		
Fixed contribution	\$ 343,026	\$ 559,995
Set contribution	50,000	47,207
Health Canada	15,000	98,818
Human Resources and Skills Development Canada	1,279,907	1,096,952
Other federal funding	451,104	388,083
Province of Ontario	93,407	175,077
Interest and dividends	3,941	2,526
User fees	208,928	180,275
Other	280,508	294,575
	2,725,821	2,843,508
Expense		
Amortization	144,478	117,116
Bad debts (recovery)	32,153	(34,930)
Consolidated revenue fund		
Administration	113,472	65,340
Childcare	306,232	240,249
Core services	80,086	49,528
Labour market programs	423,347	332,171
Partnership development	47,147	67,524
Employment insurance fund		
Administration	29,296	22,419
Core services	35,432	27,848
Labour market programs	145,894	128,415
Partnership development	23,263	37,727
Equipment	-	15,866
General office and supplies	38,750	33,684
Honoraria	3,175	1,625
Insurance	31,797	32,264
Materials, supplies and outside purchases	464,215	759,414
Professional fees	11,399	26,927
Rent and utilities	156,465	192,843
Repairs and maintenance	58,102	90,657
Telephone	22,044	24,178
Training and professional development	39,624	27,827
Travel	50,467	75,473
Vehicle	23,659	9,360
Wages and benefits	703,350	794,214
	2,983,847	3,137,739
Annual deficit	\$ (258,026)	\$ (294,231)

WALPOLE ISLAND FIRST NATION

Schedule of Revenue and Expense

Housing and Band rentals

For the year ended March 31, 2018

Schedule 6

	<u>2018</u>	<u>2017</u>
Revenue		
Indigenous and Northern Affairs Canada		
Fixed contribution	\$ 622,326	\$ 396,053
Canadian Mortgage and Housing Corporation ("CMHC")	48,244	24,579
Lease, rent and hosting	77,696	76,237
User fees	12,111	16,034
	760,377	512,903
Expense		
Amortization	43,757	34,323
Bad debts recovery	-	(38,662)
Consulting and management fees	-	7,500
Equipment	-	1,246
General office and supplies	3,948	1,080
Honoraria	3,200	4,600
Insurance	6,574	6,574
Interest and bank charges	252	183
Materials, supplies and outside purchases	22,211	50,561
Rent and utilities	49,592	53,974
Repairs and maintenance	109,249	47,493
Telephone	2,918	2,849
Training and professional development	799	1,430
Travel	1,781	2,265
Wages and benefits	173,212	147,719
	417,493	323,135
Annual surplus	\$ 342,884	\$ 189,768

WALPOLE ISLAND FIRST NATION

Schedule of Revenue and Expense

Independent First Nations

For the year ended March 31, 2018

Schedule 7

	<u>2018</u>	<u>2017</u>
Revenue		
Independent First Nations	\$ 144,871	\$ 68,621
Expense		
Equipment	5,139	-
General office and supplies	980	2,208
Materials, supplies and outside purchases	6,545	3,919
Rent and utilities	1,600	1,600
Training and professional development	21,120	32,759
Travel	719	575
Wages and benefits	58,995	23,531
	<u>95,098</u>	<u>64,592</u>
Annual surplus	\$ 49,773	\$ 4,029