

Fort William First Nation
Consolidated Financial Statements
For the year ended March 31, 2019

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Independent Auditor's Report

To the Members of Fort William First Nation

Qualified Opinion

We have audited the consolidated financial statements of Fort William First Nation, and its entities (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statement of operations and surplus, the consolidated statement of changes in net financial assets, the consolidated statement of re-measurement gains and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matters discussed in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and its consolidated results of operations, its consolidated changes in net financial assets, its consolidated statement of re-measurement gains and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Summary of Significant Accounting Policies describes the tangible capital asset policy with respect to the First Nation's tangible capital assets. For fiscal years commencing on or after January 1, 2009, Section 3150, Tangible Capital Assets, of the Public Sector Accounting Board Handbook requires that tangible capital assets be capitalized and amortized over their estimated useful lives. The First Nation has not fully adopted these recommendations. Although the First Nation has recognized certain tangible capital assets and amortization as of the date of consolidated financial statement preparation, the First Nation has not gathered the necessary information to be in a position to recognize and disclose a complete inventory of any of its major classes of tangible capital assets. As a result, we have been unable to determine whether any adjustments to the amounts recorded are necessary for the years ended March 31, 2019 and 2018. Our audit opinion on the consolidated financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

As more fully described in Note 15 to the consolidated financial statements, management has excluded the current year and prior years' property tax liabilities in the accompanying consolidated financial statements. Failure to include the taxes as a liability is not in accordance with Canadian public sector accounting standards. Had the liabilities been recorded the consolidated surplus for the year would have decreased by \$871,640 (2018 - \$1,178,552), capital assets would have been increased by \$1,188,553 (2018 - \$1,188,553), accounts payable would have been increased by \$7,002,126 (2018 - \$6,345,534), disputed property taxes receivable would have been decreased by \$9,609,429 (2018 - \$9,394,381) and the consolidated accumulated surplus would have been decreased by \$16,611,555 (2018 - \$15,739,915). Our audit opinion on the consolidated financial statements for the year ended March 31, 2018 was modified because of the effects of this departure from Canadian public sector accounting standards.

In addition, the First Nation has not included disclosure of budget information as required by Canadian Public Sector Accounting Standards because consolidated budgets were not prepared.

Independent Auditor's Report (cont'd)

Basis for Qualified Opinion (cont'd)

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (cont'd)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
September 1, 2021

Fort William First Nation Management's Statement of Responsibility for Financial Reporting

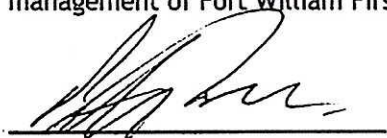
March 31, 2019

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

These consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles for governments in Canada as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Management is responsible 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.

The Chief and Council are 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 consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian auditing standards on behalf of the members. BDO Canada LLP have access to financial management of Fort William First Nation and meet when required.



Chief



Chief Executive Officer

Fort William First Nation Consolidated Statement of Financial Position

March 31	2019	2018
Financial assets		
Cash (Note 2)	\$ 31,058,751	\$ 47,848,057
Investments (Note 4)	5,904,118	5,765,871
Deposits	8,000	8,000
Accounts receivable (Note 5)	2,884,744	3,526,347
Due from government and government organizations (Note 6)	3,147,613	2,491,208
Trust funds held by federal government (Note 7)	1,686,741	1,773,366
Inventory	363,174	712,293
Investments in and advances to corporations (Note 14)	1,230,539	1,006,991
	<u>46,283,680</u>	<u>63,132,133</u>
Liabilities		
Accounts payable and accruals (Note 8)	7,625,281	9,140,734
Due to government and government organizations (Note 9)	1,899,454	980,203
Tenant deposits	33,333	43,696
Deferred revenue (Note 10)	2,258,515	1,641,494
Long term debt (Note 11)	4,726,473	4,191,574
Amounts held in trust for minors (Note 12)	25,283,987	27,516,843
	<u>41,827,043</u>	<u>43,514,544</u>
Net financial assets	<u>4,456,637</u>	<u>19,617,589</u>
Non-financial assets		
Prepaid expenses	68,263	76,572
Land claim costs	342,284	333,521
Tangible capital assets (Note 13)	33,887,510	31,035,671
Community and youth trust accounts (Notes 4 and 12)	110,948,450	95,857,968
Disputed property taxes receivable (Note 15)	9,609,429	9,394,381
	<u>154,855,936</u>	<u>136,698,113</u>
Accumulated surplus and re-measurement gains		
Accumulated surplus (Note 16)	142,887,727	141,464,355
Accumulated re-measurement gains	16,424,846	14,851,347
	<u>\$ 159,312,573</u>	<u>\$ 156,315,702</u>

On behalf of the Band:

 Chief

 Councilor

The accompanying notes are an integral part of these consolidated financial statements.

Fort William First Nation Consolidated Statement of Operations and Surplus

For the year ended March 31	2019	2018
Revenue		
Indigenous Services Canada (Note 10)	\$ 7,631,699	\$ 9,409,067
Canada Mortgage and Housing Corporation Subsidy (Note 10)	183,116	152,830
Health Canada (Note 10)	614,163	626,554
Ministry of Community and Social Services (Note 10)	2,673,492	2,442,617
Ministry of Health (Note 10)	108,789	129,945
Ministry of Transportation (Note 10)	41,250	32,997
Other revenue (Note 24)	9,760,002	9,456,735
Investment income	5,764,084	6,948,832
Lottery Fund revenue	1,697,389	1,201,538
	28,473,984	30,401,115
Expenses (Note 25)		
Administration	1,329,421	649,001
Public Works	1,619,592	1,742,733
Education	4,547,116	4,524,736
Social Services and Health	4,456,417	3,899,103
Development and Employment	1,148,714	877,033
New Relationship Fund	81,812	101,051
Region	4,242,392	3,988,344
Band Operations	2,533,285	2,589,288
Gaming Activities	4,634,388	4,387,380
Housing Operations	800,734	480,117
Rental Operations	781,594	1,196,551
Lottery Fund	874,746	646,225
Specific Claim Trust Fund	401	25,202
	27,050,612	25,106,764
Surplus for the year	1,423,372	5,294,351
Accumulated surplus, beginning of year	141,464,355	136,170,004
Accumulated surplus, end of year	\$ 142,887,727	\$ 141,464,355

The accompanying notes are an integral part of these consolidated financial statements.

Fort William First Nation

Consolidated Statement of Re-Measurement Gains

For the year ended March 31	2019	2018
Accumulated re-measurement gains, beginning of year	<u>\$ 14,851,347</u>	<u>\$ 15,491,729</u>
Unrealized gains (losses) attributable to:		
Community and youth trust accounts	<u>1,573,499</u>	<u>(640,382)</u>
Accumulated re-measurement gains, end of year	<u>\$ 16,424,846</u>	<u>\$ 14,851,347</u>

The accompanying notes are an integral part of these consolidated financial statements.

Fort William First Nation Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2019	2018
Annual surplus	\$ 1,423,372	\$ 5,294,351
Acquisition of tangible capital assets	(5,611,525)	(4,708,946)
Amortization of tangible capital assets	2,759,686	2,641,525
Unrealized gain (loss) of investments	1,573,499	(640,382)
	<u>145,032</u>	<u>2,586,548</u>
Change in disputed property tax receivable	(215,048)	(541,570)
Change in prepaid expenses	8,309	(18,664)
Change in land claim costs	(8,763)	(2,990)
Change in community and youth trust accounts	(15,090,482)	985,935
	<u>(15,305,984)</u>	<u>422,711</u>
Net change in net financial assets	(15,160,952)	3,009,259
Net financial assets, beginning of year	<u>19,617,589</u>	<u>16,608,330</u>
Net financial assets, end of year	<u>\$ 4,456,637</u>	<u>\$ 19,617,589</u>

The accompanying notes are an integral part of these consolidated financial statements.

Fort William First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2019	2018
Cash flows from operating activities		
Surplus for the year	\$ 1,423,372	\$ 5,294,351
Adjustment for capital and investment transactions included in operations		
Amortization	2,759,686	2,641,525
Unrealized gain (loss) community youth trust accounts	1,573,499	(640,382)
Increase in non-cash working capital components (Note 17)	(17,330,990)	37,818,288
	<u>(11,574,433)</u>	<u>45,113,782</u>
Cash provided by (used in) financing activities		
Repayment of long-term debt	(175,095)	(1,572,869)
Advances of long-term debt	709,994	2,607,124
	<u>534,899</u>	<u>1,034,255</u>
Cash provided by (used in) investment activities		
Purchase of capital assets	(5,611,525)	(4,708,946)
Net cash increase (decrease) during the year	<u>(16,651,059)</u>	<u>41,439,091</u>
Cash, beginning of year	53,613,928	12,174,837
Cash and cash equivalents, end of year	<u>\$ 36,962,869</u>	<u>\$ 53,613,928</u>
Represented by		
Cash	\$ 31,058,751	\$ 47,848,057
Investments	5,904,118	5,765,871
	<u>\$ 36,962,869</u>	<u>\$ 53,613,928</u>

The accompanying notes are an integral part of these consolidated financial statements.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

1. Significant Accounting Policies

Basis of Financial Statements 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, and include all organizations, operations and activities that are:

- a) accountable for the administration of their financial affairs and resources directly to the First Nation, or
- b) are owned or controlled by the First Nation.

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations which are owned or controlled by the First Nation. These financial statements include:

- Fort William First Nation Boundary Claim Trust
- Fort William First Nation Specific Claim Housing Trust
- Fort William First Nation Consulting Inc.
- Fort William First Nation Construction Corporation
- Fort William First Nation Development Corporation
- Fort William First Nation Land Development Trust
- 1401354 Ontario Ltd
- 1526045 Ontario Ltd.
- Fort William First Nation Grand Trunk Pacific Railway Claim Minors Trust

Investments in Government Business Enterprises are recorded using the modified equity method. Under the modified equity method, the business enterprise's accounting principles are not adjusted to conform with those of the First Nation.

- Anemki Mountain Business Trust is considered a Government Business Enterprise and is recorded using the modified equity method and inter organizational transactions are not eliminated.

Fort William First Nation

Notes to Consolidated Financial Statements

March 31, 2019

1. Significant Accounting Policies (cont'd)

Cash and Cash Equivalents	Cash and cash equivalents consist of cash on hand, bank balances, bank overdrafts and short-term highly liquid investments with maturities of three months or less.																					
Inventories	Raw materials inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average cost method.																					
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a declining balance basis commencing once the asset is available for productive use as follows:</p> <table><tr><td>First Nation housing</td><td>-</td><td>3.5%</td></tr><tr><td>Infrastructure</td><td>-</td><td>5%</td></tr><tr><td>Non-subsidized buildings</td><td>-</td><td>5%</td></tr><tr><td>Automotive</td><td>-</td><td>10%</td></tr><tr><td>Fire and general equipment</td><td>-</td><td>10%</td></tr><tr><td>Other equipment</td><td>-</td><td>20%</td></tr><tr><td>Assets under capital lease obligation</td><td>-</td><td>10%</td></tr></table> <p>Subsidized housing supported by CMHC long term debt is amortized at a rate equivalent to the long term debt principal repayment.</p>	First Nation housing	-	3.5%	Infrastructure	-	5%	Non-subsidized buildings	-	5%	Automotive	-	10%	Fire and general equipment	-	10%	Other equipment	-	20%	Assets under capital lease obligation	-	10%
First Nation housing	-	3.5%																				
Infrastructure	-	5%																				
Non-subsidized buildings	-	5%																				
Automotive	-	10%																				
Fire and general equipment	-	10%																				
Other equipment	-	20%																				
Assets under capital lease obligation	-	10%																				

Fort William First Nation

Notes to Consolidated Financial Statements

March 31, 2019

1. Significant Accounting Policies (cont'd)

Revenue Recognition

Revenues are recognized in the period in which the transactions 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.

Replacement Reserves

Under the terms of agreements with Canada Mortgage and Housing Corporation, the Replacement Reserve for housing is to be credited in varying amounts annually until it accumulates to a maximum amount plus accumulated interest. These funds along with accumulated interest, must be held in separate bank accounts and may only be used as approved by Canada Mortgage and Housing Corporation.

Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

1. Significant Accounting Policies (cont'd)

Financial Instruments

The First Nation classifies its financial instruments as either fair value or amortized cost. The First Nation's accounting policy for each category is as follows:

Fair Value

This category includes equity instrument quoted in an active market. The First Nation has designated its bond portfolio that would otherwise be classified into the amortized cost category at fair value as the First Nation manages and reports performance of it on a fair value basis.

They are initially recognized at cost and subsequently carried at fair value. Unrealised changes in the fair value on investments are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Interest and dividends attributable to these financial instruments are reported in the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

Amortized Cost

This category includes cash, accounts receivable, accounts payable and accrued liabilities, bank loans, and term debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

2. Cash

	2019	2018
Restricted cash		
Youth funds in trust	\$ 3,398,678	\$ 3,386,628
Boundary claim trust	571,975	264,377
Boundary claim interest	4,929,337	5,481,512
Specific housing trust	12,530	(1,776)
Low rental trust	107,254	27,667
GTP claim trust	101,536	-
GTP funds	16,272,446	34,826,461
Consulting Inc.	1,500	2,440
Development Corp.	9,020	60
Unrestricted cash	5,654,475	3,860,688
	<u>\$ 31,058,751</u>	<u>\$ 47,848,057</u>

3. Financial Instruments

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying values shown below.

	2019		
	Fair Value	Amortized Cost	Total
Cash	\$ -	\$ 31,058,751	\$ 31,058,751
Accounts Receivable	-	3,529,575	3,529,575
Investments	5,904,118	-	5,904,118
Deposits	-	8,000	8,000
Community and youth trust accounts	110,948,450	-	110,948,450
Due from Band members	-	-	-
Due from government and government organizations	-	3,147,613	3,147,613
Trust funds held by federal government	-	1,686,741	1,686,741
Investments in and advances to corporations	-	1,230,539	1,230,539
Accounts payable and accruals	-	7,625,281	7,625,281
Due to government and government organizations	-	1,899,454	1,899,454
Tenant deposits	-	33,333	33,333
Amounts held in trust for minors	-	25,283,987	25,283,987
Long term debt	-	4,726,473	4,726,473

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

3. Financial Instruments (cont'd)

	2018		
	Fair Value	Amortized Cost	Total
Cash	\$ -	\$ 47,848,057	\$ 47,848,057
Accounts Receivable	-	3,526,347	3,526,347
Investments	5,765,871	-	5,765,871
Deposits	-	8,000	8,000
Community and youth trust accounts	95,857,968	-	95,857,968
Due from Band members	-	-	-
Due from government and government organizations	-	2,491,208	2,491,208
Trust funds held by federal government	-	1,773,366	1,773,366
Investments in and advances to corporations	-	1,006,991	1,006,991
Accounts payable and accruals	-	9,140,734	9,140,734
Due to government and government organization	-	980,203	980,203
Tenant deposits	-	43,969	43,969
Amounts held in trust for minors	-	27,161,633	27,161,633
Long term debt	-	4,203,514	4,203,514

Investments and Community and youth trust accounts consist of equity and debt instruments. These accounts include Government of Canada, Provincial and Corporate bonds of \$8,355,450 (2018 - \$7,210,750).

Maturity profile of bonds held is as follows:

	2019				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying Value	\$ 640,919	\$ 1,111,238	\$ 3,513,065	\$ 3,090,228	\$ 8,355,450
Percentage	8%	13%	42%	37%	

	2018				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying Value	\$ -	\$ 441,619	\$ 334,551	\$ 6,434,580	\$ 7,210,750
Percentage	0%	6%	5%	89%	

Fort William First Nation

Notes to Consolidated Financial Statements

March 31, 2019

3. Financial Instruments (cont'd)

Credit Risk

Credit risk is the risk of financial loss to the First Nation if a debtor fails to make payments of interest and principal when due. Other than the impairment of receivables disclosed in Note 5, it is management's opinion that the First Nation is not exposed to significant credit risk.

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 equity 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. The First Nation is exposed to currency risk through foreign investments purchased and sold in foreign currencies. Approximately 41% (2018 - 42%) of the First Nation's portfolio investments are in a foreign currency and converted to Canadian dollars at year-end.

The organization considers this risk to be acceptable and therefore does not hedge its foreign exchange rate risks.

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The First Nation is exposed to this risk through its interest bearing investments, bank loans and term debt.

The First Nation holds long-term debt with a variable interest rate which involves risks of default on interest and principal and price changes due to, without limitation, such factors as interest rates and general economic conditions.

The First Nation structures its finances so as to stagger the maturities of debt, thereby minimizing exposure to interest rate fluctuations.

The First Nation's bond portfolio has interest ranging from 1.32% to 5.38% (2018 - 1.37% to 5.38%) with maturities ranging from April 11, 2019 to December 1, 2045 (2018 - February 18, 2018 to April 30, 2043).

At March 31, 2019, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds of \$83,555 (2018- \$72,108). A 1% fluctuation in interest rates would have an estimated impact on interest expense related to the First Nation's Bank loans of \$48,236 (2018 - \$41,916)

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

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

3. Financial Instruments (cont'd)

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The First Nation is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2019, a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the First Nation's equities of \$10,557,508 (2018 - \$9,104,346).

Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the First Nation will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The organization is exposed to this risk mainly in respect of its accounts payable and long-term debt. Unless otherwise noted, the expected cash outflows are within one year.

The First Nation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The First Nation maintains a portion of its invested assets in liquid securities. The organization also maintains certain credit facilities, which can be drawn upon as needed.

There have not been any changes in the risk from the prior year.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

3. Financial Instruments (cont'd)

Financial Instrument Fair Value Measurement

The following table provides an analysis of financial instruments that are measured at fair value, using a fair value hierarchy of levels 1, 2 and 3. The levels reflect the significance of the inputs used in making the fair value measurements, as described below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

		2019			
		Level 1	Level 2	Level 3	Total
Investments Community and youth trust accounts		\$ 5,544,460	\$ 359,658	-	\$ 5,904,118
		98,933,175	12,015,275	-	110,948,450
		<u>\$ 104,477,635</u>	<u>\$ 12,374,933</u>	<u>-</u>	<u>\$ 116,852,568</u>
		2018			
		Level 1	Level 2	Level 3	Total
Investments Community and youth trust accounts		\$ 4,990,730	\$ 775,141	-	\$ 5,765,871
		82,971,196	12,886,772	-	95,857,968
		<u>\$ 87,961,926</u>	<u>\$ 13,661,913</u>	<u>-</u>	<u>\$ 101,623,839</u>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

4. Investments

	2019	2018
a) Investments held in Account #2802196 are as follows:		
Fixed Income Securities:		
Bond Funds (1,228,180 Units)	\$ 15,856,664	\$ 16,157,861
b) Investments held in Account #2802197 are as follows:		
Cash Equivalents:		
Treasury Bills		
(1,720,000 Units, maturing		
between April 5, 2018 - June 28, 2018)	1,712,617	1,974,717
Fixed Income Securities:		
Bond Funds (878,929 Units)	10,805,558	10,530,607
Equity Securities:		
Foreign Preferred Stock (2,560 Units)	140,856	225,415
Canadian Common Stocks (241,695 Units)	9,354,195	9,358,926
Foreign Common Stocks (278,381 Units)	20,173,732	19,892,357
	<u>42,186,958</u>	<u>41,982,022</u>
c) Investments held in Account #2802198 are as follows:		
Cash Equivalents:		
Treasury Bills		
(955,000 Units, Maturing April 4, 2019)	951,508	1,106,812
Fixed Income Securities:		
Canada Bonds		
(2,442,000 Units, 1.5% - 5%, Maturing		
between June 15, 2024 - December 1, 2045)	2,776,856	334,551
Provincial Bonds		
(1,375,000 Units, 2.6% - 4.95%, Maturing		
between June 2, 2027 - June 18, 2040)	1,686,784	1,952,805
Corporate Floating Rate Bonds		
(439,000 Units, floating 1.317%, Maturing		
between April 11, 2019 - February 18, 2020)	-	441,619
Corporate Bonds		
(3,787,000 Units, 1.809% - 5.381%, Maturing		
between November 19, 2019 - November 15, 2041)	3,891,810	4,481,775
Equity Securities:		
Canadian Common Stocks (156,629 Units)	9,337,726	10,138,775
Foreign Common Stocks (278,688 Units)	21,303,622	21,657,985
	<u>39,948,306</u>	<u>40,114,322</u>
	<u>\$ 97,991,928</u>	<u>\$ 98,254,205</u>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

4. Investments (cont'd)

	2019	2018
Balance Forward	\$ 97,991,928	\$ 98,254,205
d) Investments held in Account #2802200 are as follows:		
Cash Equivalents:		
Treasury Bills		
(1,000,000 Units, maturing May 2019)	995,700	-
Mutual Funds:		
Bond Funds (579,316 Units)	7,122,110	-
Canadian Equity Class (32,503 Units)	2,235,170	-
Canada Fund (69,58 Units)	518,656	-
International Equity Fund (41,791 Units)	2,419,790	-
U.S. Equity Fund (50,560 Units)	2,647,174	-
	<u>15,938,600</u>	<u>-</u>
Interest Bearing accounts, Specific Housing Trust	2,562,382	2,900,933
Other	<u>359,658</u>	<u>468,701</u>
	<u>\$ 116,852,568</u>	<u>\$ 101,623,839</u>

The investments listed above are included on the statement of financial position as follows:

	2019	2018
Investments	\$ 5,904,118	\$ 5,765,871
Community and youth trust accounts	<u>110,948,450</u>	<u>95,857,968</u>
	<u>\$ 116,852,568</u>	<u>\$ 101,623,839</u>

The investments arise from the consolidation of the Fort William First Nation Boundary Claim and Specific Claim Housing Trusts fully controlled by the First Nation as follows:

	2019	2018
Investments		
Fort William First Nation Boundary Claim Trust	\$ 5,544,460	\$ 5,297,170
Other	<u>359,658</u>	<u>468,701</u>
	<u>\$ 5,904,118</u>	<u>\$ 5,765,871</u>
Investments held in trust for the Community and Youth	<u>\$ 110,948,450</u>	<u>\$ 95,857,968</u>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

5. Accounts Receivables

	2019	2018
Due from members		
Rents receivable	\$ 74,313	\$ 30,880
Other receivables	328,094	242,085
Allowance for doubtful accounts	(402,407)	(272,965)
	<u>\$ -</u>	<u>\$ -</u>
Due from non-members		
Other receivables	\$ 5,034,618	\$ 5,024,499
Allowance for doubtful accounts	(2,149,874)	(1,498,152)
	<u>\$ 2,884,744</u>	<u>\$ 3,526,347</u>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

6. Due from Government and Government Organizations

	2019	2018
Government of Canada		
Indigenous Services Canada	\$ 1,423,062	\$ 734,061
Health Canada	-	378,598
Canada Mortgage and Housing Corporation	57,028	30,963
Province of Ontario		
Ministry of Energy	101,722	101,722
Ministry of Community and Social Services	-	79,663
Ministry of Transportation	170,764	170,764
Other		
Union of Ontario Indians	553,779	519,896
City of Thunder Bay	60,000	143,942
Dilico Ojibway Child and Family Services	882,980	577,263
	3,249,335	2,736,872
Allowance for doubtful accounts	(101,722)	(245,664)
	<u>\$ 3,147,613</u>	<u>\$ 2,491,208</u>

7. Trust Funds Held by Federal Government

	March 31, 2018	Additions 2019	Withdrawals 2019	March 31, 2019
Revenue	\$ 1,386,000	\$ 1,090,107	\$ (1,176,732)	\$ 1,299,375
Capital	387,366	-	-	387,366
	<u>\$ 1,773,366</u>	<u>\$ 1,090,107</u>	<u>\$ (1,176,732)</u>	<u>\$ 1,686,741</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.

Fort William First Nation

Notes to Consolidated Financial Statements

March 31, 2019

8. Accounts Payable and Accruals

	2019	2018
Trade payables	\$ 3,616,396	\$ 4,795,867
Due to members	4,008,885	4,344,867
	<u>\$ 7,625,281</u>	<u>\$ 9,140,734</u>

9. Due to Government and Government Organizations

	2019	2018
Federal government		
Receiver general	\$ 17,454	\$ 24,441
Repayable to funders	1,521,127	905,895
Provincial government		
Repayable to funders	<u>360,873</u>	<u>49,867</u>
	<u>\$ 1,899,454</u>	<u>\$ 980,203</u>

Fort William First Nation

Notes to Consolidated Financial Statements

March 31, 2019

10. Deferred Revenue and Government Transfers

	Balance March 31, 2018	Funding Received 2019	Funding Repayable 2019	Revenue Recognized 2019	Balance March 31, 2019
Federal Government					
Indigenous Services Canada	\$ 732,911	\$ 9,124,626	\$ (613,938)	\$ 7,631,699	\$ 1,611,901
CMHC	-	183,116	-	183,116	-
Health Canada	-	614,163	-	614,163	-
	<u>732,911</u>	<u>9,921,905</u>	<u>(613,938)</u>	<u>8,428,978</u>	<u>1,611,901</u>
Provincial Government					
Ministry of Health	8,142	177,854	(8,142)	108,789	69,065
Ministry of Community and Social Services	382,072	2,673,492	(382,072)	2,673,492	-
Ministry of Transportation	-	41,250	-	41,250	-
	<u>390,214</u>	<u>2,892,596</u>	<u>(390,214)</u>	<u>2,823,531</u>	<u>69,065</u>
Other					
Ontario First Nations Limited Partnership	-	1,697,389	-	1,697,389	-
Other revenues	518,369	9,820,476	(1,294)	9,760,002	577,549
Investment income	-	5,764,084	-	5,764,084	-
	<u>518,369</u>	<u>17,281,949</u>	<u>(1,294)</u>	<u>17,221,475</u>	<u>577,549</u>
	<u>\$ 1,641,494</u>	<u>\$30,096,450</u>	<u>\$ (1,005,446)</u>	<u>\$28,473,984</u>	<u>\$ 2,258,515</u>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

11. Long Term Debt

	2019	2018
Non-Profit Housing Program - Lynx Court		
Canada Mortgage and Housing Corporation loan, repayable at \$3,971 per month including interest at 1.84%, secured by land and buildings and guaranteed by Indigenous and Northern Affairs Canada, due August 2037	\$ 745,357	\$ 779,078
Non-Profit Housing Program - 8 Unit		
Canada Mortgage and Housing Corporation loan, repayable at \$5,753 per month including interest at 2.39%, secured by land and buildings and guaranteed by Indigenous and Northern Affairs Canada, due February 2043	1,260,550	1,299,238
Land Claims		
Indigenous and Northern Affairs Canada loan, due on settlement of outstanding land claims against the Government of Canada (unless otherwise stated in the claim settlement agreement)	289,074	289,074
Ontario Native Affairs loan, due on settlement of outstanding land claims against the Province of Ontario (unless otherwise stated in the claim settlement agreement)	114,602	114,602
Equipment		
RBC Royal Bank equipment lease, repayable at \$5,000 per month including interest at 5.33%, secured by John Deere Loader, due July 2020	77,057	131,366
RBC Royal Bank equipment lease, repayable at \$3,075 per month including interest at 4.04%, secured by Link Belt Excavator, due January 2023	128,197	159,234
Copier lease repayable at \$139 per month including interest at 3.54%	-	1,909
Copier lease repayable at \$149 per month including interest at 6.25%	3,098	4,641
	\$ 2,617,935	\$ 2,779,142

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

11. Long Term Debt (cont'd)

	2019	2018
Balance Forward	\$ 2,617,935	\$ 2,779,142
RBC - Vehicle Loan, repayable at \$2,923 per month including interest at 4.92%, due September, 2023	141,280	-
RBC - CMHC 8 Unit, bridge financing with per annum interest at Royal Bank prime rate plus 1.00%, due September, 2019	105,308	105,308
RBC - Lagoon Project, repayable in full including monthly interest at prime plus 1.75%, due July 2019	500,000	500,000
RBC - CMHC 11 Unit, bridge financing with per annum interest at Royal Bank prime rate plus 1.00%, due July 2019	1,361,950	807,124
	<u>\$ 4,726,473</u>	<u>\$ 4,191,574</u>

Of the remaining long term debt, principal payments due in the next five years and thereafter are as follows:

Year	Amount
2020	\$ 2,160,927
2021	160,495
2022	143,718
2023	136,228
2024	1,153,654
Thereafter	971,451
	<u>\$ 4,726,473</u>

Fort William First Nation

Notes to Consolidated Financial Statements

March 31, 2019

12. Youth Trust Accounts

As part of the Specific Claim Housing Trust, Loch Lomond and Neebing agreements, all members of Fort William First Nation on the voting day for each respective claim were entitled to receive one time "per capita" payments. All members alive but under the age of 18 on the voting day for each respective claim are not entitled to receive this payment until they reach the age of 18. The Trust has established individual interest-bearing trust bank accounts with the RBC Royal Bank for each member under 18. Once members reach the age of 18, they are entitled to receive the "per capita" payments plus interest that has accrued in their trust bank accounts. For those members under the age of 18, this one time payment was deposited into the pre-existing individual interest bearing trust accounts with the Royal Bank of Canada.

As part of the Boundary Claim Settlement Trust there was a one time "per capita" distribution to members of \$25,000. For those members who were under the age of 18 at the date of the distribution, these monies are held by the Fort William First Nation Boundary Claim Settlement Trust until such time as the member reaches the age of 18. These monies will be distributed to the members as they achieve the age of 18 at the principal amount plus interest calculated at the bank rate plus one percent.

As part of the Grand Trunk Pacific Railway Claim Settlement, a one time "per capita" distribution of \$35,000 per member was declared. For those members who were under the age of 18 at the date of the declaration, these monies are to be held in trust by Fort William First Nation until such time as the member reaches the age of 18. At that time, the \$35,000 distribution is to be paid to each of the minors. At the conclusion of eighteen years from the date of settlement, all investment income earned by the First Nation, net of any holding costs, are to be distributed to the minors on a pro-rata basis calculated based on the time that their monies were held in trust.

The balances payable on these claims at year end are listed below:

	2019	2018
Specific Claim Housing Trust	\$ 2,624,014	\$ 2,947,858
Boundary Claim Settlement Trust	6,839,973	7,523,985
Grand Trunk Pacific Railway Claim Settlement Trust	15,820,000	17,045,000
	<u>\$ 25,283,987</u>	<u>\$ 27,516,843</u>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

13. Tangible capital Assets

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
First Nation housing	\$12,325,308	\$ 3,991,990	\$ 8,550,847	\$ 3,746,311
Infrastructure	19,823,117	13,544,180	19,605,877	13,072,742
Buildings	38,946,161	30,946,207	38,288,214	29,304,822
Automotive, fire and general equipment	5,837,619	3,818,868	5,611,735	3,634,637
Other equipment	639,808	555,645	583,775	531,288
Vacant land	2,377,076	-	2,377,076	-
Construction in progress - Capital projects	6,795,311	-	6,307,947	-
	\$86,744,400	\$52,856,890	\$ 81,325,471	\$ 50,289,800
Net book value		\$ 33,887,510		\$ 31,035,671

Construction in progress are projects which are carried at cost until completion at which time the projects are capitalized. Cost includes all direct costs relating to these projects, as well as interest on debt and overhead costs that can be clearly identified as relating to these projects.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

14. Investments in and Advances to Corporations

Advances outstanding at year end are non-interest bearing, unsecured with no specific terms of repayment unless otherwise noted.

	2019	2018
Current		
Due to FWFN Development Corp.	\$ (119,339)	\$ (128,259)
Due from 1453183 Ontario Ltd.	15,849	15,849
Due to FWFN Energy Corp.	(100)	(100)
	<u>(103,590)</u>	<u>(112,510)</u>
Long-term		
Due from Anemki Mountain Business Trust (Note 23)	1,127,415	912,787
Due from FWFN Land Development Trust	205,714	205,714
	<u>1,333,129</u>	<u>1,118,501</u>
Shares		
Shares in various corporations	1,000	1,000
	<u>1,334,129</u>	<u>1,119,501</u>
Total investments in and advances to corporations	<u>\$ 1,230,539</u>	<u>\$ 1,006,991</u>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

15. Contingent Liabilities

In 1999 the Corporation of the City of Thunder Bay returned approximately 1,100 acres of land that had previously been expropriated in 1905 to Fort William First Nation. Since that time, the City of Thunder Bay has been assessing municipal property taxes on the returned lands. As of March 31, 2019, property taxes owing to the Corporation of the City of Thunder Bay, including interest and penalties, amounted to \$7,002,126 (2018 - \$6,345,534). This amount continues to increase with all subsequent tax assessments, as well as, with interest and penalties accruing monthly.

The First Nation is disputing the taxes charged, as management does not believe the lands have ever left reserve status, and as such, are not subject to municipal taxation.

In 2004, the First Nation applied for an interlocutory injunction to restrain the City of Thunder Bay from collecting unpaid taxes until such time as a decision is rendered regarding the status of the lands; however the court ruled against the injunction.

Had the above mentioned liabilities been recorded, the balances in these consolidated financial statements would have changed as follows:

Consolidated statement of operations	
Surplus for the year	\$ 1,423,372
Adjustment for property taxes not recorded	(871,640)
	<u>\$ 551,732</u>
Consolidated statement of financial position	
Capital assets reported	\$ 33,887,510
Addition for property taxes on vacant land	1,188,553
	<u>\$ 35,076,063</u>
Accounts payable and accruals as reported	\$ 7,625,281
Property taxes, including penalties and interest, not recorded	7,002,126
	<u>\$ 14,627,407</u>
Disputed property taxes receivable as reported	\$ 9,609,429
Tenants' payments applied against payable in excess of payable recorded	(9,609,429)
	<u>\$ -</u>

Fort William First Nation

Notes to Consolidated Financial Statements

March 31, 2019

15. Contingent Liabilities (cont'd)

The First Nation is a party to a claim relating to the band member listing as it pertains to the "per capita" distributions resulting from various claim settlements. The First Nation does not expect the resolution of this matter to have any material adverse effect on the financial position or results of operations of the First Nation. No provision has been provided for in these financial statements as the outcome and measurement are uncertain. Any liability that may be incurred related to this matter will be expensed in the year that it becomes determinable.

16. Accumulated Surplus

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

	2019	2018
Fund balances		
Unrestricted		
Fund balance - General (Note 18)	\$ 40,514,440	\$ 42,668,079
Internally restricted		
Boundary Claim Settlement Trust	99,375,801	95,857,968
Grand Trunk Pacific Railway Minors Trust	157,821	-
Externally restricted		
Equity Revenue Trust	1,299,375	1,386,000
Equity Capital Trust	387,366	387,366
Equity Specific Claim Housing Trust	(35,974)	(35,974)
Replacement Reserve - CMHC	93,990	79,009
Fund balance - Lottery Reserve	1,091,407	1,118,407
Equity in long term investment	3,500	3,500
Accumulated Surplus	\$ 142,887,726	\$ 141,464,355

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

17. Changes in Non-Cash Working Capital Components

	2019	2018
Inventory	\$ 349,119	\$ (74,919)
Trust funds held by federal government	86,625	671,595
Land claim costs	(8,763)	(2,990)
Due from government and other government organizations	(656,405)	(450,693)
Accounts receivable	641,603	97,437,950
Due from Band members	-	873,816
Disputed property taxes receivable	(215,048)	(541,570)
Community and youth trust accounts	15,090,482	985,935
Prepaid expenses	8,309	(18,664)
Accounts payable and accruals	(1,515,453)	(59,036,469)
Due to government and other government organizations	919,251	111,201
Tenant Deposits	(10,363)	33,333
Amounts held in trust for minors	(2,232,856)	(2,672,473)
Deferred revenue	617,021	779,976
Investments in and advances to corporations	(223,548)	(277,740)
	<u>\$ (17,330,990)</u>	<u>\$ 37,818,288</u>

18. General Fund Balance

A portion of this balance includes surpluses or deficits from funds contributed by government agencies. Such surpluses or deficits may be subject to recovery or repayment by the contributing agencies, depending on the terms and conditions of the relevant contribution agreements. These potential liabilities or recoveries are estimated and accrued on an annual basis.

19. Member Distributions

Included in Region expense is per capita distributions to members as approved by Chief and Council. These distributions were as follows:

	2019	2018
Christmas distribution at \$35 per member	\$ 65,275	\$ 63,980
Boundary Claim payment at \$500 per member	1,221,847	1,080,494
Accrued interest on Boundary Claim payment to minors	259,875	166,458
	<u>\$ 1,546,997</u>	<u>\$ 1,310,932</u>

Region department information is also included in Note 25, Segmented Information.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

20. Guarantees

The First Nation has guaranteed bank loans for Band members in the amount of \$1,228,415 (2018 - \$1,330,614).

The First Nation has guaranteed the bank financing for Anemki Mountain Business Trust up to a maximum of \$100,000 (2018 - \$100,000).

The First Nation has a letter of credit for the Ministry of Finance - Alcohol and Gaming up to a maximum of \$120,000 (2018 - \$120,000).

21. Comparative Figures

Certain of the comparative figures presented in the accompanying consolidated financial statements have been reclassified to conform with the current year's presentation.

22. Contaminated Sites Liability

PSAB 3260.08 states that a liability for contaminated sites should be recognized when all of the following criteria have been met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the government is directly responsible or accepts responsibility
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

As at March 31, 2019, The Band has not identified any circumstances where it is directly responsible, accepted responsibility or expects that future economic benefits will be given up to address contaminated sites. Consequently no liability has been accrued in these financial statements.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

23. Investments in Government Business Enterprises

Fort William First Nation's investments in government business enterprises consist of the following:

	2019	2018
Anemki Mountain Business Trust		
Investment	\$ 100	\$ 100
Advances	1,127,415	912,787
	<u>\$ 1,127,515</u>	<u>\$ 912,887</u>

The following table presents condensed financial information for these commercial enterprises:

	2019	2018
Cash	\$ 165,982	\$ 102,610
Accounts receivable	4,856	54,875
Tangible capital assets	1,343,666	875,935
Other assets	46,391	46,960
Total assets	<u>\$ 1,560,895</u>	<u>\$ 1,080,380</u>
Accounts payable	\$ 318,211	\$ 60,526
Long-term debt	1,112,697	931,596
Other liabilities	21,146	31,609
Total liabilities	<u>1,452,054</u>	<u>1,023,731</u>
Equity	<u>108,841</u>	<u>56,649</u>
Total liabilities and equity	<u>\$ 1,560,895</u>	<u>\$ 1,080,380</u>
Revenue	\$ 635,835	\$ 639,177
Expenses	348,774	379,546
Net income	<u>\$ 287,061</u>	<u>\$ 259,631</u>

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

24. Other Revenue

	2019	2018
Rental operations	\$ 2,755,272	\$ 3,212,502
Dilico	311,717	326,635
Union of Ontario Indians	580,916	500,024
Bingo revenue	4,260,419	4,244,065
Equipment rentals	63,146	40,338
Sand and gravel	111,731	138,945
Interest	2,396	96,752
Other	1,674,405	897,474
	<u>\$ 9,760,002</u>	<u>\$ 9,456,735</u>

25. Segmented Information

Fort William First Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes the Fort William First Nation's operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. The services are provided by several entities of Fort William First Nation. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

Administration

Administration contains the administrative activities that are needed to run the Fort William First Nation organization.

Public Works

Public works contains activities relating to the planning and maintenance of community infrastructure and the business operations and investments in enterprises carrying on commercial activities in the First Nation.

Education

Education Services contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

Social Services and Health

Social Services contains activities that provide financial support or support by other means to band members that are aimed at developing both the individual as well as the community. Health contains activities that provide medical services to band members.

Development and Employment

Development and Employment contains all the activities that provide economic development and employment support for the community.

New Relationship Fund

The New Relationship Fund contains the activities that provide economic development and employment support for the community.

Fort William First Nation Notes to Consolidated Financial Statements

March 31, 2019

26. Segmented Information (cont'd)

Capital Projects

Capital Projects contains capital and renovation activities for which a specific project has been set up and separately monitored.

Region

Region contains the activities of the First Nation as it relates to Reserve land management and activities relating the Boundary Claim and Grand Trunk Pacific Railroad Minors Trust'.

Band Operations

Band Operations contains the activities of the First Nation that are not captured directly in another segment.

Gaming Activities

Gaming Activities contains the Mountain Bingo Hall.

Housing Operations

Housing Operations contains activities that provide housing and repairs and maintenance to band members.

Rental Operations

Rental Operations contains band-owned rental properties.

Lottery Fund

The Lottery Fund contains activities related to the OFNLP.

Specific Claim Trust Fund

The Specific Claim Trust Fund contains activities related to the rifle range settlement Trust.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in Note 1. The segment results for the period are as follows:

Fort William First Nation Notes to Consolidated Financial Statements

26. Segmented Information

For the year ended March 31, 2019	Administration	Public Works	Education	Social Services and Health	Development & Employment	Relationship Fund	Capital Projects	Region	Band Operations	Total
Revenue										
Indigenous Services Canada - Operating	\$ 519,764	\$ 536,688	\$ 4,531,670	\$ 186,120	\$ 434,473	\$ -	\$ -	\$ 109,399	\$ 84,554	\$ 6,402,668
Indigenous Services Canada - Capital	-	775,485	-	-	-	-	-	-	-	775,485
Health Canada	-	-	-	614,163	-	-	-	-	-	614,163
Ministry of Community and Social Services	-	-	-	2,673,492	-	-	-	-	-	2,673,492
Ministry of Health and Long Term Care	-	-	-	108,789	-	-	-	-	-	108,789
Ministry of Transportation	-	41,250	-	-	-	-	-	-	-	41,250
Other revenue	(11,810)	272,162	19,752	816,920	587,818	79,706	-	-	2,411,555	4,176,103
Investment revenue	-	-	-	-	-	-	-	5,764,084	-	5,764,084
	507,954	1,625,585	4,551,422	4,399,484	1,022,291	79,706	-	5,873,483	2,496,109	20,556,034
Expenses										
Amortization	47,034	709,157	74,446	8,262	-	-	-	-	1,254,284	2,093,183
Bad debt	644,831	-	-	-	-	-	-	-	-	644,831
Donations	12,462	-	-	-	-	-	-	-	-	12,462
General welfare assistance	-	-	-	2,251,236	-	-	-	-	-	2,251,236
Honorarium	320,773	-	-	400	12,050	-	-	-	-	333,223
Insurance	-	53,928	-	-	-	-	-	-	-	53,928
Interdepartmental costs	(1,870,923)	(986,910)	156,251	124,877	19,083	15,924	-	1,825,601	113,645	(602,452)
Interest and bank charges	87,596	-	-	49	-	-	-	-	-	87,645
Interest on long term debt	78,605	-	-	-	-	-	-	-	-	78,605
Per capita distribution (Note 19)	-	-	-	-	-	-	-	1,546,997	-	1,546,997
Repairs and maintenance	34,074	789,172	108,194	219,015	24,822	-	-	-	300,443	1,475,720
Student allowances	-	-	483,473	-	-	-	-	-	-	483,473
Supplies and service	583,333	120,269	110,779	314,694	583,282	7,391	-	639,010	130,950	2,489,708
Travel and transportation	40,564	148,073	16,132	166,964	29,272	5,772	-	12,070	-	418,847
Tuition	-	-	3,261,279	-	-	-	-	-	-	3,261,279
Utilities and telephone	44,435	12,913	1,677	9,640	7,036	540	-	4,678	310,218	391,137
Wages and benefits	1,306,637	772,990	334,885	1,361,280	473,169	52,185	-	214,036	423,745	4,938,927
	1,329,421	1,619,592	4,547,116	4,456,417	1,148,714	81,812	-	4,242,392	2,533,285	19,958,749
Surplus (deficit)	\$ (821,467)	\$ 5,993	\$ 4,306	\$ (56,933)	\$ (126,423)	\$ (2,106)	\$ -	\$ 1,631,091	\$ (37,176)	\$ 597,285

Fort William First Nation

Notes to Consolidated Financial Statements

26. Segmented Information (cont'd)

For the year ended March 31, 2019

Revenue	Balance Forward	Gaming Activities	Housing Operations	Rental Operations	Lottery Fund	Consulting	Specific Claim Trust Fund	Trust Fund	Total
Indigenous Services Canada - Operating	\$ 6,402,668	\$ -	\$ 440,309	\$ 13,237	\$ -	\$ -	\$ -	\$ -	\$ 6,856,214
Indigenous Services Canada - Capital	775,485	-	-	-	-	-	-	-	775,485
Canada Mortgage and Housing Corporation Subsidy	-	-	183,116	-	-	-	-	-	183,116
Health Canada	614,163	-	-	-	-	-	-	-	614,163
Ministry of Community and Social Services	2,673,492	-	-	-	-	-	-	-	2,673,492
Ministry of Health and Long Term Care	108,789	-	-	-	-	-	-	-	108,789
Ministry of Transportation	41,250	-	-	-	-	-	-	-	41,250
Other revenue	4,176,103	4,339,537	241,792	1,002,570	-	-	-	-	9,760,002
Investment revenue	5,764,084	-	-	-	-	-	-	-	5,764,084
Lottery Fund revenue	-	-	-	-	1,697,389	-	-	-	1,697,389
	20,556,034	4,339,537	865,217	1,015,807	1,697,389	-	-	-	28,473,984
Expenses									
Amortization	2,093,183	48,233	248,778	369,492	-	-	-	-	2,759,686
Bad debt	644,831	-	6,905	(11,072)	-	-	-	-	640,664
Cash short	-	7,131	-	-	-	-	-	-	7,131
Donations	12,462	131,078	-	-	-	-	-	-	143,540
General welfare assistance	2,251,236	-	-	-	-	-	-	-	2,251,236
Honorarium	333,223	35,160	-	-	-	-	-	-	368,383
Insurance	53,928	-	10,715	33,165	-	-	-	-	97,808
Interdepartmental costs	(602,452)	135,398	(235,968)	(544,620)	46,218	-	-	-	(1,201,424)
Interest and bank charges	87,645	5,591	-	-	-	-	401	-	93,637
Interest on long term debt	78,605	-	44,270	-	-	-	-	-	122,875
Per capita distribution (Note 19)	1,546,997	-	-	-	-	-	-	-	1,546,997
Repairs and maintenance	1,475,720	195,496	473,161	829,628	-	-	-	-	2,974,005
Prize	-	2,915,992	-	-	-	-	-	-	2,915,992
Student allowances	483,473	-	-	-	-	-	-	-	483,473
Supplies and service	2,489,708	401,630	29,929	38,688	-	-	-	-	2,959,955
Transfer cost	-	-	-	-	828,528	-	-	-	828,528
Travel and transportation	418,847	18,118	21,707	-	-	-	-	-	458,672
Tuition	3,261,279	-	-	-	-	-	-	-	3,261,279
Utilities and telephone	391,137	9,536	2,219	66,313	-	-	-	-	469,205
Wages and benefits	4,938,927	731,025	199,018	-	-	-	-	-	5,868,970
	19,958,749	4,634,388	800,734	781,594	874,746	-	401	-	27,050,612
Surplus (deficit)	\$ 597,285	\$ (294,851)	\$ 64,483	\$ 234,213	\$ 822,643	\$ -	\$ (401)	\$ -	\$ 1,423,372

Fort William First Nation
Notes to Consolidated Financial Statements

26. Segmented Information (cont'd)

For the year ended March 31, 2018	Administration	Public Works	Education	Social Services and Health	Development & Employment	New Relationship Fund	Region	Band Operations	Total
Revenue									
Indigenous Services Canada - Operating	\$ 552,527	\$ 436,998	\$ 4,633,427	\$ 304,200	\$ 319,814	\$ -	\$ 38,856	\$ 82,960	\$ 6,368,782
Indigenous Services Canada - Capital	-	2,724,515	-	-	-	-	-	-	2,724,515
Health Canada	-	-	-	626,554	-	-	-	-	626,554
Ministry of Community and Social Services	-	-	-	2,442,617	-	-	-	-	2,442,617
Ministry of Health and Long Term Care	-	-	-	129,945	-	-	-	-	129,945
Ministry of Transportation	-	32,997	-	-	-	-	-	-	32,997
Other revenue	96,476	305,522	(93,246)	463,556	547,011	100,126	-	2,124,931	3,544,376
Investment revenue	-	-	-	-	-	-	6,948,832	-	6,948,832
	649,003	3,500,032	4,540,181	3,966,872	866,825	100,126	6,987,688	2,207,891	22,818,618
Expenses									
Amortization	42,561	653,208	68,541	4,644	-	-	-	1,250,772	2,019,726
Bad debt	157,653	-	-	-	-	-	-	81,803	239,456
Donations	3,300	-	-	-	-	-	-	28,800	32,100
General welfare assistance	-	-	-	2,006,187	-	-	-	-	2,006,187
Honorarium	327,198	-	-	1,275	4,950	-	-	-	333,423
Insurance	-	22,960	-	-	-	-	-	-	22,960
Interdepartmental costs	(1,748,391)	(1,002,199)	50,580	173,681	(14,036)	7,184	1,774,922	61,464	(696,795)
Interest and bank charges	87,211	-	-	1,397	-	-	-	-	88,608
Interest on long term debt	44,188	-	-	-	-	-	-	-	44,188
Per capita distribution (Note 19)	-	-	-	-	-	-	1,310,932	-	1,310,932
Loss on disposal	-	-	-	-	-	-	-	-	-
Repairs and maintenance	74,920	765,955	82,928	214,892	12,672	-	100	220,030	1,371,497
Student allowances	-	-	588,701	-	-	-	-	-	588,701
Supplies and service	366,960	328,387	118,219	244,983	384,659	26,837	704,955	101,983	2,276,983
Travel and transportation	28,286	139,203	14,400	106,183	27,286	5,976	17,884	-	339,218
Tuition	-	-	3,265,879	-	-	-	-	-	3,265,879
Utilities and telephone	46,045	14,032	1,796	7,846	7,481	600	1,729	374,999	454,528
Wages and benefits	1,219,070	821,187	333,692	1,138,015	454,021	60,454	177,822	469,437	4,673,698
	649,001	1,742,733	4,524,736	3,899,103	877,033	101,051	3,988,344	2,589,288	18,371,289
Surplus (deficit)	2	\$ 1,757,299	\$ 15,445	\$ 67,769	\$ (10,208)	\$ (925)	\$ 2,999,344	\$ (381,397)	\$ 4,447,329

Fort William First Nation Notes to Consolidated Financial Statements

26. Segmented Information (cont'd)

For the year ended March 31, 2018

	Balance Forward	Gaming Activities	Housing Operations	Rental Operations	Lottery Fund	Specific Claim Trust Fund	Total
Revenue							
Indigenous Services Canada	\$ 6,368,782	-	\$ 302,782	\$ 12,988	\$ -	-	\$ 6,684,552
Ontario Ministry of Aboriginal Affairs	2,724,515	-	-	-	-	-	2,724,515
Canada Mortgage and Housing Corporation Subsidy	-	-	152,830	-	-	-	152,830
Health Canada	626,554	-	-	-	-	-	626,554
Ministry of Community and Social Services	2,442,617	-	-	-	-	-	2,442,617
Ministry of Health and Long Term Care	129,945	-	-	-	-	-	129,945
Ministry of Transportation	32,997	-	-	-	-	-	32,997
Other revenue	3,544,376	4,375,131	120,866	1,416,362	-	-	9,456,735
Investment revenue	6,948,832	-	-	-	1,201,538	-	6,948,832
Lottery Fund revenue	-	-	-	-	1,201,538	-	1,201,538
	22,818,618	4,375,131	576,478	1,429,350	1,201,538	-	30,401,115
Expenses							
Amortization	2,019,726	49,287	154,429	418,083	-	-	2,641,525
Bad debt	239,456	-	26,150	310,978	-	-	576,584
Cash short	-	1,977	-	-	-	-	1,977
Donations	32,100	73,911	-	-	-	-	106,011
General welfare assistance	2,006,187	-	-	-	-	-	2,006,187
Honorarium	333,423	63,650	-	-	-	16,750	413,823
Insurance	22,960	-	14,758	31,071	-	-	68,789
Interdepartmental costs	(696,795)	288,722	(253,955)	74,853	83,870	-	(503,305)
Interest and bank charges	88,608	5,479	-	-	-	437	94,524
Interest on long term debt	44,188	-	19,494	-	-	-	63,682
Per capita distribution (Note 19)	1,310,932	-	-	-	-	-	1,310,932
Loss on disposal	-	-	-	-	-	-	-
Repairs and maintenance	1,371,497	183,214	345,015	251,473	-	-	2,151,199
Prize	-	2,800,832	-	-	-	-	2,800,832
Student allowances	588,701	-	-	-	-	-	588,701
Supplies and service	2,276,983	299,930	21,465	33,841	-	8,015	2,640,234
Transfer cost	-	-	-	-	562,355	-	562,355
Travel and transportation	339,218	16,239	8,404	-	-	-	363,861
Tuition	3,265,879	-	-	-	-	-	3,265,879
Utilities and telephone	454,528	10,592	1,375	75,843	-	-	542,338
Wages and benefits	4,673,698	593,547	142,982	409	-	-	5,410,636
	18,371,289	4,387,380	480,117	1,196,551	646,225	25,202	25,106,764
	\$ 4,447,329	\$ (12,249)	\$ 96,361	\$ 232,799	\$ 555,313	\$ (25,202)	\$ 5,294,351
Surplus (deficit)							