



Consolidated Financial Statements

Whitesand First Nation

March 31, 2016

## **Management's Responsibility**

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

The accompanying consolidated financial statements of Whitesand First Nations are the responsibility of management and have been approved by the Chief and Council.

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

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

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

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

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Whitesand First Nations and meet when required.

On behalf of Whitesand First Nations:

  
\_\_\_\_\_  
Chief and Council

  
\_\_\_\_\_  
Band Administrator

Date: January 17, 2018

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# Independent Auditor's Report

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To the Chief, Council and Members of  
Whitesand First Nation

We have audited the accompanying consolidated financial statements of Whitesand First Nation, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of operations and accumulated surplus, changes 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 qualified audit opinion.

**Basis for qualification of opinion on the results of operations and changes in net financial assets and cash flows**

We were not appointed auditors of Whitesand First Nation until after March 31, 2016 and have not been able to satisfy ourselves concerning certain balance sheet amounts at March 31, 2015. Since opening balances affect the determination of the results of operations and changes in net debt and cash flows, we were unable to determine whether adjustments to the results of operations and changes in net financial assets and cash flows, other than those detailed in Note 19, might be necessary for the year ended March 31, 2016.

**Qualified opinion**

In our opinion, except for the effects of the matter described in the basis for qualification of opinion on the results of operations and changes in net financial assets and cash flows, the consolidated financial statements presents fairly, in all material respects, the financial position of Whitesand First Nation as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Other matter**

The financial statements of Whitesand First Nation for the year ended March 31, 2015 were audited by another auditor who expressed an unqualified opinion on those statements on September 15, 2015. We have restated the 2015 financial statements to correct for various errors as detailed in Note 19.



Thunder Bay, Canada  
January 17, 2018

Chartered Professional Accountants  
Licensed Public Accountants

# Whitesand First Nation

## Consolidated Statement of Financial Position

As at March 31

2016

2015

\$

\$

[as restated  
note 19]

### FINANCIAL ASSETS

Cash and cash equivalents [note 2]	2,299,367	2,169,131
Accounts receivable [note 3]	1,349,095	1,180,480
Due from government and other government organizations [note 4]	126,021	234,063
Trust funds net, restricted [note 5]	6,088,453	6,437,057
Replacement reserve, restricted [note 6]	223,154	183,989
Investments	208,333	185,199
<b>Total financial assets</b>	<b>10,294,423</b>	<b>10,389,919</b>

### LIABILITIES

Accounts payable and accruals [note 7]	1,778,314	1,406,800
Deferred revenue [note 8]	44,100	100,000
Line of credit [note 9]	936,179	100,000
Due to replacement reserve [note 6]	165,628	174,045
Current portion of long-term debt [note 10]	357,599	330,993
Long-term debt [note 10]	3,275,679	3,649,977
<b>Total liabilities</b>	<b>6,557,499</b>	<b>5,761,815</b>

### NET FINANCIAL ASSETS

3,736,924 4,628,104

### NON-FINANCIAL ASSETS

Tangible capital assets - net [note 11] [schedule 1]	9,091,432	7,638,606
Inventories	4,764	4,764
Prepaid expenses	5,678	-

### Accumulated surplus

12,838,798 12,271,474

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Chief and Council

Chief

Councillor

*Norman Motinet*

*Greg. W. Thomas*

# Whitesand First Nation

## Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31	2016	2015
	\$	\$
		<i>[as restated note 19]</i>
<b>REVENUE [schedules 2 and 3]</b>		
Aboriginal Affairs and Northern Development		
Canada	3,140,162	2,946,756
Health Canada	500,283	482,680
Canada Mortgage and Housing Corporation	238,778	246,406
IFN	32,265	32,571
Administration fees	23,784	60,395
Trillium	400,000	-
Ministry of Natural Resources	3,300	22,884
Casino Rama	722,592	725,260
Rent - Housing	396,278	327,645
Dilico	149,071	137,825
Ministry of Community and Social Services	45,353	44,862
Ministry of Aboriginal Affairs	365,250	90,000
Lakehead Board of Education	74,080	47,400
Contribution from Hydro Trust #2	917,744	-
Province of Ontario	867,267	628,978
Other	626,202	688,438
Fednor	-	231,117
Trust - Hydro #1 investment earnings	341,197	322,693
Trust - Hydro #2 settlement	-	1,923,637
Sagatay LP Contracting	2,453,820	1,738,768
Union of Ontario Indians	129,940	178,869
	<b>11,427,366</b>	<b>10,877,184</b>
<b>EXPENSES [schedules 2 and 3]</b>		
Band administration	540,917	511,333
Education programs	1,597,421	1,613,430
Economic development	2,969,013	863,058
Community infrastructure and services	373,904	433,737
Social services	824,564	841,975
Health programs	917,633	830,536
Other programs	3,675,755	4,189,870
	<b>10,899,207</b>	<b>9,283,939</b>
<b>Operating surplus</b>	<b>528,159</b>	<b>1,593,245</b>
<b>Accumulated surplus beginning of year, as stated</b>	<b>11,018,629</b>	<b>9,596,716</b>
Prior period adjustments <i>[note 19]</i>	<b>1,252,845</b>	<b>1,081,513</b>
<b>Accumulated surplus beginning of year, as restated</b>	<b>12,271,474</b>	<b>10,678,229</b>
Provision to Replacement Reserve from		
Operating	<b>39,165</b>	-
<b>Accumulated surplus at end of year, as restated</b>	<b>12,838,798</b>	<b>12,271,474</b>

See accompanying notes to the consolidated financial statements.

## Whitesand First Nation

### Consolidated Statement of Changes in Net Financial Assets

Year ended March 31	2016	2015
	\$	\$
		<i>[as restated note 19]</i>
<b>Operating surplus</b>	<b>528,159</b>	1,593,245
Acquisition of tangible capital assets	(2,063,398)	(375,490)
Amortization of tangible capital assets	610,572	574,623
Loss on disposal of tangible capital assets	-	208
Acquisition of prepaid expenses	(5,678)	-
Drawdown of inventory	-	865
Provision for Replacement Reserve	39,165	-
Increase (decrease) in net financial assets	(891,180)	1,793,451
Net financial assets, beginning of year	4,628,104	2,834,653
<b>Net financial assets, end of year</b>	<b>3,736,924</b>	4,628,104

See accompanying notes to the consolidated financial statements.



# Whitesand First Nation

## Consolidated Statement of Cash Flows

Year ended March 31	2016	2015
	\$	\$
		<i>[as restated note 19]</i>
<b>OPERATIONS</b>		
Operating surplus	528,159	1,593,245
<b>Non-cash charges</b>		
Amortization of tangible capital assets	610,572	574,623
Loss on disposal of tangible capital assets	-	208
Adjustment to working capital accounts - PPA	-	(154,358)
Provision to replacement reserve	39,165	-
	1,177,896	2,013,718
<b>Net change in non-cash working capital balances</b>		
Accounts receivable	(168,615)	458,675
Prepaid expenses	(5,678)	-
Due from government and other government organizations	108,042	(234,063)
Trust funds, net (increase) decrease	348,604	(294,478)
Accounts payable and accruals	371,514	(288,162)
Deferred revenue	(55,900)	100,000
Replacement reserve assets	(39,165)	26,893
Inventories	-	865
<b>Cash provided by operating transactions</b>	1,736,698	1,783,448
<b>INVESTING</b>		
Acquisition of tangible capital assets	(2,063,398)	(375,490)
Cash - correct for unrecorded GIC <i>[note 2]</i>	-	42,822
Increase in investments	(23,134)	(6,824)
<b>Cash used in capital transactions</b>	(2,086,532)	(339,492)
<b>FINANCING</b>		
Advances of long-term debt	-	663,865
Repayment of long-term debt	(347,692)	(312,236)
Advances (repayment) of line of credit	836,179	(1,040,208)
Increase (decrease) in due to replacement reserve	(8,417)	9,944
<b>Cash provided by (used in) financing transactions</b>	480,070	(678,635)
<b>Increase in cash and cash equivalents</b>	130,236	765,321
Opening cash and cash equivalents	2,169,131	1,403,810
<b>Closing cash and cash equivalents</b>	2,299,367	2,169,131
<b>Cash and cash equivalents consist of:</b>		
Bank	2,299,367	2,169,131

See accompanying notes to the consolidated financial statements.

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# **Whitesand First Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2016

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### **GENERAL**

Whitesand First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its members. Whitesand First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and either owned or controlled by the First Nation.

### **1. SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements of the First Nation are prepared by management in accordance with accounting policies generally accepted for the local government as prescribed by the Public Sector Accounting Board ("PSAB") of the CPA. The more significant of these accounting policies are as follows:

#### **[a] Basis of consolidation**

##### **Reporting entity**

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities.

All inter-entity receivable/payable balances have been eliminated on consolidation; Revenue and expenditure transactions between departments have not been eliminated, in order to present the results of operations for each specific department, however they net out on the Consolidated Statement of Operations and Accumulated Surplus.

Business enterprise investments wherein the First Nation owns a participating equity interest and is directly or indirectly through partnerships, involved in the management of the business operations are accounted for by the modified equity method.

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# **Whitesand First Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2016

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Under the modified equity method, the investment is initially recorded at cost and the carrying value is thereafter adjusted to include the First Nation's pro rata share of post-acquisition earnings of the investee. The amount of the adjustment is included in the determination of net income of the First Nation's Investment Fund and the investment account is also increased or decreased to reflect the First Nation's share of capital transactions.

The equity method is only modified to the extent that the business enterprise's accounting principles are not adjusted to conform with those of the First Nation.

### **[b] Basis of accounting**

#### **Asset classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, inventories of supplies and prepaid expenses.

#### **Cash and cash equivalents**

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

#### **Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the accumulated surplus, provides the changes in net debt for the year.

#### **Tangible capital assets**

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

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## Whitesand First Nation

### Notes to the Consolidated Financial Statements

March 31, 2016

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Amortization of tangible capital assets is recognized as an expense in the Consolidated Statement of Operations and Accumulated Surplus. Tangible capital assets are amortized over their expected useful lives, as follows:

Automotive	30%	declining balance
Buildings	4%	declining balance
Housing (excluding CMHC funded units)	4%	declining balance
Computer equipment	30%	declining balance
Furniture and equipment	20%	declining balance
Heavy equipment	30%	declining balance
Office equipment	20%	declining balance
Roads	4%	declining balance

Housing units funded by CMHC financing are amortized at an annual amount equivalent to CMHC debt principal repaid in the year, according to CMHC requirements. The portion of such units funded by First Nation resources is not amortized, and therefore would represent residual value.

Tangible capital assets are written-down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Consolidated Statement of Operations and Accumulated Surplus.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

#### 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.

# Whitesand First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

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 and Accumulated Surplus 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.

### Measurement uncertainty

In preparing the consolidated financial statements for the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenditures during the period. The main estimates used in preparing these consolidated financial statements include allowance for doubtful accounts and asset amortization rates. Actual results could differ from these estimates.

## 2. CASH AND CASH EQUIVALENTS

	2016 \$	2015 \$
		<i>[as restated note 19]</i>
Administration	568,134	1,086,461
Casino Rama	353,687	486,634
Fuels	19,203	14,489
Special projects	756,291	10,617
Housing	250,790	75
Housing	47	203,366
Housing	18,739	18,999
Housing	24,651	15
Local delivery mechanism	13,185	36,341
Sagatay Economic Development LP	172,843	-
Sagatay Economic Development LP	46,831	62,430
Social assistance	67,399	69,153
Skills Partnership Fund	-	137,729
Administration rental	7,054	-
Petty cash and/or GIC	513	42,822
	<b>2,299,367</b>	<b>2,169,131</b>

# Whitesand First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 3. ACCOUNTS RECEIVABLE

	2016 \$	2015 \$
		<i>[as restated note 19]</i>
<b>Due from members:</b>		
Advances	201,721	3,235
Rents and other	1,985,551	1,302,211
<b>Due from others:</b>		
IFN	14,636	20,542
Dilico	2,928	43,306
Landore Resources	193,996	-
NAP Mines	2,567	10,776
Other receivables	891,935	1,222,789
	3,293,334	2,602,859
Less: allowance for doubtful accounts	(1,944,239)	(1,422,379)
	1,349,095	1,180,480

### 4. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	2016 \$	2015 \$
		<i>[as restated note 19]</i>
Government of Canada - AANDC & Public Works	87,362	104,168
Canada Mortgage and Housing Corporation	19,776	107,448
Health Canada	2,835	-
Province of Ontario	7,500	-
<b>Other government organizations</b>		
HST receivable	2,248	15,335
Ontario Power Generation	6,300	-
Northern Ontario Heritage Fund	-	7,112
	126,021	234,063

# Whitesand First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 5. TRUST FUND BALANCES AND CAPITAL

An indenture made as of August 21, 2009 between the First Nation and Ontario Hydro appointed a transfer agent to accept settlement funds from Ontario Hydro. The investments are recorded at market rate.

	2016 \$	2015 \$
		<i>[as restated note 19]</i>
<b>Assets</b>		
Cash	989,544	254,514
Investments	6,385,975	6,844,251
<b>Liabilities</b>		
Accounts payable	34,408	5,000
Notes payable	1,252,658	656,708
<b>Net Assets</b>	<b>6,088,453</b>	<b>6,437,057</b>
<b>Capital Trust</b>		
Balance, end of year	97,333	445,937
<b>Settlement Trust</b>		
Balance, end of year	5,991,120	5,991,120
	<b>6,088,453</b>	<b>6,437,057</b>

### 6. REPLACEMENT RESERVE

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be created and maintained by the First Nation for the replacement of worn-out capital items. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. Funds in the account may only be used to replace items of a capital nature. For items not on the standard list outlined in Schedule "D" of the Operating Agreement, CMHC's prior approval is required. The First Nation may pool Post-1996 funds for investment purposes. At year-end, the funds in the reserve consisted of the following:

	2016 \$	2015 \$
GIC	57,526	9,944
Due to Reserve	165,628	174,045
	<b>223,154</b>	<b>183,989</b>

# Whitesand First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

The unfunded portion of the Reserve is acknowledged as a payable Due to Reserve by the First Nation.

### 7. ACCOUNTS PAYABLE AND ACCRUALS

	2016 \$	2015 \$
		<i>[as restated note 19]</i>
Trade payables	1,221,008	1,044,139
Government Organizations	313,151	269,447
Accrued wages and benefits payable	244,155	93,214
	1,778,314	1,406,800

### 8. DEFERRED REVENUE

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

	Balance, beginning of year \$	Contributions received \$	Contributions recognized \$	Balance, end of year \$
	<i>[restated - note 19]</i>			
Trillium	100,000	-	100,000	-
Other	-	44,100	-	44,100

### 9. BANK INDEBTEDNESS

The First Nation has available to it the following credit facilities:

An operating line facility of credit to a maximum of \$1,000,000 which bears interest at the Bank of Montreal's prime interest rate plus 1.00% per annum. The balance outstanding at March 31, 2016 is \$836,179 [2015 - \$nil].

An operating line facility of credit to a maximum of \$100,000 which bears interest at the Royal Bank's prime interest rate plus 2.7% per annum. The balance outstanding at March 31, 2016 is \$100,000 [2015 - \$100,000].



# Whitesand First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 10. LONG-TERM DEBT

[a] The balance of long-term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2016 \$	2015 \$
		<i>[restated - note 19]</i>
<b>Canada Mortgage and Housing Corporation</b>		
Mortgage payable to CMHC Thunder Bay. Repayable at \$10,305 per month including interest at 1.61% maturing October 1, 2021. Secured by Aboriginal Affairs and Northern Development.	<b>665,698</b>	778,739
Mortgage payable to CMHC Thunder Bay. Repayable at \$4,451 per month including interest at 2.00% maturing October 1, 2023. Secured by a twelve-unit housing project.	<b>375,656</b>	421,790
Mortgage payable to CMHC Thunder Bay. Repayable at \$2,558 per month including interest at 1.19% maturing May 1, 2025. Secured by a six-unit housing project.	<b>266,483</b>	292,451
Mortgage payable to CMHC Thunder Bay. Repayable at \$4,571 per month including interest at 2.63% maturing March 1, 2026. Secured by a eight-unit housing project.	<b>482,168</b>	523,780
Mortgage payable to CMHC Thunder Bay. Repayable at \$5,331 per month including interest at 1.64% maturing December 1, 2036. Secured by Aboriginal Affairs and Northern Development.	<b>1,123,138</b>	1,168,310
Mortgage payable to CMHC Thunder Bay. Repayable at \$1,422 per month including interest at 1.05% maturing February 1, 2025. Secured by a four-unit housing project.	<b>145,233</b>	160,571
<b>Carried forward</b>	<b>3,058,376</b>	3,345,641

# Whitesand First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

	2016 \$	2015 \$
<b>Brought forward</b>	<b>3,058,376</b>	3,345,641
<b>Caterpillar Finance</b>		
Term loan payable to Cat Financial. Repayable at \$3,717 per month including interest at 5.45%. Secured by machinery.	<b>150,989</b>	185,793
<b>Royal Bank of Canada</b>		
Term loan payable to Royal Bank of Canada. Repayable at \$3,905 per month including interest at 4.81%. Secured by an office building.	<b>423,913</b>	449,536
	<b>3,633,278</b>	3,980,970
Less amounts included in current liabilities	<b>(357,599)</b>	(330,993)
<b>Long-term portion</b>	<b>3,275,679</b>	3,649,977

[b] Principal payments due within the next five years, assuming renewal at the current terms, are as follows:

	\$
2017	357,599
2018	366,173
2019	375,060
2020	373,004
2021	347,299
Thereafter	1,814,143
	<b>3,633,278</b>

[c] Total interest charges for debt reported on the Consolidated Statement of Operations and Accumulated Surplus are \$88,706 [2015 - \$93,029].

## 11. TANGIBLE CAPITAL ASSETS

The Consolidated Schedule of Tangible Capital Assets (Schedule 1) presents all balances and changes in the year relating to the tangible capital assets owned by the First Nation. Tangible capital assets acquired after March 31, 1997 are recorded at acquisition cost less amortization on the Consolidated Statement of Financial Position. Tangible capital assets acquired prior to April 1, 1997 have been fully amortized and are recorded at a nominal value.

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# **Whitesand First Nation**

## **Notes to the Consolidated Financial Statements**

March 31, 2016

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### **12. CONTINGENCIES**

The First Nation has entered into contribution agreements with various federal and provincial government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of operations, the First Nation can become involved in legal action. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's financial statements.

### **13. ECONOMIC DEPENDENCE**

Whitesand First Nation receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

### **14. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS**

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2016 consolidated financial statements.

### **15. BUDGET INFORMATION**

Canadian public sector accounting (PSA) standards require the disclosure of budget information for comparison to the First Nation's actual revenue and expenses. The consolidated budgeted revenue, expenses, and surplus (deficit), omission of this information is considered a departure from PSA standards.

# Whitesand First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 16. GOVERNMENT TRANSFERS

	Operating \$	Capital \$	2016 \$	2015 \$
				<i>[restated - note 19]</i>
<b>Federal government transfers</b>				
Aboriginal Affairs and Northern Development Canada	3,140,162	-	3,140,162	2,946,756
Health Canada	500,283	-	500,283	482,680
Canada Mortgage and Housing Corporation	238,778	-	238,778	246,406
<b>Total Federal</b>	<b>3,879,223</b>	<b>-</b>	<b>3,879,223</b>	<b>3,675,842</b>
<b>Provincial government transfers</b>				
Ministry of Aboriginal Affairs	90,000	275,250	365,250	90,000
Ministry of Community and Social Services	45,353	-	45,353	44,862
Ministry of Natural Resources - Sagatay	183,969	-	183,969	-
Ministry of Transportation - Sagatay	41,348	-	41,348	-
Province of Ontario	867,267	-	867,267	628,978
<b>Total Provincial</b>	<b>1,227,937</b>	<b>275,250</b>	<b>1,503,187</b>	<b>763,840</b>
	<b>5,107,160</b>	<b>275,250</b>	<b>5,382,410</b>	<b>4,439,682</b>

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# Whitesand First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

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### 17. SEGMENTS

The First Nation has ten reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

**Band Administration** - includes administration governance activities and band operations.

**Education** - includes the operations of education programs.

**Economic Development** - includes any program activities for the economic planning and development of the Community.

**Capital Programs** - includes the operations of capital programs.

**Social Services** - activities include delivering social programs.

**Operations and Maintenance** - activities include maintenance of the community and its infrastructure.

**Health Programs** - activities include delivering health services and educational programs.

**Other Projects** - includes the activities of all other programs not specified above.

**Casino Rama Fund** - reports on the First Nation's Ontario First Nations Limited Partnership funding and expenditures.

**Trust Fund** - reports on the income earned on Trust investments and the expenditures made out of the Trust

**Investment Fund** - reports on the First Nation's investment in profit-oriented entities and its share of income or loss derived from the investments.

Inter-segment transfers are recorded at their exchange amount. The accounting policies are the same as those described in Note 1.

# Whitesand First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 18. INVESTMENTS

	2015 \$	Pre-2015 \$
<b>Landmark Inn Leasing Corporation</b>		
Opening deficit	(35,798)	(34,472)
Net income for year	1,457	(1,326)
Closing deficit	(34,341)	(35,798)
Share capital (2 shares)	2	2
	<b>(34,339)</b>	<b>(35,796)</b>
<b>Landmark Inn General Partner Ltd.</b>		
Opening deficit	(77)	(97)
Net income for year	2	20
Closing deficit	(75)	(77)
Share capital	2,000	2,000
	<b>1,925</b>	<b>1,923</b>
<b>Landmark Inn Limited Partnership</b>		
Opening partnership capital	219,072	210,942
Net income for year	27,675	28,246
Drawings	(6,000)	(20,116)
Closing partnership capital	240,747	219,072
<b>Total investment</b>	<b>208,333</b>	<b>185,199</b>
<b>Total investment income</b>	<b>29,134</b>	<b>26,940</b>

# Whitesand First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 19. PRIOR PERIOD ADJUSTMENTS

The 2015 comparative figures, as well as the 2015 opening accumulated surplus, have been restated to reflect corrections of errors in accounting that occurred in the previous fiscal period(s). As a result, the March 31, 2015 figures, presented for comparative purposes, have been restated from those previously reported as follows:

	As previously stated \$	Increase/ (decrease) \$	As restated \$
<b>Impact on the Consolidated Statement of Financial Position</b>			
<b><u>Pre-2015</u></b>			
Increase in 2015 opening accumulated surplus balance	<b>9,596,716</b>	1,081,513	10,678,229
<b><u>2015</u></b>			
Reduction to 2015 closing accounts receivable balance	<b>4,559,468</b>	(3,378,988)	1,180,480
Increase in 2015 closing balance due from government (reclassification)	-	234,063	234,063
Increase in 2015 closing Trust Fund assets	<b>6,408,842</b>	28,215	6,437,057
Reduction to 2015 closing accounts payable balance	<b>(2,705,111)</b>	1,298,311	(1,406,800)
Increase in 2015 closing deferred revenue	<b>(20,000)</b>	(80,000)	(100,000)
Reduction to 2015 closing balance Due to Reserve	<b>(1,218,272)</b>	1,044,227	(174,045)
Reduction in 2015 closing line of credit	<b>(549,536)</b>	449,536	(100,000)
Increase in 2015 closing cash balance	<b>2,130,494</b>	38,637	2,169,131
Increase in 2015 closing tangible capital asset balances	<b>5,833,969</b>	1,804,637	7,638,606
Increase in 2015 closing balance of long- term debt	<b>(3,464,184)</b>	(185,793)	(3,649,977)
	<b>10,975,670</b>	1,252,845	12,228,515

# Whitesand First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

	2015 \$	Pre-2015 \$
<b>Impact on the Consolidated Statement of Operations and Accumulated Surplus</b>		
<b>Housing:</b>		
Overstatement of fiscal 2014 revenue/equity	-	(119,687)
Related understatement of 2015 revenue	119,687	-
Understatement of expenses in 2013	-	(53,723)
Overstatement of revenue in fiscal 2012	-	(16,961)
Understatement of the allowance for doubtful accounts in fiscal 2015	(393,627)	-
Understatement of capital assets in fiscal 2012	-	1,564,656
Overstatement of amortization expense, prior to fiscal 2015, on CMHC funded Housing	-	399,164
Understatement of fiscal 2015 amortization of CMHC funded Housing	(159,186)	-
Unrecorded transfer of Operating Surplus to the Replacement Reserve	-	(174,045)
<b>Education:</b>		
Understatement of fiscal 2015 tuition expense	(143,068)	-
<b>Administration:</b>		
Understatement of fiscal 2015 interest expense	(5,981)	-
Understatement of operating expenses	(87,440)	-
Accounts receivable and accounts payable reductions for balances collected or paid, most prior to fiscal 2015, incorrectly applied to revenue or expense.	(138,535)	(375,114)
Overstatement of revenue - AANDC funding	(47,000)	-
Understatement of revenue - Children's Aid	45,184	-
Ontario Works - overstatement of prior year expenses	87,173	-
SPF Program - overstatement of fiscal 2015 revenue	(100,000)	-
<b>Other Programs:</b>		
Trust - Hydro #1: Unrecorded increase in assets	28,215	-
LDM - overstatement of fiscal 2015 revenue	(40,071)	-
Sagatay LP - overstatement of prior year revenue	-	(142,777)
Trust - Hydro #2: Understatement of fiscal 2015 revenue	1,005,981	-
Cumulative adjustment to opening equity, pre-2015	1,081,513	-
	1,252,845	1,081,513



# Whitesand First Nation

## Consolidated Schedule of Tangible Capital Assets

## Schedule 1

Year ended March 31, 2016

	Housing \$	Buildings \$	Machinery & equipment \$	Automotive equipment \$	Computer equipment \$	Infrastructure \$
<b>Cost</b>						
Balance, beginning of year as restated (2016)	7,924,211	820,685	1,013,308	652,308	124,480	21,665
Acquisition of tangible capital assets	-	2,019,398	44,000	-	-	-
<b>Balance, end of year as restated</b>	<b>7,924,211</b>	<b>2,840,083</b>	<b>1,057,308</b>	<b>652,308</b>	<b>124,480</b>	<b>21,665</b>
<b>Accumulated amortization</b>						
Balance, beginning of year as restated (2016)	2,959,630	62,292	451,203	412,126	119,965	6,661
Annual amortization	342,125	30,827	116,821	72,235	1,354	1,500
<b>Balance, end of year as restated</b>	<b>3,301,755</b>	<b>93,119</b>	<b>568,024</b>	<b>484,361</b>	<b>121,319</b>	<b>8,161</b>
<b>Net book value of tangible capital assets</b>	<b>4,622,456</b>	<b>2,746,964</b>	<b>489,284</b>	<b>167,947</b>	<b>3,161</b>	<b>13,504</b>

# Whitesand First Nation

## Consolidated Schedule of Tangible Capital Assets

## Schedule 1 (cont'd)

Year ended March 31, 2016

	Furniture & fixtures \$	Recreational assets \$	Fire hall \$	Education assets \$	2016 \$	2015 \$
<b>Cost</b>						
Balance, beginning of year as restated (2016)	176,905	1,542,572	73,499	254,661	12,604,294	10,664,890
Prior period adjustment (2015)	-	-	-	-	-	1,564,656
Acquisition of tangible capital assets	-	-	-	-	2,063,398	375,490
Disposals	-	-	-	-	-	(742)
<b>Balance, end of year as restated</b>	<b>176,905</b>	<b>1,542,572</b>	<b>73,499</b>	<b>254,661</b>	<b>14,667,692</b>	<b>12,604,294</b>
<b>Accumulated amortization</b>						
Balance, beginning of year as restated (2016)	115,373	527,461	57,520	253,457	4,965,688	4,790,437
Prior period adjustment (2015)	-	-	-	-	-	(399,164)
Annual amortization	2,987	40,810	1,551	362	610,572	574,623
Disposals	-	-	-	-	-	(208)
<b>Balance, end of year as restated</b>	<b>118,360</b>	<b>568,271</b>	<b>59,071</b>	<b>253,819</b>	<b>5,576,260</b>	<b>4,965,688</b>
<b>Net book value of tangible capital assets</b>	<b>58,545</b>	<b>974,301</b>	<b>14,428</b>	<b>842</b>	<b>9,091,432</b>	<b>7,638,606</b>

**Whitesand First Nation****Schedule 2****Consolidated Schedule of Expenses by Object**

Year ended March 31

**2016****2015**

\$

\$

*[restated -  
note 19]***Consolidated expenses by object**

Administration	<b>23,784</b>	43,776
Advertising	<b>11,632</b>	9,614
Amortization	<b>610,572</b>	566,091
Bad debts	<b>541,453</b>	393,627
Bank charges and interest	<b>39,034</b>	64,061
Contracted services	<b>669,923</b>	901,861
Donations and distributions	<b>703,799</b>	279,725
Fees and applications	<b>33,304</b>	84,656
Fuel	<b>427,170</b>	256,836
Funeral and burials	<b>38,590</b>	75,123
Health component	<b>36,269</b>	34,195
Honoraria	<b>66,800</b>	60,900
Insurance	<b>130,763</b>	130,419
Interest on long-term debt	<b>58,599</b>	93,029
Materials and supplies	<b>707,814</b>	834,547
Miscellaneous	<b>211,638</b>	80,000
Office	<b>26,693</b>	18,605
Professional fees	<b>520,020</b>	588,874
Rent	<b>31,775</b>	93,343
Repairs and maintenance	<b>377,549</b>	350,550
Social assistance	<b>646,335</b>	667,366
Trust #2 Contribution - Special Project	<b>917,744</b>	-
Telephone and utilities	<b>141,931</b>	164,433
Travel	<b>232,481</b>	246,008
Tuition	<b>982,954</b>	931,540
Wages and benefits	<b>2,710,581</b>	2,314,760
	<b>10,899,207</b>	9,283,939

# Whitesand First Nation

## Segmented Schedule of Revenue and Expenses

Year ended March 31, 2016

## Schedule 3

	AANDC Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenses \$	Adjustments/ Transfers From (To) \$	Current Operating Surplus (Deficit) \$
<b>BAND SUPPORT FUNDING</b>						
Band support	293,945	115,801	409,746	500,303	-	(90,557)
Band employee benefits	16,700	-	16,700	32,245	-	(15,545)
Indian registration administrator	9,019	-	9,019	8,369	-	650
	<b>319,664</b>	<b>115,801</b>	<b>435,465</b>	<b>540,917</b>	<b>-</b>	<b>(105,452)</b>
<b>EDUCATION</b>						
Advice and assistance	2,000	-	2,000	1,500	-	500
Ancillary	9,500	-	9,500	6,608	-	2,892
Financial assistance	10,800	-	10,800	10,376	-	424
H.S. Student Accommodation	67,500	6,529	74,029	90,750	-	(16,721)
Admin Learning for Life	-	-	-	4,012	-	(4,012)
H.S. Counselor Service	36,000	-	36,000	35,029	-	971
Post-Secondary	395,684	-	395,684	405,677	-	(9,993)
Special	138,320	-	138,320	60,396	-	77,924
Transportation	63,779	106,641	170,420	144,330	-	26,090
Tuition Elementary and Secondary	1,316,940	-	1,316,940	838,743	-	478,197
	<b>2,040,523</b>	<b>113,170</b>	<b>2,153,693</b>	<b>1,597,421</b>	<b>-</b>	<b>556,272</b>

# Whitesand First Nation

## Segmented Schedule of Revenue and Expenses

Year ended March 31, 2016

## Schedule 3 (continued)

	AANDC Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenses \$	Adjustments/ Transfers From (To) \$	Current Operating Surplus (Deficit) \$
<b>ECONOMIC DEVELOPMENT</b>						
Administration	42,000	2,937	44,937	45,675	-	(738)
Aboriginal Forestry Initiative	185,000	-	185,000	202,920	-	(17,920)
Corda	-	-	-	585	-	(585)
CSI	80,000	-	80,000	120,830	-	(40,830)
Mining	-	193,996	193,996	187,469	-	6,527
NAP Mines	-	4,856	4,856	4,545	-	311
NCIR	-	10,000	10,000	12,412	-	(2,412)
NRF	-	90,000	90,000	90,543	-	(543)
OPG Shoreline Project	-	27,430	27,430	30,426	-	(2,996)
SEP	5,200	-	5,200	7,558	-	(2,358)
Stewardship	-	26,314	26,314	26,284	-	30
Summer Student Employment	-	23,304	23,304	23,204	-	100
Sagatay	-	2,453,820	2,453,820	2,216,562	-	237,258
	312,200	2,832,657	3,144,857	2,969,013	-	175,844
<b>CAPITAL PROGRAMS</b>						
Admin	-	-	-	58,125	-	(58,125)
Electrical systems	4,038	-	4,038	1,328	-	2,710
Furnaces	-	-	-	75,057	-	(75,057)
Maintenance Comm Assets	-	-	-	5,705	-	(5,705)
Plan, design and construction	132,005	-	132,005	-	-	132,005
Renovations	-	-	-	50,342	-	(50,342)
Special services	129,074	-	129,074	-	-	129,074
Community buildings	11,215	125	11,340	35,591	-	(24,251)
Roads and bridges	15,952	-	15,952	-	-	15,952
Water and waste water	10,164	-	10,164	12,216	-	(2,052)
Water and waste water action plan	7,442	-	7,442	7,446	-	(4)
Fire hall	25,485	3,300	28,785	33,206	-	(4,421)
Capital projects	-	55,000	55,000	93,293	-	(38,293)
Special projects	-	1,592,994	1,592,994	1,595	-	1,591,399
	335,375	1,651,419	1,986,794	373,904	-	1,612,890

# Whitesand First Nation

## Segmented Schedule of Revenue and Expenses

Year ended March 31, 2016

## Schedule 3 (continued)

	AANDC Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenses \$	Adjustments/ Transfers From (To) \$	Current Operating Surplus (Deficit) \$
<b>SOCIAL SERVICES</b>						
Employment Counsellor	-	-	-	23,748	-	(23,748)
Employment Related	-	-	-	73,691	-	(73,691)
Employment Support	4,600	-	4,600	279	-	4,321
Intake	-	-	-	31,221	-	(31,221)
NCBS	29,600	-	29,600	29,583	-	17
SAFT	-	7,500	7,500	7,333	-	167
Service Delivery	62,800	171,100	233,900	79,442	-	154,458
Ontario Works	35,400	537,838	573,238	578,747	-	(5,509)
Skills Partnership Fund	-	-	-	520	-	(520)
	132,400	716,438	848,838	824,564	-	24,274
<b>HEALTH PROGRAMS</b>						
Aboriginal Diabetes	-	23,979	23,979	26,019	-	(2,040)
AHWS	-	104,599	104,599	104,599	-	-
AHWS Enhancement	-	19,916	19,916	19,993	-	(77)
Building Healthy Communities	-	71,600	71,600	73,603	-	(2,003)
Brighter Futures	-	88,607	88,607	90,711	-	(2,104)
COHI	-	17,732	17,732	14,895	-	2,837
Community Healthy Plan	-	-	-	17,500	-	(17,500)
Community Health Rep	-	50,023	50,023	53,321	-	(3,298)
Family Support Worker	-	99,048	99,048	91,976	-	7,072
Healthy Child Development	-	71,982	71,982	85,716	-	(13,734)
HIV/AIDS	-	-	-	3,973	-	(3,973)
Home Support Worker	-	45,353	45,353	57,731	-	(12,378)
IFN Diabetes	-	6,736	6,736	7,294	-	(558)
IFN Gambling	-	8,535	8,535	8,574	-	(39)
IFN Victim Services	-	14,000	14,000	14,177	-	(177)
Incity Transportation	-	3,684	3,684	27,284	-	(23,600)
Medical Van Trans	-	72,767	72,767	72,797	-	(30)
NAYSPS	-	11,505	11,505	9,043	-	2,462
PDA	-	122,400	122,400	122,400	-	-
Medical Van Admin	-	16,027	16,027	16,027	-	-
	-	848,493	848,493	917,633	-	(69,140)

# Whitesand First Nation

## Segmented Schedule of Revenue and Expenses

Year ended March 31, 2016

## Schedule 3 (continued)

	AANDC Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenses \$	Adjustments/ Transfers From (To) \$	Current Operating Surplus (Deficit) \$
<b>OTHER PROGRAMS</b>						
Hydro Trust 2	-	-	-	917,744	-	(917,744)
Casino Rama	-	722,592	722,592	421,729	-	300,863
Fuels	-	141,547	141,547	140,277	-	1,270
Housing	-	644,816	644,816	1,113,622	-	(468,806)
LDM	-	129,940	129,940	392,582	-	(262,642)
Trust	-	341,197	341,197	689,801	-	(348,604)
Landmark Investments	-	29,134	29,134	-	-	29,134
	-	2,009,226	2,009,226	3,675,755	-	(1,666,529)
	3,140,162	8,287,204	11,427,366	10,899,207	-	528,159