

**Whitefish River First Nation
Consolidated Financial Statements
For the year ended March 31, 2019**

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For the year ended March 31, 2019**

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Whitefish River First Nation Management's Responsibility for the Consolidated Financial Statements

March 31, 2019

The accompanying consolidated financial statements of Whitefish River First Nation 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. 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 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 external auditors, BDO Canada LLP, conduct an audit, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to financial management of Whitefish River First Nation and meet when required.

On behalf of Whitefish River First Nation:

Franklin Bla _____ Chief

Brian McGeorge _____ Councillor



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Independent Auditor's Report

To the Members of Whitefish River First Nation

Opinion

We have audited the consolidated financial statements of Whitefish River First Nation (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2019 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, 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 and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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 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.
- 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
Sault Ste. Marie, Ontario
July 16, 2019

Whitefish River First Nation
Consolidated Statement of Financial Position

<u>March 31</u>	<u>2019</u>	<u>2018</u>
Financial assets		
Cash and short term investments	\$ 7,264,830	\$ 6,016,589
Accounts receivable	901,413	903,775
Accounts receivable - band members (Note 2)	211,934	228,678
Investments (Note 3)	3	205,003
Funds held in trust with Government of Canada (Note 4)	<u>1,181,393</u>	<u>1,154,934</u>
	<u>9,559,573</u>	<u>8,508,979</u>
Liabilities		
Accounts payable and accrued liabilities	318,965	958,435
Deferred revenue (Note 5)	3,317,347	776,682
Loans payable (Note 6)	854,470	860,073
Future landfill closure and post-closure liabilities (Note 7)	259,700	227,000
Long term debt (Note 8)	<u>4,071,162</u>	<u>4,321,332</u>
	<u>8,821,644</u>	<u>7,143,522</u>
Net financial assets	<u>737,929</u>	<u>1,365,457</u>
Non-financial assets		
Tangible capital assets (Schedule 1)	27,072,695	25,395,808
Prepaid expenses and inventory of supplies	<u>11,050</u>	-
	<u>27,083,745</u>	<u>25,395,808</u>
Accumulated surplus (Note 10)	<u>\$ 27,821,674</u>	<u>\$ 26,761,265</u>

On behalf of Council:

Frankie Palau Chief

Bruce McGuyr Councillor

**Whitefish River First Nation
Consolidated Statement of Operations**

For the year ended March 31	Budget	2019	2018
Revenue			
Indigenous Services Canada	\$ 5,145,202	4,510,727	\$ 4,975,797
Canada Mortgage and Housing Corporation	803,541	494,334	844,897
Government of Canada	242,533	242,533	325,682
Ontario	1,511,275	1,031,110	925,861
Anishinabek organizations	3,969,833	3,641,118	890,704
OFNLP	1,075,529	277,559	847,597
Interest and other revenue	434,427	431,824	2,099,407
User fees, leases, rental income, sales and fundraising	<u>1,316,789</u>	1,610,274	1,608,556
	<u>14,499,129</u>	12,239,479	12,518,501
Expenses			
Social and family services	1,513,908	1,206,115	949,221
Administration, lands and economic development	1,626,178	1,718,115	1,273,645
Education	3,346,968	3,119,197	2,674,718
Operations and maintenance	1,722,338	1,623,734	1,575,862
Housing and infrastructure development	1,581,425	1,261,269	2,562,880
Medical and other health services	903,670	924,977	956,081
Enterprises	573,530	899,489	979,898
Other	252,965	188,079	118,234
Impairment writedown on investment	<u>-</u>	238,095	1,753,422
	<u>11,520,982</u>	11,179,070	12,843,961
Annual surplus (deficit) (Note 10)	2,978,147	1,060,409	(325,460)
Accumulated surplus, beginning of year	26,761,265	26,761,265	27,086,725
Accumulated surplus, end of year (Note 10)	\$ 29,739,412	\$ 27,821,674	\$ 26,761,265

Whitefish River First Nation
Consolidated Statement of Change in Net Financial Assets

<u>For the year ended March 31</u>	<u>Budget</u>	<u>2019</u>	<u>2018</u>
Annual surplus (deficit)	\$ 2,978,147	\$ 1,060,409	\$ (325,460)
Acquisition of tangible capital assets	(323,116)	(2,890,342)	(305,262)
Amortization of tangible capital assets	1,205,212	1,213,455	1,205,212
Prepaid expenses and inventory of supplies	-	(11,050)	821
Net change in net financial assets	3,860,243	(627,528)	575,311
Net financial assets, beginning of year	1,365,457	1,365,457	790,146
Net financial assets, end of year	\$ 5,225,700	\$ 737,929	\$ 1,365,457

**Whitefish River First Nation
Consolidated Statement of Cash Flows**

<u>For the year ended March 31</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Annual surplus (deficit)	\$ 1,060,409	\$ (325,460)
Items not involving cash		
Amortization	1,213,455	1,205,212
Impairment writedown on investments	238,095	1,753,422
Unfunded landfill site costs	<u>32,700</u>	<u>29,000</u>
	<u>2,544,659</u>	<u>2,662,174</u>
Changes in non-cash working capital balances		
Accounts receivable	19,106	999,052
Prepaid expenses	(11,050)	821
Accounts payable	(639,470)	262,572
Deferred revenue	2,540,665	(85,844)
Due to/from Indigenous Services Canada	-	(17,012)
Funds held in trust	<u>(26,459)</u>	<u>(25,030)</u>
	<u>4,427,451</u>	<u>3,796,733</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(2,890,342)</u>	<u>(305,262)</u>
Cash flows from investing activities		
Investment in Great Lakes Hospitality Group Limited Partnership	<u>(33,095)</u>	<u>(525,443)</u>
Cash flows from financing activities		
Decrease in long term debt	(250,170)	(236,878)
Decrease in loans payable	<u>(5,603)</u>	<u>(5,281)</u>
	<u>(255,773)</u>	<u>(242,159)</u>
Increase in cash and equivalents	1,248,241	2,723,869
Cash and cash equivalents, beginning of year	6,016,589	3,292,720
Cash and cash equivalents, end of year	\$ 7,264,830	\$ 6,016,589

Whitefish River First Nation

Notes to Consolidated Financial Statements

March 31, 2019

1. Summary of significant accounting policies

a. Basis of Accounting

These consolidated financial statements of the Whitefish River First Nation have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board.

b. Reporting Entity

The Whitefish River First Nation reporting entity includes the First Nation government and all entities that are controlled by the First Nation.

c. Principles of Consolidation

These financial statements reflect the assets, liabilities, revenue and expenses of all programs under the control of Chief and Council and fully consolidate on a line-by-line basis the activities of the Whitefish River Development Corporation and the Birch Island Construction Company.

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.

Government transfers are recognized as revenue 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, other than government transfers, are deferred when restrictions are placed on their use by external 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 being performed, is deferred and recognized when the fee is earned or service performed.

e. Portfolio Investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

f. Tangible Capital Assets

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 straight-line basis over the estimated life of the tangible capital asset commencing in the year the asset is available for productive use as follows:

Land improvements	10 to 30 years
Buildings	25 to 40 years
Machinery and equipment	4 to 40 years
Vehicles	7 years
Infrastructure	10 to 75 years

In the year of acquisition tangible capital assets are amortized at one-half the above rates.

Whitefish River First Nation Notes to Consolidated Financial Statements

March 31, 2019

1. Summary of significant accounting policies (continued)

g. Cash and Short Term Deposit Receipts

The First Nation's bank accounts and short term deposit receipts are maintained at one financial institution which has also provided a \$100,000 operating loan facility. As at March 31, 2019 there were no amounts outstanding against this credit facility.

h. Pension Plan

Whitefish River First Nation provides a defined contribution pension plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount whereby the employer matches that paid by the employee.

i. Use of Estimates

The preparation of financial statements 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 reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Accounts receivable - Band members

	2019	2018
Band Members receivables	\$ 751,743	\$ 809,412
Less: Doubtful accounts	<u>(539,809)</u>	<u>(580,734)</u>
	<u>\$ 211,934</u>	<u>\$ 228,678</u>

Whitefish River First Nation

Notes to Consolidated Financial Statements

March 31, 2019

3. Investments

	2019	2018
Hotel and Conference Centre		
7043821 Canada Inc.		
Common share (1 of 7 shares issued)	\$ 1	\$ 1
Great Lakes Hospitality Group Limited Partnership	<u>1</u>	<u>1</u>
	2	2
Other investments		
Helios Whitefish River First Nation Limited Partnership	-	205,000
Mnidoo Mnising Power Limited Partnership	<u>1</u>	<u>1</u>
	<u><u>3</u></u>	<u><u>205,003</u></u>

The First Nation entered into shareholder and limited partnership agreements with six other First Nations on March 7, 2012 to participate in the development of a hotel and conference centre located on Manitoulin Island. As at March 31, 2019 the investment in the Great Lakes Hospitality Group Limited Partnership (GLHGLP) was impaired and a writedown of the current year advances of \$33,095 was realized. GLHGLP accounts for the investment using the equity method - since the investment is at \$1.00 and the company is showing losses each year, no change in the investment amount necessary.

The First Nation has a 51% interest in the Helios Whitefish River Limited Partnership and accounts for the investment using the portfolio method. As at March 31, 2019 the investment was impaired and a writedown of \$205,000 was realized.

The First Nation has a 16.55% interest in the Mnidoo Mnising Power Limited Partnership and accounts for the investment using the portfolio method.

4. Trust funds

	Revenue	Capital	2019 Total	2018 Total
Balance, beginning of year	\$ 1,095,733	\$ 59,201	\$ 1,154,934	\$ 1,129,904
Revenue				
Government interest	<u>26,459</u>	-	<u>26,459</u>	25,030
Balance, end of year	<u>\$ 1,122,192</u>	<u>\$ 59,201</u>	<u>\$ 1,181,393</u>	<u>\$ 1,154,934</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.

Whitefish River First Nation
Notes to Consolidated Financial Statements

March 31, 2019

5. Deferred revenue and government transfers

	Balance March 31, 2018	Funding Received 2019	Revenue Recognized 2019	Balance March 31, 2019
Indigenous Services Canada	\$ 515,801	\$ 4,975,528	\$ 4,510,727	\$ 980,602
Canada Mortgage and Housing Corporation	57,977	439,964	494,334	3,607
Health Canada and other Ontario	-	542,533	242,533	300,000
Anishinabek Organizations	20,257	1,737,178	1,031,110	726,325
Other	-	4,036,635	3,641,118	395,517
	<u>146,029</u>	<u>3,017,335</u>	<u>2,319,657</u>	<u>843,707</u>
	\$ 740,064	\$ 14,749,173	\$ 12,239,479	\$ 3,249,758

Deferred revenue by program is as follows:

	2019	2018
Ontario Works - administrator	\$ -	\$ 20,257
UCCMM Self Government	-	60,000
Capital Daycare/School Expansion	738,833	-
Special Education	-	169,884
New Paths - Language and Culture	-	57,050
Capacity Development	19,747	-
CMHC Elders project	797,970	57,977
Elevated Storage Reservoir	390,628	15,213
Clean Water Wastewater	5,815	51,241
Ontario Arts Council	30,000	-
Roads	267,621	181,399
Disc 1718 Renovations	-	41,014
FN Child & Family Services	287,492	-
PC Childrens Charity Community Fund	5,000	-
Collaborative Process	5,892	-
Provincial Schools	115,639	-
Shawanosowe School	218,579	-
OUI Youth Life Promotion	61,298	-
CMHC RRAP	3,607	-
Prosper Canada - Financial Literacy	10,737	10,667
IESO - Aboriginal community Energy Plan	-	75,362
Waste Planning & Landfill Assessment	127,851	-
Multi-Use Waste Vehicle Purchase	163,049	-
	3,249,758	740,064
Prepaid lease revenue	67,589	36,618
	\$ 3,317,347	\$ 776,682

Whitefish River First Nation
Notes to Consolidated Financial Statements

March 31, 2019

6. Loans payable

	2019	2018
Indigenous Services Canada promissory note - boundary claim, interest free unless in default, repayable on the earlier of March 31, 2021 or a date on which the claim is settled, includes an extension clause should the claim not be settled by the maturity date	\$ 833,790	\$ 833,790
Waubetek Business Development Corporation, repayable \$584 monthly for 120 months including interest at 6%, secured by furnishings and a Band guarantee	<u>20,680</u>	26,283
	<u>\$ 854,470</u>	<u>\$ 860,073</u>

7. Accrued landfill closure and post-closure costs

Landfill closure and post-closure requirements include costs to close and monitor the existing landfill site. The reported liability is based on estimates and assumptions with respect to events extending over a fifty year period using the best information currently available to management. Future events may result in significant changes to total estimated expenditures, capacity used or total capacity and estimated liability. Any such changes would be applied prospectively as a change in estimate, when applicable.

The estimated remaining useful life of the landfill site is 6 years, after which the period for post-closure care costs is estimated to be 30 years. The estimated liability for landfill closure and post-closure costs is recognized as the landfill site's capacity is used.

The estimated total net present value of expenditures to close and maintain the landfill site is approximately \$259,700 based on an estimated 75% usage to date.

The First Nation has not designated any source of revenue to fund the cost of closing and maintaining the landfill site.

8. Long term debt

	2019	2018
Canada Mortgage and Housing, repayable \$2,509 monthly including interest at 2.5%, renewal date April 1, 2023	\$ 119,386	\$ 146,867
Canada Mortgage and Housing, repayable \$2,090 monthly including interest at 1.05%, renewal date April 1, 2020	262,576	284,802
Canada Mortgage and Housing, repayable \$2,679 monthly including interest at 1.01%, renewal date February 1, 2021	358,771	387,176
Canada Mortgage and Housing, repayable \$2,604 monthly, including interest at 1.31% renewal date December 1, 2021	364,999	391,326
Canada Mortgage and Housing, repayable \$2,918 monthly, including interest at 1.84%, renewal date September 1, 2022	414,509	441,707
Canada Mortgage and Housing, repayable \$4,364 monthly, including interest at 2.39%, renewal date March 1, 2023	624,391	661,536
Canada Mortgage and Housing, repayable \$2,234 monthly, including interest at 1.35%, renewal date May 1, 2022	430,475	451,360

Whitefish River First Nation Notes to Consolidated Financial Statements

March 31, 2019

8. Long term debt (continued)

	2019	2018
Canada Mortgage and Housing, repayable \$2,951 monthly, including interest at 1.30%, renewal date June 1, 2022	575,836	603,624
Canada Mortgage and Housing, repayable \$3,890 monthly including interest at 1.50%, renewal date July 1, 2022	920,219	952,934
	\$ 4,071,162	\$ 4,321,332

The above Canada Mortgage and Housing Corporation mortgages are secured by a Ministerial guarantee by Aboriginal Affairs and Northern Development Canada.

Assuming renewal on comparable terms, principal payments required on long term debt for the next five years and thereafter are due as follows:

Year	Amount
2020	\$ 255,575
2021	259,481
2022	263,450
2023	267,485
2024	243,421
Thereafter	<u>2,781,750</u>
	\$ 4,071,162

9. Pension plan

Employees are eligible to participate in a defined contribution pension plan. Employer contributions totalled \$90,958 (2018 - \$78,080) and were fully expensed.

Whitefish River First Nation
Notes to Consolidated Financial Statements

March 31, 2019

10. Allocation of annual surplus (deficit) and accumulated surplus

Allocation of annual surplus (deficit)

	2019	2018
Reserves and reserve funds:		
Future capital projects from Hwy 6 settlement and		
Power agreement	\$ -	\$ 1,702,548
Bursary fund	-	-
Restricted -		
Casino Rama	-	-
- Casino Rama - future generations	-	-
- OFN 2008 Limited Partnership agreement	1	-
Canada Mortgage and Housing Corporation	<u>51,614</u>	<u>66,003</u>
	51,615	1,768,551
Equity in tangible capital assets	1,927,056	(663,072)
General surplus (deficit)	<u>(880,040)</u>	<u>(1,385,988)</u>
Equity (deficit) in enterprises	(31,981)	(40,981)
Unfunded landfill liabilities	(32,700)	(29,000)
Funds Held in Trust	<u>26,459</u>	<u>25,030</u>
	<u><u>\$ 1,060,409</u></u>	<u><u>\$ (325,460)</u></u>

Accumulated surplus

	2019	2018
Reserves set aside for specific purposes by Chief and Council:		
Future capital projects	\$ 2,206,927	\$ 2,206,927
Bursary fund	4,000	4,000
Restricted -		
Casino Rama	1,252,370	1,252,370
- Casino Rama - future generations	1,435,660	1,435,660
- OFN 2008 Limited Partnership agreement	1,542,414	1,542,413
Reserve Funds:		
Canada Mortgage and Housing Corporation	<u>664,131</u>	<u>612,517</u>
	7,105,502	7,053,887
Equity in tangible capital assets	23,001,532	21,074,476
General surplus (deficit)	<u>(1,891,580)</u>	<u>(1,011,540)</u>
Land claim negotiating costs to be recovered	(833,790)	(833,790)
Equity (deficit) in enterprises	(481,683)	(449,702)
Unfunded landfill liabilities	(259,700)	(227,000)
Funds Held in Trust	<u>1,181,393</u>	<u>1,154,934</u>
	<u><u>\$ 27,821,674</u></u>	<u><u>\$ 26,761,265</u></u>

Whitefish River First Nation Notes to Consolidated Financial Statements

March 31, 2019

11. Indigenous Services Canada funding

The Whitefish River First Nation has a funding arrangement with Indigenous Services Canada. The funds are used by the First Nation to administer its operations and provide service to its members in accordance with the terms of the funding arrangement.

The following is a reconciliation of funding provided.

Indigenous Services Canada revenue per consolidated statement of operations	\$ 4,510,727
Deferred revenue, end of year	980,602
Deferred revenue, beginning of year	<u>(515,801)</u>
Indigenous Services Canada funding per confirmation report	4,975,528
	<u>4,975,528</u>
	\$ _____ -

12. Contingencies and commitments

The Whitefish River First Nation has guaranteed Canada Mortgage and Housing Corporation loans on behalf of various Band members under the Rural Rehabilitation Assistance Program and is contingently liable to Canada Mortgage and Housing Corporation pursuant to the Indian On-Reserve Housing Regulations in the event of any default by the borrowers. Also, the First Nation is contingently liable in the amount of \$87,426 in respect to an on-reserve housing loan.

The First Nation, as a limited partner, has provided a guarantee proportional to its 17.6% ownership interest in the partnership on a loan facility agreement between the Bank of Montreal and the Great Lakes Hospitality Group Limited Partnership. The total loan outstanding as at December 31, 2017 of \$2,154,776. Additionally, the First Nation, in conjunction with the other limited partners, has guaranteed on a joint and several basis obligations to make any payments due by GLHLP under terms of the loan facility.

13. Comparative figures

The comparative amounts presented in the financial statements have been restated where necessary to conform to the current year's presentation.

Whitefish River First Nation Notes to Consolidated Financial Statements

March 31, 2019

14. Segmented information

The Whitefish River First Nation is a diversified government institution that provides a wide range of services to its members, including education, infrastructure maintenance, medical and other health services, administration, enterprises and other services. For management reporting purposes the First Nation's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations.

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

Social and family services

This department is responsible for administering programs focusing on improving the lives of members and families of the First Nation, including social assistance and adult care policies and as well, providing services directed towards members including day care and employment support initiatives.

Administration, lands, trusts and economic development

The administration department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of chief and council. This department also oversees economic development programs within the community.

Education

The education department provides services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

Operations and maintenance

The infrastructure department provides public services that contribute to community development and sustainability through the provision of operating services such as roads, water and sanitation, fire protection, electrical and community buildings.

Housing and infrastructure development

This department oversees construction and renovation of housing and various capital projects in the community and as well, operates the CMHC projects and other band-owned homes.

Medical and other health services

The community wellness department provides a diverse bundle of services directed towards the well-being of members including such activities as long term care, medical transportation, pre-natal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

Enterprises

Band operated enterprises are activities conducted by the First Nation with the objective of promoting economic self-sufficiency. These activities could include income generated from renting out band-owned equipment, lease income and other projects from time to time.

Whitefish River First Nation Notes to Consolidated Financial Statements

March 31, 2019

14. Segmented information (continued)

Other services

The First Nation provides a wide array of other services, including youth employment projects, library, spiritual, cultural and recreation activities.

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see Schedule 2 - Consolidated Segment Disclosure.

Whitefish River First Nation

Schedule 1 - Consolidated Tangible Capital Assets

For the year ended March 31, 2019

	Land Improvements	Housing	Buildings	Equipment	Machinery and Equipment	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 1,787,217	\$ 7,447,175	\$ 12,637,608	\$ 1,408,576	\$ 742,475	\$ 14,917,503	\$ -	\$ 38,940,554
Additions	-	-	-	-	102,726	-	2,787,616	2,890,342
Cost, end of year	<u>1,787,217</u>	<u>7,447,175</u>	<u>12,637,608</u>	<u>1,408,576</u>	<u>845,201</u>	<u>14,917,503</u>	<u>2,787,616</u>	<u>41,830,896</u>
Accumulated amortization, beginning of year	846,938	2,637,281	4,409,862	1,151,050	484,086	4,015,529	-	13,544,746
Amortization	88,200	297,876	358,374	45,527	54,936	368,542	-	1,213,455
Accumulated amortization, end of year	<u>935,138</u>	<u>2,935,157</u>	<u>4,768,236</u>	<u>1,196,577</u>	<u>539,022</u>	<u>4,384,071</u>	<u>-</u>	<u>14,758,201</u>
Net carrying amount, end of year	<u>\$ 852,079</u>	<u>\$ 4,512,018</u>	<u>\$ 7,869,372</u>	<u>\$ 211,999</u>	<u>\$ 306,179</u>	<u>\$ 10,533,432</u>	<u>\$ 2,787,616</u>	<u>\$ 27,072,695</u>

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$2,787,616 (2018 - \$Nil).

The First Nation holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

Whitefish River First Nation
Schedule 1 - Consolidated Tangible Capital Assets (continued)

For the year ended March 31, 2018 (comparative figures)

	Land Improvements	Housing	Buildings	Equipment	Vehicles	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 1,787,217	\$ 6,416,363	\$ 12,637,608	\$ 1,408,576	\$ 538,071	\$ 14,917,503	\$ 929,954	\$ 38,635,292
Additions	- 1,030,812	-	-	-	204,404	-	-	1,235,216
Capitalized construction	-	-	-	-	-	-	-	(929,954)
Cost, end of year	1,787,217	7,447,175	12,637,608	1,408,576	742,475	14,917,503	-	(929,954)
Accumulated amortization, beginning of year	753,637	2,360,020	4,046,929	1,085,932	446,029	3,646,987	-	12,339,534
Amortization	93,301	277,261	362,933	65,118	38,057	368,542	-	1,205,212
Accumulated amortization, end of year	846,938	2,637,281	4,409,862	1,151,050	484,086	4,015,529	-	13,544,746
Net carrying amount, end of year	\$ 940,279	\$ 4,809,894	\$ 8,227,746	\$ 257,526	\$ 258,389	\$ 10,901,974	\$ -	\$ 25,395,808

The net book value of tangible capital assets not being amortized because they are under construction (or development or have been removed from service) is \$NIL (2017 - \$929,954).

The First Nation holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

For the year ended March 31, 2019

Whitefish River First Nation
Schedule 2 - Consolidated Segment Disclosure

	Social and Family Services						Administration Lands, Trusts and Economic Development			Education		
	Budget		2019		2018		Budget		2019		2018	
	Revenue											
Indigenous Services Canada	\$ 577,501	\$ 577,501	\$ 186,802	\$ 567,464	\$ 561,573	\$ 578,838	\$ 262,353	\$ 262,353	\$ 2,424,991			
Canada	-	-	-	-	-	-	-	-	150,623	150,623		
Ontario	937,428	646,096	742,324	96,175	96,175	10,000	40,800	40,800			40,800	
Anishinabek organizations	87,829	87,829	35,673	20,491	20,491	51,460	2,989,136	2,665,421			152,276	
Interest and other revenue	-	-	-	196,517	220,479	1,900,290	5,000	-				
User fees, leases, rentals, sales and fundraising	-	-	-	-	-	15,000	-	-				
Transfers between segments	-	-	-	100,602	485,175	473,970	-	-				
	1,602,758	1,311,426	964,799	981,249	1,383,893	3,029,558	3,447,912	3,119,197	2,784,173			
Expenses												
Salaries, wages and benefits	579,151	587,680	331,678	842,743	886,993	831,580	1,070,192	1,082,553			646,883	
Materials and supplies	443,158	158,741	156,002	176,730	173,631	113,828	164,915	156,021			222,550	
Contracted services	83,995	80,418	75,088	674,241	680,860	359,611	275,492	164,041			120,047	
Rents and financial expenses	31,350	28,724	27,747	7,200	13,945	5,827	-	-				
External transfers and other	343,614	315,661	332,861	22,731	69,283	26,175	1,756,369	1,636,582			1,650,740	
Amortization	18,960	21,211	18,960	294	-	294	-	-				
Transfers between segments - administration	13,680	13,680	6,885	(97,761)	(106,597)	(63,670)	80,000	80,000			34,498	
	1,513,908	1,206,115	949,221	1,626,178	1,718,115	1,273,645	3,346,968	3,119,197	2,674,718			
Annual surplus (deficit)												
	\$ 88,850	\$ 105,311	\$ 15,578	\$ (644,929)	\$ (334,222)	\$ 1,755,913	\$ 100,944	\$ -	\$ 109,455			

Whitefish River First Nation
Schedule 2 - Consolidated Segment Disclosure (continued)

For the year ended March 31, 2019

	Operation and Maintenance			Housing and Infrastructure Development			Medical and Other Health Services		
	Budget	2019	2018	Budget	2019	2018	Budget	2019	2018
Revenue									
Indigenous Services Canada	\$ 404,736	\$ 459,963	\$ 568,030	\$ 3,333,148	\$ 2,649,337	\$ 1,217,136	\$ -	\$ -	\$ -
Canada	-	-	-	705,001	395,794	869,897	181,103	181,103	291,609
Ontario	76,280	76,280	17,544	250,000	61,167	-	96,230	96,230	115,193
Anishinabek organizations	184,580	184,580	53,279	-	-	(25,000)	650,932	645,932	612,938
Interest and other revenue	-	-	-	-	9,172	107,053	-	10,000	-
User fees, leases, rentals, sales and fundraising	11,110	10,805	22,632	392,300	385,710	388,960	-	-	-
Transfers between segments	-	-	188,276	1,385,082	337,111	110,658	-	-	-
	676,706	731,628	849,761	6,065,531	3,838,291	2,668,704	928,265	933,265	1,019,740
Expenses									
Salaries, wages and benefits	209,407	199,153	232,121	285,215	283,817	175,017	468,626	462,895	502,306
Materials and supplies	228,349	220,739	190,542	37,903	44,557	20,226	326,104	330,953	296,081
Contracted services	532,852	451,368	431,236	708,249	384,194	1,904,470	45,043	55,108	104,827
Rents and financial expenses	115,106	119,899	81,374	65,154	40,521	36,907	4,965	4,965	4,965
External transfers and other	12,000	11,000	11,000	71,014	67,406	8,500	35,608	39,027	15,207
Amortization	629,589	621,575	629,589	417,760	440,774	417,760	10,408	19,112	10,408
Transfers between segments - administration	(4,965)	-	-	(3,870)	-	-	12,916	12,917	22,287
	1,722,338	1,623,734	1,575,862	1,581,425	1,261,269	2,562,880	903,670	924,977	956,081
Annual surplus (deficit)	\$ (1,045,632)	\$ (892,106)	\$ (726,101)	\$ 4,484,106	\$ 2,577,022	\$ 105,824	\$ 24,595	\$ 8,288	\$ 63,659

Whitefish River First Nation
Schedule 2 - Consolidated Segment Disclosure (continued)

For the year ended March 31, 2019

	Enterprises			Other			Consolidated Total		
	Budget	2019	2018	Budget	2019	2018	Budget	2019	2018
Revenue									
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,145,202	\$ 4,510,727
Canada	-	-	-	9,347	9,347	9,073	1,046,074	736,867	1,170,579
Ontario	-	-	-	14,362	14,362	-	1,511,275	1,031,110	925,861
Anishinabek organizations	-	-	3,705	36,865	36,865	6,373	3,969,833	3,641,118	890,704
OFNLP	1,075,529	277,559	847,597	-	-	-	1,075,529	277,559	847,597
Interest and other revenue	71,881	71,881	45,040	161,029	120,292	47,024	434,427	431,824	2,099,407
User fees, leases, rentals, sales and fundraising	913,379	1,213,759	1,181,964	-	31,362	31,362	1,316,789	1,610,274	1,608,556
Transfers between segments	(1,517,046)	(853,648)	(987,734)	-	-	-	-	-	-
	543,743	709,551	1,090,572	252,965	212,228	111,194	14,499,129	12,239,479	12,518,501
Expenses									
Salaries, wages and benefits	185,218	374,697	434,780	156,275	161,399	98,805	3,796,827	4,039,187	3,253,170
Materials and supplies	67,096	197,481	192,521	76,540	21,374	16,109	1,520,795	1,303,497	1,207,859
Contracted services	193,015	214,861	222,151	15,740	7,115	2,325	2,528,627	2,037,965	3,219,755
Rents and financial expenses	-	1,668	2,245	-	4,410	(1,809)	-	223,775	209,722
External transfers and other	-	-	-	-	-	-	995	2,245,746	2,137,150
Amortization	128,201	110,782	128,201	-	-	-	-	1,205,212	1,213,454
Transfers between segments - administration	-	-	-	-	-	-	-	-	2,045,478
Impairment written down on investment	-	-	-	-	-	-	-	-	1,205,212
	573,530	899,489	979,898	252,965	426,174	1,871,656	11,520,982	11,179,070	12,843,961
Annual surplus (deficit)	\$ (29,787)	\$ (189,938)	\$ 110,674	\$ -	\$ (213,946)	\$ (1,760,462)	\$ 2,978,147	\$ 1,060,409	\$ (325,460)