

**Whitefish River First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2020**

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Indigenous Services Canada  
Services aux Autochtones Canada  
Thunder Bay

**Whitefish River First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2020**

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

March 31, 2020

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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:

(X) Franklin Peacock Chief

(X) Marvin May Councillor



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Sault Ste. Marie ON P6A 5N7 Canada

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## Independent Auditor's Report

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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, 2020 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, 2020, 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.

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## Independent Auditor's Report (continued)

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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  
December 8, 2020

**Whitefish River First Nation**  
**Consolidated Statement of Financial Position**

March 31	2020	2019
<b>Financial assets</b>		
Cash and short term investments	\$ 4,543,795	\$ 7,264,830
Accounts receivable	2,548,241	901,413
Accounts receivable - band members (Note 2)	210,030	211,934
Investments (Note 3)	3	3
Funds held in trust with Government of Canada (Note 4)	<u>1,201,334</u>	<u>1,181,393</u>
	<u>8,503,403</u>	<u>9,559,573</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	603,542	318,965
Deferred revenue (Note 5)	2,247,493	3,317,347
Loans payable (Note 6)	848,567	854,470
Future landfill closure and post-closure liabilities (Note 7)	295,800	259,700
Long term debt (Note 8)	<u>3,817,070</u>	<u>4,071,162</u>
	<u>7,812,472</u>	<u>8,821,644</u>
<b>Net financial assets</b>	<u>690,931</u>	<u>737,929</u>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	30,136,475	27,072,695
Prepaid expenses and inventory of supplies	<u>2,800</u>	<u>11,050</u>
	<u>30,139,275</u>	<u>27,083,745</u>
<b>Accumulated surplus (Note 10)</b>	<u>\$ 30,830,206</u>	<u>\$ 27,821,674</u>

On behalf of Council:

⑧ Fisher M. Chief

⑧ Ma. M. S. Councillor

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

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>			
Indigenous Services Canada	\$ 4,649,171	\$ 4,663,985	\$ 4,510,727
Canada Mortgage and Housing Corporation	1,634,224	1,590,793	494,334
Government of Canada	825,648	524,631	242,533
Ontario	1,701,735	1,676,054	1,031,110
Anishinabek organizations	4,796,036	4,253,531	3,641,118
OFNLP	900,000	934,049	277,559
Interest and other revenue	460,095	411,735	431,824
User fees, leases, rental income, sales and fundraising	1,287,755	<b>1,361,617</b>	1,610,274
	<b>16,254,664</b>	<b>15,416,395</b>	12,239,479
<b>Expenses</b>			
Social and family services	1,991,894	<b>1,956,992</b>	1,206,115
Administration, lands and economic development	1,605,926	<b>1,689,242</b>	1,718,115
Education	3,940,755	<b>3,433,329</b>	3,119,197
Operations and maintenance	1,757,371	<b>1,858,575</b>	1,623,734
Housing and infrastructure development	2,076,994	<b>1,347,666</b>	1,261,269
Medical and other health services	1,135,466	<b>998,663</b>	924,977
Enterprises	624,425	<b>692,286</b>	899,489
Other	573,914	<b>413,908</b>	188,079
Impairment writedown on investment	-	<b>17,202</b>	238,095
	<b>13,706,745</b>	<b>12,407,863</b>	11,179,070
<b>Annual surplus (Note 10)</b>	2,547,919	<b>3,008,532</b>	1,060,409
<b>Accumulated surplus, beginning of year</b>	27,821,674	<b>27,821,674</b>	26,761,265
<b>Accumulated surplus, end of year (Note 10)</b>	\$ 30,369,593	<b>\$ 30,830,206</b>	\$ 27,821,674

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

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2020</b>	<b>2019</b>
<b>Annual surplus</b>	\$ 2,547,919	\$ 3,008,532	\$ 1,060,409
Acquisition of tangible capital assets	(4,472,676)	(4,339,317)	(2,890,342)
Amortization of tangible capital assets	1,213,455	1,275,537	1,213,455
Prepaid expenses and inventory of supplies	-	8,250	(11,050)
<b>Net change in net financial assets</b>	<b>(711,302)</b>	<b>(46,998)</b>	<b>(627,528)</b>
<b>Net financial assets, beginning of year</b>	<b>737,929</b>	<b>737,929</b>	<b>1,365,457</b>
<b>Net financial assets, end of year</b>	<b>\$ 26,627</b>	<b>\$ 690,931</b>	<b>\$ 737,929</b>

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

For the year ended March 31	2020	2019
<b>Cash flows from operating activities</b>		
Annual surplus	\$ 3,008,532	\$ 1,060,409
Items not involving cash		
Amortization	1,275,537	1,213,455
Impairment writedown on investments	17,202	238,095
Unfunded landfill site costs	<u>36,100</u>	<u>32,700</u>
	<b>4,337,371</b>	<b>2,544,659</b>
Changes in non-cash working capital balances		
Accounts receivable	(1,644,924)	19,106
Prepaid expenses	8,250	(11,050)
Accounts payable	284,577	(639,470)
Deferred revenue	(1,069,854)	2,540,665
Funds held in trust	<u>(19,941)</u>	<u>(26,459)</u>
	<b>1,895,479</b>	<b>4,427,451</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	<b>(4,339,317)</b>	<b>(2,890,342)</b>
<b>Cash flows from investing activities</b>		
Investment in Great Lakes Hospitality Group Limited Partnership	<b>(17,202)</b>	<b>(33,095)</b>
<b>Cash flows from financing activities</b>		
Repayment of long term debt	(254,092)	(250,170)
Repayment of loans payable	<u>(5,903)</u>	<u>(5,603)</u>
	<b>(259,995)</b>	<b>(255,773)</b>
<b>Increase (decrease) in cash and equivalents</b>	<b>(2,721,035)</b>	<b>1,248,241</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>7,264,830</b>	<b>6,016,589</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,543,795</b>	<b>\$ 7,264,830</b>

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# Whitefish River First Nation

## Notes to Consolidated Financial Statements

**March 31, 2020**

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### **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
Housing	25 to 40 years

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

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## Whitefish River First Nation Notes to Consolidated Financial Statements

**March 31, 2020**

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### **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, 2020 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.

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### **2. Accounts receivable - band members**

	<b>2020</b>	<b>2019</b>
Band members receivables	\$ 684,867	\$ 751,743
Less: Doubtful accounts	<u>(474,837)</u>	<u>(539,809)</u>
	<b>\$ 210,030</b>	<b>\$ 211,934</b>

**Whitefish River First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2020**

**3. Investments**

	2020	2019
<b>Hotel and conference centre</b>		
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
<b>Other investments</b>		
Mnidoo Mnising Power Limited Partnership	<u>1</u>	<u>1</u>
	<u>\$ 3</u>	<u>\$ 3</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, 2020 the investment in the Great Lakes Hospitality Group Limited Partnership (GLHGLP) was impaired and a writedown of the current year advances of \$17,202 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 is necessary.

The First Nation has a 51% interest in the Helios Whitefish River Limited Partnership and accounts for the investment using the portfolio method.

The First Nation has a 8.3% interest in the Mnidoo Mnising Power Limited Partnership and accounts for the investment using the portfolio method.

**4. Trust funds**

	Revenue	Capital	2020 Total	2019 Total
<b>Balance, beginning of year</b>	<b>\$ 1,122,192</b>	<b>\$ 59,201</b>	<b>\$ 1,181,393</b>	<b>\$ 1,154,934</b>
<b>Revenue</b>				
Government interest	<u>19,941</u>	-	<u>19,941</u>	26,459
<b>Balance, end of year</b>	<b><u>\$ 1,142,133</u></b>	<b><u>\$ 59,201</u></b>	<b><u>\$ 1,201,334</u></b>	<b><u>\$ 1,181,393</u></b>

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, 2020**

**5. Deferred revenue and government transfers**

	Balance March 31, 2019	Funding Received 2020	Revenue Recognized 2020	Balance March 31, 2020
Indigenous Services Canada	\$ 1,268,094	\$ 3,565,092	\$ 4,663,985	\$ 169,201
Canada Mortgage and Housing Corporation	3,607	1,637,468	1,641,075	-
Health Canada and other	300,000	395,324	474,349	220,975
Ontario	438,833	1,357,458	1,676,054	120,237
Anishinabek Organizations	395,517	4,539,374	4,253,531	681,360
Other	843,707	2,905,174	2,707,401	1,041,480
	<b>\$ 3,249,758</b>	<b>\$ 14,399,890</b>	<b>\$ 15,416,395</b>	<b>\$ 2,233,253</b>

Deferred revenue by program is as follows:

	2020	2019
Ontario Works - administrator	\$ 24,460	\$ -
MRP - Dispute Resolution Project	14,527	-
Capital Daycare/School Expansion	-	738,833
Social Development	51,993	-
Journey Together	36,059	-
Capacity Development	-	19,747
CMHC Elders project	968,664	797,970
Elevated Storage Reservoir	-	390,628
Clean Water Wastewater	-	5,815
Ontario Arts Council	-	30,000
Roads	-	267,621
NRF - GIS Project	16,214	-
NGPFA	50,398	-
FN Child & Family Services	43,504	287,492
PC Childrens Charity Community Fund	-	5,000
Collaborative Process	-	5,892
Provincial Schools	28,099	115,639
Shawanosowe School	359,337	218,579
OUI Youth Life Promotion	143,029	61,298
CMHC RRAP	-	3,607
Prosper Canada - Financial Literacy	-	10,737
Daycare UOI	100,498	-
ISC - Enhanced Funding	75,600	-
Waste Planning & Landfill Assessment	16,609	127,851
Multi-Use Waste Vehicle Purchase	-	163,049
DWSP	25,000	-
New Horizons	13,785	-
MMIWGT2S	36,496	-
IESO	228,981	-
	<b>2,233,253</b>	<b>3,249,758</b>
Prepaid lease revenue	<b>14,240</b>	<b>67,589</b>
	<b>\$ 2,247,493</b>	<b>\$ 3,317,347</b>

## Whitefish River First Nation Notes to Consolidated Financial Statements

**March 31, 2020**

### 6. Loans payable

	<b>2020</b>	<b>2019</b>
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	14,777	20,680
	<b>\$ 848,567</b>	<b>\$ 854,470</b>

### 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 5 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 \$295,800 based on an estimated 80% 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

	<b>2020</b>	<b>2019</b>
Canada Mortgage and Housing, repayable \$2,509 monthly including interest at 2.5%, renewal date April 1, 2023	\$ 91,264	\$ 119,386
Canada Mortgage and Housing, repayable \$2,090 monthly including interest at 1.05%, renewal date April 1, 2020	240,121	262,576
Canada Mortgage and Housing, repayable \$2,679 monthly including interest at 1.01%, renewal date February 1, 2021	330,085	358,771
Canada Mortgage and Housing, repayable \$2,604 monthly, including interest at 1.31% renewal date December 1, 2021	338,336	364,999
Canada Mortgage and Housing, repayable \$2,918 monthly, including interest at 1.84%, renewal date September 1, 2022	386,823	414,509
Canada Mortgage and Housing, repayable \$4,364 monthly, including interest at 2.39%, renewal date March 1, 2023	586,381	624,391
Canada Mortgage and Housing, repayable \$2,234 monthly, including interest at 1.35%, renewal date May 1, 2022	409,319	430,475

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## Whitefish River First Nation Notes to Consolidated Financial Statements

**March 31, 2020**

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**8. Long term debt (continued)**

	<b>2020</b>	<b>2019</b>
Canada Mortgage and Housing, repayable \$2,951 monthly, including interest at 1.30%, renewal date June 1, 2022	547,701	575,836
Canada Mortgage and Housing, repayable \$3,890 monthly including interest at 1.50%, renewal date July 1, 2022	<u>887,040</u>	<u>920,219</u>
	<u>\$ 3,817,070</u>	<u>\$ 4,071,162</u>

The above Canada Mortgage and Housing Corporation mortgages are secured by a Ministerial guarantee by Indigenous Services Canada 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:

<b>Year</b>	<b>Amount</b>
2021	\$ 259,481
2022	263,450
2023	267,485
2024	243,355
2025	243,971
Thereafter	<u>2,539,328</u>
	<u>\$ 3,817,070</u>

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**9. Pension plan**

Employees are eligible to participate in a defined contribution pension plan. Employer contributions totalled \$107,381 (2019 - \$90,958) and were fully expensed.

**Whitefish River First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2020**

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

**Allocation of annual surplus (deficit)**

	<b>2020</b>	<b>2019</b>
Reserves and reserve funds:		
Future capital projects from Hwy 6 settlement and Power agreement	\$ -	\$ -
Bursary fund	- -	- -
Restricted - Casino Rama	- -	- -
- Casino Rama - future generations	- -	- -
- OFN 2008 Limited Partnership agreement	- -	- -
Canada Mortgage and Housing Corporation	<u>16,457</u>	<u>51,615</u>
	16,457	51,615
Equity in tangible capital assets	3,317,871	1,927,056
General surplus (deficit)	(281,510)	(880,040)
Equity (deficit) in enterprises	(28,127)	(31,981)
Unfunded landfill liabilities	(36,100)	(32,700)
Funds held in trust	<u>19,941</u>	<u>26,459</u>
	\$ 3,008,532	\$ 1,060,409

**Accumulated surplus**

	<b>2020</b>	<b>2019</b>
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	1,542,414
Reserve Funds:		
Canada Mortgage and Housing Corporation	<u>680,588</u>	<u>664,131</u>
	7,121,959	7,105,502
Equity in tangible capital assets	26,319,403	23,001,532
General surplus (deficit)	(2,173,090)	(1,891,580)
Land claim negotiating costs to be recovered	(833,790)	(833,790)
Equity (deficit) in enterprises	(509,810)	(481,683)
Unfunded landfill liabilities	(295,800)	(259,700)
Funds held in trust	<u>1,201,334</u>	<u>1,181,393</u>
	\$ 30,830,206	\$ 27,821,674

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## Whitefish River First Nation Notes to Consolidated Financial Statements

**March 31, 2020**

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### **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	\$ 4,663,985
Deferred revenue, end of year	147,207
Deferred revenue, beginning of year	(1,268,094)
	<hr/>
	3,543,098
Indigenous Services Canada funding per confirmation report	<hr/> 3,565,092
	<hr/> \$ (21,994)

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### **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 \$78,512 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, 2019 of \$1,854,110. 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.

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### **13. Comparative figures**

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

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## Whitefish River First Nation Notes to Consolidated Financial Statements

**March 31, 2020**

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### **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 Department. Departments 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.

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## Whitefish River First Nation Notes to Consolidated Financial Statements

**March 31, 2020**

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### **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.

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### **15. Contingencies and uncertainty due to COVID-19**

Subsequent to year end, the impact of the COVID-19 pandemic in Canada and on the global economy increased significantly. The full financial implications of this pandemic cannot be determined and as the impacts of COVID-19 continue, there could be further impact on the organization and its funder. Management is actively monitoring the affect on its financial condition and liquidity of the organization.

**Whitefish River First Nation**  
**Schedule 1 - Consolidated Tangible Capital Assets**

**For the year ended March 31, 2020**

	Land Improvements	Housing	Buildings	Machinery and Equipment	Vehicles	Infrastructure	Construction in Progress	Total
<b>Cost, beginning of year</b>	\$ 1,787,217	\$ 7,447,175	\$ 12,637,608	\$ 1,408,576	\$ 845,201	\$ 14,917,503	\$ 2,787,616	\$ 41,830,896
Additions	-	-	1,520,044	181,233	316,684	2,740,148	2,368,824	7,126,933
Disposals	-	-	-	-	-	-	(2,787,616)	(2,787,616)
<b>Cost, end of year</b>	<b>1,787,217</b>	<b>7,447,175</b>	<b>14,157,652</b>	<b>1,589,809</b>	<b>1,161,885</b>	<b>17,657,651</b>	<b>2,368,824</b>	<b>46,170,213</b>
<b>Accumulated amortization, beginning of year</b>	<b>935,138</b>	<b>2,935,157</b>	<b>4,768,236</b>	<b>1,196,577</b>	<b>539,022</b>	<b>4,384,071</b>	<b>-</b>	<b>14,758,201</b>
Amortization	84,214	297,876	373,868	42,711	74,074	402,794	-	1,275,537
<b>Accumulated amortization, end of year</b>	<b>1,019,352</b>	<b>3,233,033</b>	<b>5,142,104</b>	<b>1,239,288</b>	<b>613,096</b>	<b>4,786,865</b>	<b>-</b>	<b>16,033,738</b>
<b>Net carrying amount, end of year</b>	<b>\$ 767,865</b>	<b>\$ 4,214,142</b>	<b>\$ 9,015,548</b>	<b>\$ 350,521</b>	<b>\$ 548,789</b>	<b>\$ 12,870,786</b>	<b>\$ 2,368,824</b>	<b>\$ 30,136,475</b>

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$2,368,824 (2019 - \$2,787,616).

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, 2019 (comparative figures)**

	Land Improvements	Housing	Buildings	Machinery and Equipment	Vehicles	Infrastructure	Construction in Progress	Total
<b>Cost, beginning of year</b>	\$ 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
<b>Cost, end of year</b>	<b>1,787,217</b>	<b>7,447,175</b>	<b>12,637,608</b>	<b>1,408,576</b>	<b>845,201</b>	<b>14,917,503</b>	<b>2,787,616</b>	<b>41,830,896</b>
<b>Accumulated amortization, beginning of year</b>	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
<b>Accumulated amortization, end of year</b>	<b>935,138</b>	<b>2,935,157</b>	<b>4,768,236</b>	<b>1,196,577</b>	<b>539,022</b>	<b>4,384,071</b>	<b>-</b>	<b>14,758,201</b>
<b>Net carrying amount, end of year</b>	<b>\$ 852,079</b>	<b>\$ 4,512,018</b>	<b>\$ 7,869,372</b>	<b>\$ 211,999</b>	<b>\$ 306,179</b>	<b>\$ 10,533,432</b>	<b>\$ 2,787,616</b>	<b>\$ 27,072,695</b>

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 \$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 2 - Consolidated Segment Disclosure**

**For the year ended March 31, 2020**

	Social and Family Services			Administration Lands, Trusts and Economic Development			Education			2019
	Budget	2020	2019	Budget	2020	2019	Budget	2020	2019	
<b>Revenue</b>										
Indigenous Services Canada	\$ 991,983	\$ 939,990	\$ 577,501	\$ 619,282	\$ 619,282	\$ 561,573	\$ 248,620	\$ 248,620	\$ 262,353	
Canada	-	-	-	-	-	-	-	-	150,623	
Ontario	939,573	938,056	646,096	86,283	67,119	96,175	45,800	40,800	40,800	
Anishinabek organizations	27,676	27,676	87,829	180,500	181,000	20,491	3,724,179	3,138,909	2,665,421	
Interest and other revenue	-	-	-	224,526	214,032	220,479	-	5,000	-	
User fees, leases, rentals, sales and fundraising	-	-	-	-	-	-	-	-	-	
Transfers between segments	-	-	-	495,335	495,335	485,175	-	-	-	
	<b>1,959,232</b>	<b>1,905,722</b>	<b>1,311,426</b>	<b>1,605,926</b>	<b>1,576,768</b>	<b>1,383,893</b>	<b>4,018,599</b>	<b>3,433,329</b>	<b>3,119,197</b>	
<b>Expenses</b>										
Salaries, wages and benefits	975,151	933,477	587,680	1,064,044	1,053,508	886,993	1,263,793	1,195,951	1,082,553	
Materials and supplies	467,342	430,869	158,741	183,097	273,292	173,631	158,005	201,639	156,021	
Contracted services	185,157	150,569	80,418	447,456	481,925	680,860	217,896	197,787	164,041	
Rents and financial expenses	29,000	15,901	28,724	8,100	9,354	13,945	-	-	-	
External transfers and other	257,493	348,425	315,661	23,279	24,253	69,283	2,221,061	1,757,952	1,636,582	
Amortization	21,211	21,211	21,211	-	-	-	-	-	-	
Transfers between segments - administration	56,540	56,540	13,680	(120,050)	(153,090)	(106,597)	80,000	80,000	80,000	
	<b>1,991,894</b>	<b>1,956,992</b>	<b>1,206,115</b>	<b>1,605,926</b>	<b>1,689,242</b>	<b>1,718,115</b>	<b>3,940,755</b>	<b>3,433,329</b>	<b>3,119,197</b>	
<b>Annual surplus (deficit)</b>	<b>\$ (32,662)</b>	<b>\$ (51,270)</b>	<b>\$ 105,311</b>	<b>\$ -</b>	<b>\$ (112,474)</b>	<b>\$ (334,222)</b>	<b>\$ 77,844</b>	<b>\$ -</b>	<b>\$ -</b>	

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

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

**For the year ended March 31, 2020**

	Operation and Maintenance			Housing and Infrastructure Development			Medical and Other Health Services		
	Budget	2020	2019	Budget	2020	2019	Budget	2020	2019
<b>Revenue</b>									
Indigenous Services Canada	\$ 714,864	\$ 698,255	\$ 459,963	\$ 2,074,422	\$ 1,998,822	\$ 2,649,337	\$ -	\$ 159,016	\$ -
Canada	-	-	-	1,937,832	1,770,382	395,794	226,718	86,208	181,103
Ontario	76,280	76,280	76,280	438,833	438,833	61,167	96,230	96,230	96,230
Anishinabek organizations	231,238	275,686	184,580	-	-	-	614,696	612,370	645,932
Interest and other revenue	-	-	-	11,094	11,094	9,172	-	-	10,000
User fees, leases, rentals, sales and fundraising	10,695	9,565	10,805	366,900	369,400	385,710	-	-	-
Transfers between segments	-	-	-	937,800	937,800	337,111	-	-	-
	<b>1,033,077</b>	<b>1,059,786</b>	<b>731,628</b>	<b>5,766,881</b>	<b>5,526,331</b>	<b>3,838,291</b>	<b>937,644</b>	<b>953,824</b>	<b>933,265</b>
<b>Expenses</b>									
Salaries, wages and benefits	308,058	293,556	199,153	401,206	306,173	283,817	631,281	482,349	462,895
Materials and supplies	199,920	267,326	220,739	511,682	119,958	44,557	297,669	294,600	330,953
Contracted services	495,712	542,939	451,368	585,335	296,228	384,194	110,683	126,544	55,108
Rents and financial expenses	120,106	113,106	119,899	63,486	36,386	40,521	2,100	-	4,965
External transfers and other	12,000	15,047	11,000	74,511	74,511	67,406	58,071	56,294	39,027
Amortization	621,575	626,601	621,575	440,774	514,410	440,774	19,112	22,326	19,112
Transfers between segments - administration	-	-	-	-	-	-	16,550	16,550	12,917
	<b>1,757,371</b>	<b>1,858,575</b>	<b>1,623,734</b>	<b>2,076,994</b>	<b>1,347,666</b>	<b>1,261,269</b>	<b>1,135,466</b>	<b>998,663</b>	<b>924,977</b>
<b>Annual surplus (deficit)</b>	<b>\$ (724,294)</b>	<b>\$ (798,789)</b>	<b>\$ (892,106)</b>	<b>\$ 3,689,887</b>	<b>\$ 4,178,665</b>	<b>\$ 2,577,022</b>	<b>\$ (197,822)</b>	<b>\$ (44,839)</b>	<b>\$ 8,288</b>

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

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

**For the year ended March 31, 2020**

	Enterprises			Other			Consolidated Total		
	Budget	2020	2019	Budget	2020	2019	Budget	2020	2019
<b>Revenue</b>									
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ 295,322	\$ 258,834	\$ 9,347	\$ 4,649,171	\$ 4,663,985	\$ 4,510,727
Canada	-	-	-	18,736	18,736	14,362	2,459,872	2,115,424	736,867
Ontario	-	-	-	17,747	17,890	36,865	1,701,735	1,676,054	1,031,110
Anishinabek organizations	-	-	-	-	-	-	4,796,036	4,253,531	3,641,118
OFNLP	900,000	934,049	277,559	-	-	-	900,000	934,049	277,559
Interest and other revenue	76,877	82,637	71,881	147,598	98,972	120,292	460,095	411,735	431,824
User fees, leases, rentals, sales and fundraising	910,160	982,652	1,213,759	-	-	-	1,287,755	1,361,617	1,610,274
Transfers between segments	(1,453,135)	(1,453,135)	(853,648)	20,000	20,000	31,362	-	-	-
	433,902	546,203	709,551	499,403	414,432	212,228	16,254,664	15,416,395	12,239,479
<b>Expenses</b>									
Salaries, wages and benefits	257,018	232,217	374,697	254,454	123,582	161,399	5,155,005	4,620,813	4,039,187
Materials and supplies	44,308	56,263	197,481	298,974	280,453	21,374	2,160,997	1,924,400	1,303,497
Contracted services	212,317	311,581	214,861	16,112	5,499	7,115	2,270,668	2,113,072	2,037,965
Rents and financial expenses	-	1,235	1,668	-	-	-	222,792	175,982	209,722
External transfers and other	-	-	-	4,374	4,374	(1,809)	2,650,789	2,280,856	2,137,150
Amortization	110,782	90,990	110,782	-	-	-	1,213,454	1,275,538	1,213,454
Transfers between segments - administration	-	-	-	-	-	-	33,040	-	-
Impairment writedown on investment	-	-	-	-	17,202	238,095	-	17,202	238,095
	624,425	692,286	899,489	573,914	431,110	426,174	13,706,745	12,407,863	11,179,070
<b>Annual surplus (deficit)</b>	<b>\$ (190,523)</b>	<b>\$ (146,083)</b>	<b>\$ (189,938)</b>	<b>\$ (74,511)</b>	<b>\$ (16,678)</b>	<b>\$ (213,946)</b>	<b>\$ 2,547,919</b>	<b>\$ 3,008,532</b>	<b>\$ 1,060,409</b>

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