

WASAUKSING FIRST NATION

P.O. BOX 250,
PARRY SOUND, ONTARIO
P2A 2X4

PRIVATE AND CONFIDENTIAL
Indigenous and Northern Affairs Canada
25 St. Clair Avenue East, 8th Floor
Toronto, ON M4T 1M2

July 27, 2016

Dear Sir or Madam:

Wasauksing First Nation

Please note the package submitted to your office from our organization re: the March 31, 2016 year end contains the following documents:

- Audited Financial Statements
- Schedule of Remuneration and Expenses – Chief & Council
- Schedule of Remuneration and Expenses – Unelected Senior Officials
- Schedule of Revenues and Expenses

We trust this is satisfactory. Should you have any questions or require any additional information, please do not hesitate to contact our office.

Yours truly,

Wilma Tabobondung,
Director of Finance

Financial Statements of

WASAUKSING FIRST NATION

Year ended March 31, 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

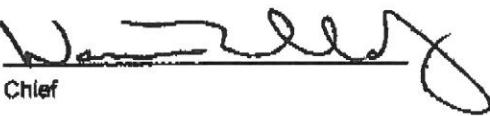
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The First Nation maintains a system of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

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

The Chief and Council review the First Nation's financial statements and recommend their approval. The Chief and Council meet to discuss and to review the annual report, the financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the First Nation.



Chief



Band Manager



KPMG LLP
Claridge Executive Centre
144 Pine Street
Sudbury Ontario P3C 1X3
Canada
Telephone (705) 675-8500
Fax (705) 675-7586

INDEPENDENT AUDITORS' REPORT

To the Council and Members of Wasauksing First Nation

We have audited the accompanying financial statements of Wasauksing First Nation which comprise the statement of financial position as at March 31, 2016, the statements of financial activities, changes in net financial assets and cash flows, and notes, comprising 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.

Auditors' 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 our 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Wasauksing First Nation as at March 31, 2016 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

July 22, 2016
Sudbury, Canada

WASAUKSING FIRST NATION

Index to Financial Statements

Year ended March 31, 2016, with comparative information for 2015

Financial Statements:

| | | |
|--------------------------------------|--|---------------|
| Exhibit A | - Statement of Financial Position | 1 |
| Exhibit B | - Statement of Financial Activities | 2 |
| Exhibit C | - Statement of Changes in Net Financial Assets | 3 |
| Exhibit D | - Statement of Cash Flows | 4 |
| Notes to Financial Statements | | 5 - 18 |

WASAUKSING FIRST NATION

Exhibit A - Statement of Financial Position

March 31, 2016, with comparative information for 2015

| | 2016 | 2015 |
|--|---------------|---------------|
| Financial Assets | | |
| Cash and short-term investments | \$ 3,014,068 | \$ 7,003,404 |
| Restricted cash (note 2) | 320,875 | 79,437 |
| Marketable securities (note 3) | 2,684,933 | |
| Consolidated revenue trust fund | 19,449 | 56,188 |
| Accounts receivable (note 4) | 1,055,026 | 845,232 |
| | 7,094,151 | 7,984,261 |
| Financial Liabilities | | |
| Accounts payable and accrued liabilities | 912,390 | 361,265 |
| Deferred revenue (note 5) | 885,753 | 910,096 |
| Obligations under capital lease (note 6) | 82,780 | |
| Long-term debt (note 7) | 1,626,076 | 2,616,049 |
| | 3,306,839 | 3,889,410 |
| Net financial assets | 3,787,212 | 4,094,851 |
| Non-Financial Assets | | |
| Tangible capital assets (note 8) | 25,254,184 | 25,600,804 |
| Prepaid expenses | 38,568 | 60,936 |
| | 25,292,752 | 25,661,740 |
| Contingent liabilities (note 9) | | |
| Accumulated surplus (note 10) | \$ 29,079,964 | \$ 29,766,591 |

See accompanying notes to financial statements.

Approved:

WASAUKSING FIRST NATION

Exhibit B - Statement of Financial Activities

Year ended March 31, 2016, with comparative information for 2015

| | Budget (Unaudited) | 2016 | 2015 |
|--|-----------------------|----------------------|----------------------|
| Revenue: | | | |
| Indigenous and Northern Affairs Canada (note 11) | \$ 3,809,984 | \$ 3,733,072 | \$ 3,548,203 |
| Health Canada | 745,118 | 767,349 | 643,518 |
| Ontario First Nations Limited Partnership | 733,347 | 730,302 | 728,319 |
| Canada Mortgage and Housing Corporation | 165,889 | 148,750 | 254,284 |
| Provincial funding | 1,721,608 | 1,770,727 | 1,544,823 |
| Rentals, leasing and permits | 384,121 | 554,688 | 351,218 |
| Interest and Investment income | 24,899 | 213,308 | 71,918 |
| Other | 897,586 | 1,032,837 | 903,503 |
| | 8,482,362 | 8,949,033 | 8,045,788 |
| Expenses: | | | |
| Band Support | 1,278,987 | 939,138 | 1,077,532 |
| Social Assistance | 1,039,540 | 1,093,296 | 983,254 |
| Education | 1,613,377 | 1,611,083 | 1,589,143 |
| Economic Development | 533,199 | 484,562 | 325,349 |
| Land Management | 372,299 | 332,022 | 255,001 |
| Community Infrastructure | 1,172,285 | 2,246,364 | 2,111,101 |
| Community Property | 1,096,009 | 322,799 | 369,075 |
| Day Care Operations | 712,650 | 779,678 | 683,798 |
| Native Child Welfare | 109,640 | 128,934 | 101,835 |
| Health Services | 768,371 | 744,178 | 687,503 |
| Library | 18,815 | 19,111 | 18,408 |
| Employment and Training | 59,980 | 60,349 | 170,917 |
| CMHC Housing | 354,157 | 356,012 | 451,499 |
| Rental Housing | 126,098 | 287,435 | 283,021 |
| Marina | 223,900 | 250,660 | 243,895 |
| | 9,390,087 | 9,825,660 | 9,398,331 |
| Deficiency of revenue over expenses | (897,735) | (876,627) | (1,292,545) |
| Accumulated surplus, beginning of year | 29,756,591 | 29,756,591 | 31,049,136 |
| Accumulated surplus, end of year | \$ 28,866,856 | \$ 29,079,984 | \$ 29,756,591 |

See accompanying notes to financial statements.

WASAUKSING FIRST NATION**Exhibit C - Statement of Changes in Net Financial Assets****Year ended March 31, 2016, with comparative information for 2015**

| | 2016 | 2015 |
|--|---------------------|---------------------|
| Deficiency of revenue over expenses | \$ (676,627) | \$ (1,282,545) |
| Acquisition of tangible capital assets | (1,024,387) | (1,051,896) |
| Amortization of tangible capital assets | 1,371,007 | 1,348,238 |
| | (330,007) | (906,003) |
| Use (acquisition) of prepaid expenses | 22,368 | (27,228) |
| Change in net financial assets | (307,639) | (1,023,231) |
| Net financial assets, beginning of year | 4,094,851 | 6,118,082 |
| Net financial assets, end of year | \$ 3,787,212 | \$ 4,094,851 |

See accompanying notes to financial statements.

WASAUKSING FIRST NATION

Exhibit D - Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

| | 2016 | 2015 |
|---|---------------------|---------------------|
| Operating transactions: | | |
| Deficiency of revenue over expenses | \$ (676,627) | \$ (1,292,545) |
| Adjustment for: | | |
| <u>Amortization of tangible capital assets</u> | 1,371,007 | 1,348,238 |
| | 694,380 | 66,693 |
| Change in non-cash working capital: | | |
| Decrease (Increase) in accounts receivable | (209,794) | 271,135 |
| Decrease (Increase) in prepaid expenses | 22,368 | (27,228) |
| Increase (decrease) in accounts payable and accrued liabilities | 551,065 | (398,164) |
| Increase (decrease) in deferred revenue | (224,343) | 382,049 |
| | 833,678 | 263,485 |
| Capital transactions: | | |
| Acquisition of tangible capital assets | (916,470) | (1,051,696) |
| Financing transactions: | | |
| Principal payments on long-term debt | (991,973) | (195,084) |
| Long-term debt issued | - | 1,579,000 |
| <u>Principal payments on obligations under capital lease</u> | (25,128) | - |
| | (1,017,101) | 1,383,916 |
| Investing transactions: | | |
| Increase in marketable securities | (2,684,833) | - |
| Decrease in consolidated revenue trust fund | 36,739 | 144,542 |
| | (2,648,194) | 144,542 |
| Net increase (decrease) in cash | (3,748,098) | 760,247 |
| Cash and short-term investments, beginning of year | 7,082,841 | 6,322,594 |
| Cash and short-term investments, end of year | \$ 3,334,743 | \$ 7,082,841 |
| Represented by: | | |
| Cash and short-term investments | \$ 3,014,088 | \$ 7,003,404 |
| Restricted cash | 320,675 | 79,437 |
| | \$ 3,334,743 | \$ 7,082,841 |

See accompanying notes to financial statements.

WASAUKSING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2016

Wasauksing First Nation, located near Parry Sound, Ontario, administers programs and provides services on behalf of its members.

1. Significant accounting policies:

These financial statements of Wasauksing First Nation (the "First Nation") are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these financial statements:

(a) Reporting entity:

The reporting entity includes all of the committees of Council under the control of the First Nation.

(b) Basis of accounting:

The First Nation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) 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.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|---------------------------------|--------------|
| Buildings and land improvements | 50 years |
| Equipment | 5 years |
| Vehicles | 5 - 20 years |
| Roads | 25 years |
| Water systems | 25 years |
| Housing | 25 years |
| Swing bridge | 25 years |

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

WASAUKSING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2016

1. Significant accounting policies (continued):

(c) Non-financial assets (continued):

(ii) Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(d) Revenue recognition:

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the statement of financial position.

(e) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(f) Consolidated revenue funds:

Funds held in trust are comprised of funds held in Ottawa Trust accounts and 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

(g) Prior year funding adjustments:

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments, with audit adjustments repayable to the government.

Adjustments made under funding arrangements relating to prior years are charged to operations in the year during which the adjustments are made.

WASAUKSING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2016

2. Restricted cash:

| | 2016 | 2015 |
|---------------------------------|-------------------|------------------|
| Robinson Huron Treaty | \$ 282,941 | \$ - |
| First Nations Finance Authority | 37,734 | 79,437 |
| | \$ 320,675 | \$ 79,437 |

- (i) The First Nation has pledged \$282,750 as security for a loan guarantee arrangement with the Bank of Montreal as described in note 9(b).
- (ii) The First Nation is required to maintain a debt reserve bank account of \$37,500 as part of a borrowing agreement with First Nations Finance Authority as described in note 7.

3. Marketable securities:

| | 2016 | 2015 |
|---------------|--------------|-----------|
| | Cost | Market |
| Balanced Fund | \$ 2,684,933 | 2,494,871 |

4. Accounts receivable:

| | 2016 | 2015 |
|--|---------------------|-------------------|
| Waubetek Business Development Corporation | \$ 210,519 | \$ - |
| Indigenous and Northern Affairs Canada | 190,349 | 547,318 |
| Health Canada | 138,194 | - |
| Ministry of Education | 100,785 | 51,856 |
| Ministry of Transportation | 65,610 | - |
| Ministry of Health and Long Term Care | 59,659 | - |
| Union of Ontario Indians | 46,887 | 28,549 |
| Geztoojig Employment and Training | 43,387 | - |
| Other | 199,636 | 217,509 |
| Band members | 1,076,183 | 1,004,281 |
| Allowance for doubtful accounts – band members | (1,076,183) | (1,004,281) |
| | \$ 1,055,026 | \$ 845,232 |

WASAUKSING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2016

5. Deferred revenue:

| | 2016 | 2015 |
|---|-------------------|-------------------|
| Indigenous and Northern Affairs Canada | \$ 61,000 | \$ 439,019 |
| Ministry of Aboriginal Affairs - Copegog Island | 234,398 | 236,000 |
| Other | 390,357 | 236,077 |
| | \$ 685,753 | \$ 910,096 |

6. Obligation under capital leases:

| | 2016 | 2015 |
|--|-----------|------|
| Capital lease obligation, \$1,851 monthly including principal and interest, bearing interest at 4.45%, due May 2020, secured by equipment with net book value of \$102,512 | \$ 62,780 | - |

Future minimum lease payments are as follows:

| | |
|--|------------------|
| 2017 | \$ 22,208 |
| 2018 | 22,208 |
| 2019 | 22,208 |
| 2020 | 22,208 |
| 2021 | 1,851 |
| | 90,683 |
| Less interest included in lease payments | 7,903 |
| Present value of future minimum lease payments | \$ 82,780 |

WASAUKSING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2016

7. Long-term debt:

| | 2016 | 2015 |
|---|---------------------|---------------------|
| Mortgage payable \$3,328 monthly including principal and interest, bearing interest at 1.67% per annum due April 2018 | \$ 81,712 | \$ 119,934 |
| Mortgage payable \$3,073 monthly including principal and interest, bearing interest at 1.62% per annum due March 2018 | 399,506 | 429,650 |
| Mortgage payable \$2,229 monthly including principal and interest, bearing interest at 1.85% per annum due August 2019 | 415,792 | 434,664 |
| Promissory note payable to First Nations Finance Authority, \$4,191 monthly including principal and interest, bearing interest at 2.985% per annum, due August 2024 | 729,066 | 750,000 |
| Mortgage payable \$6,153 monthly including principal and interest, bearing interest at 2.54% per annum, matured December 2015 | - | 54,801 |
| Promissory note payable to First Nations Finance Authority | - | 829,000 |
| | \$ 1,626,076 | \$ 2,618,049 |

The First Nation may request to refinance the promissory note no less than six months prior to the end of its maturity in August 2024. The promissory note is secured by an assignment of distributions from the Ontario First Nations Limited Partnership.

Principal payments due in each of the next five years are as follows:

| | |
|------|------------|
| 2017 | \$ 115,124 |
| 2018 | 116,786 |
| 2019 | 81,615 |
| 2020 | 79,351 |
| 2021 | 80,429 |

WASAUKSING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2016

8. Tangible capital assets:

| Cost | 2015 | Additions | Disposals | 2016 |
|---------------------------------|----------------------|---------------------|-------------|----------------------|
| Land | \$ 1 | \$ - | \$ - | \$ 1 |
| Buildings and land improvements | 7,028,657 | 483,411 | - | 7,512,068 |
| Equipment | 1,116,878 | 451,408 | - | 1,568,284 |
| Vehicles | 944,237 | 80,964 | - | 1,026,191 |
| Roads | 1,401,328 | - | - | 1,401,328 |
| Water systems | 16,740,082 | - | - | 16,740,082 |
| Housing | 11,448,126 | - | - | 11,448,126 |
| Swing bridge | 1,776,054 | 8,616 | - | 1,784,670 |
| Total | \$ 40,466,363 | \$ 1,024,387 | \$ - | \$ 41,479,750 |

| Accumulated Amortization | 2015 | Disposals | Amortization expense | 2016 |
|---------------------------------|----------------------|-------------|----------------------|----------------------|
| Buildings and land improvements | \$ 2,237,574 | \$ - | \$ 146,035 | \$ 2,383,609 |
| Equipment | 893,888 | - | 82,202 | 975,790 |
| Vehicles | 612,487 | - | 65,797 | 676,284 |
| Roads | 882,234 | - | 30,914 | 893,148 |
| Water systems | 2,364,795 | - | 669,602 | 3,034,397 |
| Housing | 7,190,607 | - | 298,543 | 7,489,050 |
| Swing bridge | 693,394 | - | 77,914 | 771,308 |
| Total | \$ 14,854,559 | \$ - | \$ 1,371,007 | \$ 16,225,566 |

| | Net book value 2015 | Net book value 2016 |
|---------------------------------|------------------------|------------------------|
| Land | \$ 1 | \$ 1 |
| Buildings and land improvements | 4,791,083 | 5,128,459 |
| Equipment | 223,290 | 592,494 |
| Vehicles | 331,770 | 346,927 |
| Roads | 539,094 | 506,180 |
| Water systems | 14,375,287 | 13,706,685 |
| Housing | 4,257,619 | 3,959,076 |
| Swing bridge | 1,082,660 | 1,013,362 |
| Total | \$ 25,800,804 | \$ 25,264,184 |

Equipment includes items acquired under capital lease with a cost of \$107,907 (2015 - \$Nil) and a net book value of \$102,512 (2015 - \$Nil).

WASAUKSING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2016

8. Tangible capital assets (continued):

| Cost | 2014 | Additions | Disposals | 2015 |
|---------------------------------|----------------------|---------------------|-------------|----------------------|
| Land | \$ 1 | \$ - | \$ - | \$ 1 |
| Buildings and land improvements | 6,170,910 | 857,747 | - | 7,028,657 |
| Equipment | 1,081,750 | 35,128 | - | 1,116,878 |
| Vehicles | 944,237 | - | - | 944,237 |
| Roads | 1,242,507 | 158,621 | - | 1,401,328 |
| Water systems | 16,740,082 | - | - | 16,740,082 |
| Housing | 11,448,126 | - | - | 11,448,126 |
| Swing bridge | 1,776,054 | - | - | 1,776,054 |
| Total | \$ 39,403,867 | \$ 1,051,696 | \$ - | \$ 40,455,363 |

| Accumulated Amortization | 2014 | Disposals | Amortization expense | 2015 |
|---------------------------------|----------------------|-------------|-------------------------|----------------------|
| Buildings and land improvements | \$ 2,105,986 | \$ - | \$ 131,608 | \$ 2,237,574 |
| Equipment | 819,566 | - | 74,022 | 893,588 |
| Vehicles | 550,143 | - | 62,324 | 612,467 |
| Roads | 811,062 | - | 51,172 | 862,234 |
| Water systems | 1,695,193 | - | 669,602 | 2,364,795 |
| Housing | 6,908,739 | - | 281,768 | 7,190,507 |
| Swing bridge | 615,652 | - | 77,742 | 693,394 |
| Total | \$ 13,508,321 | \$ - | \$ 1,348,238 | \$ 14,654,559 |

| Net book value | 2014 | Net book value | 2015 |
|---------------------------------|----------------------|----------------|----------------------|
| Land | \$ 1 | \$ 1 | \$ 1 |
| Buildings and land improvements | 4,064,944 | - | 4,791,083 |
| Equipment | 282,184 | - | 223,280 |
| Vehicles | 394,094 | - | 331,770 |
| Roads | 431,445 | - | 539,094 |
| Water systems | 15,044,889 | - | 14,375,287 |
| Housing | 4,639,387 | - | 4,257,619 |
| Swing bridge | 1,160,402 | - | 1,082,880 |
| Total | \$ 25,897,346 | \$ - | \$ 26,600,804 |

WASAUKSING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2016

9. Contingent liabilities:

- (a) The First Nation has guaranteed loans on behalf of First Nation members in the amount of \$1,189,570 (2015 - \$847,534).
- (b) In accordance with terms and conditions of a financing arrangement between the Bank of Montreal and the Robinson Huron Treaty Trust (the "Trust"), the First Nation as a beneficiary of the Trust has guaranteed borrowings in proportion to its beneficial interest in the Trust in the amount of \$282,750. As of March 31, 2016, the proportional outstanding loan balance as part of the Trust is \$126,745 (2015 - \$Nil).

10. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves as follows:

| | 2016 | 2015 |
|---|---------------------|---------------------|
| Surplus: | | |
| Invested in tangible capital assets | \$ 23,603,732 | \$ 24,176,423 |
| Consolidated revenue trust | 19,449 | 56,188 |
| Ontario First Nations Limited Partnership | 5,300,224 | 5,241,075 |
| CMHC Housing Operations | (260,266) | (229,621) |
| Operations | (257,215) | (123,065) |
| | <hr/> 28,415,924 | <hr/> 28,121,000 |
| Replacement Reserves | 135,647 | 136,872 |
| Committed Reserves | 528,393 | 496,719 |
| | <hr/> \$ 29,079,984 | <hr/> \$ 29,756,691 |

11. Reconciliation of Indigenous and Northern Affairs Canada Funding:

The revenue from INAC is comprised of the following:

| | |
|---|--------------------|
| Funding per confirmation | \$ 3,384,650 |
| Add: opening deferred revenue | 439,019 |
| Less: ending deferred revenue | (61,000) |
| Less: set contribution funding payable | (9,597) |
| Funding per financial statements | <hr/> \$ 3,733,072 |

WASAUKSING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2016

12. Comparative Information:

Certain 2016 comparative information have been reclassified where necessary to conform with the presentation adopted in 2015.

13. Segmented Information:

Wasaiksing First Nation is a diversified governmental institution that provides a wide range of services to its Members, including band support, health services, education, social assistance, capital projects and business operations in addition to also managing specific funds from others. 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 special regulations, restrictions or limitations.

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

Band Support

The band support functional area 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 and management and assistance for the related departments within the First Nation, as well as administration of all land claims on behalf of the First Nation.

Community Infrastructure

The community infrastructure functional area provides public services that contribute to sustainability through the provision of maintenance and operating services such as roads, water and sanitation, fire protection, street lighting and community buildings.

Economic Development

The economic development functional area develops employment and training opportunities, along with identification of economic development initiatives for the First Nation and its members, including the First Nation's marina operations.

Health

The health services functional area provides a diverse bundle of services directed toward the well-being of the Members including such activities as patient transportation, early childhood development and various other health related activities.

Education

The education functional area administers tuition agreements with various school boards, manages the post-secondary program for its members and provides local transportation for the students.

WASAUKSING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2018

13. Segmented Information (continued):

Community Property

The community property department provides services for the longevity of the First Nation by the acquisition or construction of equipment, roads and buildings. Revenue and expenses included in the community property department are generally of long-term in nature, capitalized in the accounts of the First Nation and amortized over their useful life.

Social Services

The social services functional area delivers a variety of programming including Ontario Works, employment support services, homemakers and national child benefit programs. The department also includes the day care operations, library services and native child welfare initiatives.

Housing

The housing functional area manages the operations of the various rental housing owned by the First Nation including both CMHC and other social housing. This includes tenant identification, rent collection and maintenance management.

Other

The First Nation's activities related to its participation with the Ontario First Nations Limited Partnership as well as its use of INAC trust funds are identified and managed by this department.

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 allocations 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 financial statements as disclosed in the summary of significant accounting policies.

WASAUKSING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2016, with comparative information for 2015

13. Segmented Information (continued):

| | Band Support | Community Infrastructure | Economic Development | Health | Education | Community Property | Social Services | Housing | Other | 2016 Total |
|--|--------------|--------------------------|----------------------|----------|-----------|--------------------|-----------------|-----------|-----------|------------|
| Revenue | \$ 954,408 | 1,076,068 | 797,203 | 784,294 | 1,457,477 | 539,894 | 1,895,319 | 434,629 | 1,028,741 | 8,949,033 |
| Expenses: | | | | | | | | | | |
| Salaries, benefits and honoraria | 800,107 | 513,723 | 191,792 | 448,635 | 633,980 | 62,822 | 978,589 | 69,593 | - | 3,719,151 |
| Travel and training | 70,269 | 3,598 | 42,599 | 16,952 | 74,118 | - | 27,501 | 3,733 | - | 244,571 |
| Interest on long-term debt | 15,206 | - | 7,569 | - | - | - | - | 16,839 | - | 39,414 |
| Contractual and professional fees | 176,968 | 9,024 | 87,405 | 75,373 | 3,187 | 127,857 | - | 6,250 | - | 496,094 |
| Materials, supplies and rentals | 503,175 | 641,196 | 341,297 | 81,728 | 153,457 | 360,243 | 147,982 | 123,679 | - | 2,292,727 |
| Tuition and student allowances | - | - | - | - | - | - | - | - | - | - |
| Administration charges | (207,816) | - | 23,411 | 58,159 | 1,050 | 20,000 | 128,831 | 16,684 | - | 730,393 |
| Other expenses | 12,790 | 57,893 | 622,435 | 107,406 | 7,713 | - | 737,144 | 61,802 | - | 42,299 |
| Amortization of tangible capital assets | - | 1,031,016 | 34,283 | - | 7,165 | - | - | 289,543 | - | 1,606,483 |
| Investment in tangible capital assets | (22,932) | (48,995) | - | (44,954) | - | (801,598) | - | - | - | 1,371,007 |
| | 1,347,787 | 2,214,655 | 1,380,591 | 744,179 | 1,811,084 | (280,676) | 2,021,017 | 617,023 | - | (916,479) |
| Excess (deficiency) of revenue over expenses | \$ (393,379) | (1,138,567) | (563,386) | - 20,115 | (153,807) | 829,570 | (125,899) | (162,394) | 1,028,741 | (876,527) |
| | | | | | | | | | | 9,625,660 |

WASAUKSING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2016, with comparative information for 2015

13. Segmented information (continued):

| | Band Support | Community Infrastructure | Economic Development | Health | Education | Community Property | Social Services | Housing | Other | Total |
|---|-------------------|--------------------------|----------------------|-----------------|------------------|--------------------|------------------|------------------|----------------|--------------------|
| Revenue | \$ 780,570 | 1,082,753 | 542,650 | 624,443 | 1,482,782 | 373,042 | 1,776,542 | 516,882 | 884,882 | 8,945,785 |
| Expenses: | | | | | | | | | | |
| Salaries, benefits and honoraria | 658,843 | 537,607 | 380,188 | 367,784 | 620,838 | 23,024 | 825,594 | 67,679 | - | 3,481,387 |
| Travel and training | 119,380 | 12,659 | 44,889 | 20,545 | 79,485 | - | 26,365 | 11,678 | - | 317,290 |
| Interest on long-term debt | - | - | 21,934 | - | - | - | - | - | - | - |
| Contractual and professional fees | 207,523 | 403,168 | 151,794 | 63,180 | 29,296 | 529,054 | (1,785) | 7,700 | - | 43,755 |
| Materials, supplies and rentals | 408,384 | 549,448 | 156,319 | 105,347 | 127,866 | 378,498 | 838,335 | 177,285 | 30,717 | 1,388,887 |
| Tuition and student allowances | (262,340) | - | 18,500 | 57,884 | 711,853 | - | - | - | - | 2,633,178 |
| Administrative charges | 145,033 | 801 | 9,040 | 52,382 | 1,468 | - | 184,584 | 20,084 | - | 711,853 |
| Other expenses | - | 1,000,195 | 17,374 | - | 7,185 | - | 2,055 | 54,588 | - | 284,459 |
| Amortization of tangible capital assets | - | (381,319) | (31,178) | - | - | (561,490) | (87,759) | - | - | 1,346,235 |
| Investment in tangible capital assets | - | - | - | - | - | - | - | - | - | (1,051,886) |
| | 1,537,803 | 2,112,559 | 749,160 | 667,592 | 1,577,701 | 369,075 | 1,790,614 | 703,860 | 30,717 | 9,338,331 |
| Excess (deficiency) of revenue over expenses | \$ 557,233 | (1,048,806) | (206,519) | (83,059) | (84,919) | 3,867 | (11,432) | (187,773) | 884,165 | (1,282,545) |