

**Wabauskang First Nation**  
**Consolidated Financial Statements**  
*March 31, 2014*

# Wabauskang First Nation

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*For the year ended March 31, 2014*

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## Management's Responsibility

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To the Members of Wabauskang First Nation:

The accompanying consolidated financial statements of Wabauskang First Nation (the "Nation") are the responsibility of management and have been approved by the Chief and Council (the "Council").

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

December 11, 2014

A handwritten signature in black ink, consisting of a series of loops and strokes, positioned above a horizontal line.

Band Manager

## Independent Auditors' Report



To the Members and Chief and Council of Wabauskang First Nation:

We have audited the accompanying consolidated financial statements of Wabauskang First Nation, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and accumulated operating surplus, change in net financial assets (net debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

### *Basis for Qualified Opinion*

The First Nation's consolidated statement of operations and consolidated statement of change in net financial assets (net debt) do not present a comparison of the results for the year with those originally planned, which constitutes a departure from Canadian public sector accounting standards.

### *Qualified Opinion*

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly in all material respects the financial position of Wabauskang First Nation as at March 31, 2014 and the results of its operations, change in net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Kenora, Ontario

December 11, 2014

*MNP LLP*

Chartered Professional Accountants



Licensed Public Accountants



**Wabauskang First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2014*

	2014	2013 (Restated)
<b>Financial assets</b>		
<b>Current</b>		
Cash (Note 3)	118,023	4,040
Accounts receivable (Note 4)	586,401	568,344
	704,424	572,384
<b>Funds held in Ottawa Trust Fund (Note 5)</b>	28,394	27,692
<b>Total financial assets</b>	732,818	600,076
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 6)	426,411	275,071
Deferred revenue (Note 7)	156,902	347,445
Current portion of long-term debt (Note 8)	7,148	14,300
	590,461	636,816
<b>Long-term debt (Note 8)</b>	-	7,148
<b>Total liabilities</b>	590,461	643,964
<b>Net financial assets (net debt)</b>	142,357	(43,888)
<b>Contingent liabilities (Note 14)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	3,062,426	2,984,344
Prepaid expenses	2,913	6,610
<b>Total non-financial assets</b>	3,065,339	2,990,954
<b>Accumulated surplus (Note 9)</b>	3,207,696	2,947,066

Approved on behalf of Chief and Council

Chief

Councilor

# Wabauskang First Nation

## Consolidated Statement of Operations and Accumulated Operating Surplus

*For the year ended March 31, 2014*

	<b>2014 Budget (Note 15)</b>	<b>2014</b>	<b>2013 (Restated)</b>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	-	1,517,817	1,388,134
First Nations and Inuit Health	-	308,370	302,773
Federal Economic Development Agency - Southern Ontario	-	150,000	-
Other revenue	-	45,858	-
Canada Mortgage and Housing Corporation	-	-	16,000
Ontario First Nations Limited Partnership	-	443,574	444,070
Ministry of Community and Social Services	-	192,596	27,892
Goldcorp Incorporated	-	135,482	121,870
Ministry of Natural Resources	-	95,166	-
Rental income	-	94,250	-
Shooniyaa Wa-Biitong	-	93,590	77,556
Horizon Legacy	-	93,133	49,915
Paawidigong First Nation's Forum Incorporated	-	92,129	85,840
Ministry of Aboriginal Affairs	-	80,000	180,000
Administration fees	-	75,154	30,505
Ministry of Health and Long-Term Care	-	31,390	31,390
Miscellaneous	-	29,435	5,571
Right to Play	-	26,053	21,443
New Horizons for Seniors	-	25,000	-
TransCanada	-	15,000	1,286
Rubicon Minerals Corporation	-	13,052	95,249
Union Gas Limited	-	7,500	118,607
Ministry of Northern Development and Mines	-	6,400	-
Grand Council Treaty #3	-	4,739	5,783
Interest income	-	503	780
Canada Ontario Resource Development Agreement	-	-	32,500
Northern Iron Corporation	-	-	11,000
Northern Diabetes Health Network	-	-	3,138
Reimbursed medical travel	-	-	2,887
Repayment of funding	-	-	(61,524)
Deferred revenue - prior year (Note 7)	-	347,445	1,217,636
Deferred revenue - current year (Note 7)	-	(156,902)	(347,445)
	-	<b>3,766,734</b>	<b>3,862,856</b>
<b>Expenses</b>			
Administration	-	851,685	798,700
Economic Development	-	613,446	497,046
Education	-	815,525	801,417
Health	-	441,274	552,674
Ontario First Nations Limited Partnership	-	3,118	-
Operations and Maintenance	-	620,055	622,486
Social Services	-	161,001	177,146
<b>Total expenses (Schedule 2)</b>	-	<b>3,506,104</b>	<b>3,449,469</b>
<b>Operating Surplus</b>	-	<b>260,630</b>	<b>413,387</b>

*Continued on next page*

The accompanying notes are an integral part of these financial statements

**Wabauskang First Nation**  
**Consolidated Statement of Operations and Accumulated Operating Surplus**  
*For the year ended March 31, 2014*

	<b>2014 Budget (Note 15)</b>	<b>2014</b>	<b>2013 (Restated)</b>
<b>Operating Surplus</b> <i>(Continued from previous page)</i>	-	<b>260,630</b>	413,387
<b>Accumulated surplus, beginning of year, as previously stated</b>	-	<b>2,875,008</b>	2,533,679
<b>Correction of an error</b> <i>(Note 16)</i>	-	<b>72,058</b>	-
<b>Accumulated surplus, beginning of year, as restated</b>	-	<b>2,947,066</b>	2,533,679
<b>Accumulated surplus, end of year</b>	-	<b>3,207,696</b>	2,947,066

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

**Wabauskang First Nation**  
**Consolidated Statement of Change in Net Financial Assets (Net Debt)**  
*For the year ended March 31, 2014*

	<b>2014 Budget (Note 15)</b>	<b>2014</b>	<b>2013 (Restated)</b>
<b>Operating surplus</b>	-	<b>260,630</b>	413,387
Purchases of tangible capital assets	-	<b>(350,886)</b>	(265,702)
Amortization of tangible capital assets	-	<b>272,804</b>	254,273
	-	<b>(78,082)</b>	(11,429)
Acquisition of prepaid expenses	-	<b>(2,913)</b>	(6,610)
Use of prepaid expenses	-	<b>6,610</b>	25,245
	-	<b>3,697</b>	18,635
<b>Decrease in net debt</b>	-	<b>186,245</b>	420,593
<b>Net debt, beginning of year</b>	-	<b>(43,888)</b>	(464,481)
<b>Net Financial assets (net debt), end of year</b>	-	<b>142,357</b>	(43,888)



**Wabauskang First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b> <i>(Restated)</i>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Operating Surplus	<b>260,630</b>	413,387
Non-cash items		
Amortization	<b>272,804</b>	254,273
	<b>533,434</b>	667,660
Changes in working capital accounts		
Accounts receivable	<b>(18,057)</b>	(68,323)
Prepaid expenses	<b>3,697</b>	18,635
Accounts payable and accruals	<b>151,339</b>	190,269
Deferred revenue	<b>(190,543)</b>	(870,191)
	<b>479,870</b>	(61,950)
<b>Financing activities</b>		
Repayment of long-term debt	<b>(14,299)</b>	(14,299)
<b>Capital activities</b>		
Purchases of tangible capital assets	<b>(350,886)</b>	(265,702)
<b>Investing activities</b>		
Funds held in Ottawa Trust Fund	<b>(702)</b>	(664)
<b>Increase (decrease) in cash resources</b>	<b>113,983</b>	(342,615)
<b>Cash resources, beginning of year</b>	<b>4,040</b>	346,655
<b>Cash resources, end of year</b>	<b>118,023</b>	4,040
<b>Supplementary cash flow information</b>		
Interest paid	<b>792</b>	1,625
Interest received	<b>503</b>	780

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

**Wabauskang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**1. Operations**

The Wabauskang First Nation (the "Nation") is located in the Province of Ontario, and provides various services to its members.

**2. Significant accounting policies**

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

***Reporting entity***

The financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for the Nation business entities.

***Basis of presentation***

Sources of financing and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

***Cash resources***

Cash resources include balances with banks.

***Funds held in Ottawa Trust Fund***

Funds held in trust on behalf of the Nation's members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records for infrastructure, housing, buildings, vehicle, equipment and land improvements. Contributed tangible assets are recorded at their fair value at the date of contribution.

***Amortization***

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Infrastructure	declining balance	4 %
Housing	declining balance	4 %
Buildings	declining balance	20 %
Vehicles	declining balance	30 %
Equipment	declining balance	30 %
Land improvements	declining balance	4 %

**2. Significant accounting policies** *(Continued from previous page)*

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in the statement of operations for the year in which the asset becomes impaired.

Discounted cash flows are used to measure fair value of long-lived assets.

***Net financial assets (net debt)***

The Nation's consolidated financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

***Non-financial assets***

The Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

***Revenue recognition***

**Other Funding**

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements.

**Government Transfers**

The Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

**Externally restricted revenue**

The Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the Nation records externally restricted inflows in deferred revenue.

**Other revenue**

Other revenue, such as rental income, is recognized when the service is provided and collectibility is reasonably assured.

***Financial instruments***

All significant financial assets, financial liabilities and equity instruments of the Nation are either recognized or disclosed in the consolidated financial statements together with other information relevant for making a reasonable assessment of future cash flows and interest rate, currency or credit risk.

**2. Significant accounting policies** *(Continued from previous page)*

***Use of estimates***

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Accounts payable and accruals are based on historical charges for unbilled goods and services at year-end.

Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the period in which they become known.

***Segments***

The Nation conducts its business through seven reportable segments: Administration, Economic Development, Education, Health, Ontario First Nations Limited Partnership, Operations and Maintenance and Social Services. These segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both 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.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the *Significant accounting policies*.

***Recent accounting pronouncements***

**Financial instruments**

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2015. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The Nation has not yet determined the effect of these new standards on its consolidated financial statements.

**Wabauskang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**3. Cash**

	<b>2014</b>	<b>2013</b>
Ontario First Nations Limited Partnership	<b>74,147</b>	118,624
RBC General Account	<b>25,647</b>	(114,584)
Right to Play	<b>18,229</b>	-
	<b>118,023</b>	4,040

At March 31, 2014, the Nation had an unsecured line of credit totaling \$20,000, none of which was drawn.

**4. Accounts receivable**

	<b>2014</b>	<b>2013</b> <i>(Restated)</i>
Member advances	<b>344,847</b>	347,937
Community Infrastructure Improvement Fund	<b>150,000</b>	-
Ministry of Government and Consumer Services	<b>118,469</b>	-
1358807 Ontario Ltd.	<b>94,250</b>	-
Goldcorp Incorporated	<b>93,604</b>	47,058
Gold Canyon Resources Inc.	<b>35,000</b>	-
Shooniyaa Wa-Biitong	<b>34,677</b>	44,619
Aboriginal Affairs and Northern Development Canada	<b>24,729</b>	177,310
First Nation and Inuit Health	<b>13,057</b>	-
Right to Play	<b>10,137</b>	2,345
Ministry of Northern Development and Mines	<b>6,400</b>	-
Grand Council Treaty #3	<b>4,388</b>	16,033
Other First Nations	<b>1,690</b>	-
Horizon Hydro Operations	-	49,915
Rubicon Minerals Corporation	-	24,192
HST receivable	-	21,135
Anishinaabe Abinoojii Child and Family Services	-	1,362
	<b>931,248</b>	731,906
Allowance for doubtful accounts	<b>(344,847)</b>	(163,562)
	<b>586,401</b>	568,344

The allowance for doubtful accounts includes \$344,847 (2013 - \$163,562) relating to member advances.

**Wabauskang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**5. Funds held in Ottawa Trust Fund**

Capital and revenue trust monies are transferred to the Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the Nation's Council.

	2014	2013
<b>Capital Trust</b>		
Balance, beginning and end of year	873	873
<b>Revenue Trust</b>		
Balance, beginning of year	26,819	26,155
Interest	702	664
Balance, end of year	27,521	26,819
	<b>28,394</b>	27,692

**6. Accounts payable and accruals**

	2014	2013 (Restated)
Tuition Payable	153,224	-
Trade payables	150,696	171,964
Funding repayable	55,524	55,524
Accruals	35,000	35,000
Government remittances	31,967	12,583
	<b>426,411</b>	275,071

**7. Deferred revenue**

	Balance March 31, 2013	Funding Received 2014	Other Revenue 2014	Revenue recognized 2014	Balance March 31, 2014
<b>Federal Government Capital projects</b>					
Operations and Maintenance	153,964	326,694	244,250	568,006	<b>156,902</b>
<b>Other</b>					
Ontario First Nations Limited Partnership	193,481	-	443,574	637,055	-
	347,445	326,694	687,824	1,205,061	<b>156,902</b>

**8. Long-term debt**

	2014	2013
Royal Bank of Canada loan with monthly payments of \$1,192 including interest at 6.00%, due September 25, 2014. The Nation has pledged a school bus as collateral, with a net book value of \$0 (2013 - \$14,310).	7,148	21,448
Less: current portion of long term debt	7,148	14,300
	-	7,148

**Wabauskang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**9. Accumulated operating surplus**

Accumulated operating surplus consists of the following:

	<b>2014</b>	<b>2013</b> <i>(Restated)</i>
Equity in Ottawa Trust Funds		
Balance, beginning of year	<b>27,692</b>	27,028
Interest	<b>702</b>	664
	<b>28,394</b>	27,692
Equity in tangible capital assets		
Balance, beginning of year	<b>2,977,196</b>	3,224,317
Amortization	<b>(272,804)</b>	(254,273)
Purchases	<b>350,886</b>	-
	<b>3,055,278</b>	2,970,044
Unrestricted Surplus (deficit)	<b>124,024</b>	(50,670)
	<b>3,207,696</b>	2,947,066

**10. Government transfers**

	<b>Operating</b>	<b>Capital</b>	<b>2014</b>	<b>2013</b>
<b>Federal government transfers</b>				
Aboriginal Affairs and Northern Development Canada	1,515,817	-	<b>1,515,817</b>	1,388,134
First Nation and Inuit Health	308,370	-	<b>308,370</b>	302,773
Canada Mortgage and Housing Corporation	-	-	-	16,000
Federal Economic Development Agency	150,000	-	<b>150,000</b>	-
Canada Ontario Resource Development Agreement	-	-	-	32,500
Total Federal	1,974,187	-	<b>1,974,187</b>	1,739,407
<b>Provincial government transfers</b>				
Ministry of Health and Long-term Care	31,390	-	<b>31,390</b>	31,390
Ministry of Aboriginal Affairs	80,000	-	<b>80,000</b>	180,000
Ministry of Northern Development and Mines	6,400	-	<b>6,400</b>	-
Ministry of Community and Social Services	192,596	-	<b>192,596</b>	27,892
Total Provincial	310,386	-	<b>310,386</b>	239,282
	<b>2,284,573</b>	-	<b>2,284,573</b>	1,978,689

**11. AANDC funding reconciliation**

	<b>2014</b>	<b>2013</b>
AANDC revenue per Financial Statements	<b>1,517,817</b>	1,273,590
Add: Deferred Revenue		
Housing and Infrastructure	-	14,311
Elementary Education	-	50,929
Water Systems	-	49,304
AANDC revenue per funding confirmation	<b>1,517,817</b>	1,388,134

**12. Economic dependence**

Wabauskang First Nation receives 39% (2013 - 36%) of its revenue from Aboriginal Affairs and Northern Development Canada ("AANDC") as a result of treaties entered into with the Government of Canada. These treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

**13. Ontario First Nations Limited Partnership**

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and Ontario First Nations Limited Partnership ("OFNLP"), the Province of Ontario shall pay to OFNLP 12 monthly payments equal to one-twelfth of 1.7% of the aggregate provincial gross gaming revenue. OFNLP then distributes to the Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development, economic development and permitted interim investments.

The Nation holds a unit in the Ontario First Nations Limited Partnership, and a share in a related company, Ontario First Nations General Partner Inc. - the carrying values of which are nominal and are therefore, not recorded in these financial statements.

**14. Contingent liabilities**

The Nation has signed funding agreements with Aboriginal Affairs and Northern Development Canada and other governmental bodies for funding of programs which state that the funding party may require surpluses to be returned. The total of such surpluses were indeterminable and the amount could be material. Payment or recoveries of prior year surpluses will be recorded in the year recovered or paid.

**15. Budget information**

Canadian public sector accounting (PSA) standards require the disclosure of budget information for comparison to the Nation's actual revenue and expenses. The consolidated budgeted revenue and expenses, and surplus (deficit) have not been reported in these financial statements. While having no effect on reported revenue, expenses, and surplus (deficit), omission of this information is considered a departure from PSA standards.

**16. Correction of an error**

During the year, the Nation determined there were revenues pertaining to the prior year that were not recorded in the March 31, 2013 year end. The Nation also found there were expenses that pertained to the March 31, 2014 year end that were expensed in the March 31, 2013 year end. Revenues in the prior year were understated by \$47,058 due to a remittance from Goldcorp that had not been recorded. Expenses in the prior year were overstated by \$25,000 being tuition expenses pertaining to the March 31, 2014 year end. The total of these errors is a change in prior year's net debt amounting to \$72,058.

**17. Comparative figures**

Certain comparative figures have been reclassified to conform with current year's presentation.

**18. First Nations Financial Transparency and Accountability Act**

The Nation is required by the First Nations Transparency and Accountability Act to post its consolidated financial statements on a website and submit the consolidated financial statements to AANDC by July 29, 2014. As the audit report is dated after this date, the Nation is not in compliance with this requirement. The possible effect of this non-compliance has not yet been determined.



**Wabauskang First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2014*

	<i>Infrastructure</i>	<i>Housing</i>	<i>Buildings</i>	<i>Vehicle</i>	<i>Equipment</i>	<i>Subtotal</i>
<b>Cost</b>						
Balance, beginning of year	754,869	3,688,693	1,770,714	210,886	1,374,999	7,800,161
Acquisition of tangible capital assets	350,886	-	-	-	-	350,886
Construction-in-progress	-	-	-	-	-	-
Balance, end of year	1,105,755	3,688,693	1,770,714	210,886	1,374,999	8,151,047
<b>Accumulated amortization</b>						
Balance, beginning of year	164,328	2,507,222	655,279	157,572	1,369,997	4,854,398
Annual amortization	29,335	161,634	44,268	33,811	1,000	270,048
Balance, end of year	193,663	2,668,856	699,547	191,383	1,370,997	5,124,446
<b>Net book value of tangible capital assets</b>	<b>912,092</b>	<b>1,019,837</b>	<b>1,071,167</b>	<b>19,503</b>	<b>4,002</b>	<b>3,026,601</b>
2013 Net book value of tangible capital assets	590,541	1,181,471	1,115,435	53,314	5,002	2,945,763

**Wabauskang First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2014*

	<i>Subtotal</i>	<i>Land Improvements</i>	<i>2014</i>	<i>2013</i>
<b>Cost</b>				
Balance, beginning of year	7,800,161	55,124	7,855,285	7,589,583
Acquisition of tangible capital assets	350,886	-	350,886	-
Construction-in-progress	-	-	-	265,702
Balance, end of year	8,151,047	55,124	8,206,171	7,855,285
<b>Accumulated amortization</b>				
Balance, beginning of year	4,854,398	16,543	4,870,941	4,616,668
Annual amortization	270,048	2,756	272,804	254,273
Balance, end of year	5,124,446	19,299	5,143,745	4,870,941
<b>Net book value of tangible capital assets</b>	<b>3,026,601</b>	<b>35,825</b>	<b>3,062,426</b>	<b>2,984,344</b>
2013 Net book value of tangible capital assets	2,945,763	38,581	2,984,344	

**Wabauskang First Nation**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2014*

	<b>2014 Budget</b>	<b>2014</b>	<b>2013 (Restated)</b>
<b>Consolidated expenses by object</b>			
Administration	-	72,131	30,507
Amortization	-	272,804	254,273
Audit fees	-	40,950	35,000
Bad debts	-	182,647	74,798
Bank charges and interest	-	4,020	3,979
Communications	-	1,701	-
Contracted services	-	120,303	162,129
Furniture and equipment	-	-	1,274
Gas	-	48,954	37,281
Honoraria	-	70,801	85,413
Insurance	-	33,864	34,834
Interest on tuition	-	4,325	-
Interest on long-term debt	-	792	1,625
Internet	-	31,394	89,111
Materials	-	12,674	3,178
Medical transportation	-	17,674	66,312
Meetings	-	35,300	57,092
Miscellaneous	-	9,774	16,533
Office supplies	-	28,999	18,676
Professional fees	-	422,809	375,381
Repairs and maintenance	-	64,091	136,925
Resources	-	17,311	25,732
Salaries and benefits	-	919,463	773,907
Social assistance - Basic needs	-	119,869	114,939
Social assistance - Special needs	-	9,837	19,604
Student expenses	-	174,487	215,165
Supplies	-	90,559	117,147
Telephone	-	30,241	37,594
Training	-	23,309	79,606
Travel	-	227,950	221,406
Tuition	-	334,045	278,142
Utilities	-	80,004	81,906
	-	<b>3,503,082</b>	<b>3,449,469</b>

**Wabauskang First Nation**

**Schedule 3 - Consolidated Summary of Schedules of Revenue and Expenses by Segment**

*For the year ended March 31, 2014*

	<i>Schedule #</i>	<i>AANDC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/ Transfers From (To)</i>	<i>Current Operating Surplus (Deficit)</i>
Administration	4	359,880	228,217	-	588,097	851,685	274,032	10,444
Ontario First Nations Limited Partnership	5	-	443,574	193,481	637,055	3,118	(367,273)	266,664
Economic Development	6	42,000	509,001	-	551,001	613,446	17,123	(45,322)
Education	7	766,543	33,676	-	800,219	815,525	7,897	(7,409)
Health	8	-	407,060	-	407,060	441,274	34,218	4
Operations and Maintenance	9	326,694	244,250	(2,938)	568,006	620,055	24,810	(27,239)
Social Services	10	22,700	192,596	-	215,296	161,001	9,193	63,488
		1,517,817	2,058,374	190,543	3,766,734	3,506,104	-	260,630

**Wabauskang First Nation  
Administration**

**Schedule 4 - Consolidated Schedule of Segment Revenue and Expenses**

*For the year ended March 31, 2014*

	<b>2014 Budget</b>	<b>2014</b>	<b>2013</b>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	-	<b>359,880</b>	224,648
Ministry of Aboriginal Affairs	-	<b>80,000</b>	180,000
Administration fees	-	<b>75,154</b>	30,505
Paawidigong First Nation's Forum Incorporated	-	<b>30,390</b>	30,390
New Horizons for Seniors	-	<b>25,000</b>	-
Miscellaneous	-	<b>15,592</b>	-
Grand Council Treaty #3	-	<b>1,578</b>	4,000
Interest income	-	<b>503</b>	780
Canada Ontario Resource Development Agreement	-	-	32,500
Repayment of funding	-	-	(6,000)
	-	<b>588,097</b>	496,823
<b>Expenses</b>			
Administration	-	<b>2,500</b>	-
Amortization	-	<b>1,000</b>	1,000
Audit fees	-	<b>40,950</b>	35,000
Bad debts	-	<b>182,647</b>	74,798
Bank charges and interest	-	<b>3,939</b>	3,979
Communications	-	<b>1,701</b>	-
Contracted services	-	<b>27,938</b>	74,641
Furniture and equipment	-	-	1,274
Gas	-	<b>12,248</b>	209
Honoraria	-	<b>45,191</b>	57,784
Insurance	-	<b>82</b>	5,924
Interest on long-term debt	-	<b>792</b>	1,625
Internet	-	<b>24,206</b>	60,300
Materials	-	<b>11,171</b>	2,900
Meetings	-	<b>10,271</b>	16,224
Miscellaneous	-	<b>5,944</b>	11,448
Office supplies	-	<b>22,155</b>	10,674
Professional fees	-	<b>22,991</b>	118,902
Repairs and maintenance	-	<b>8,556</b>	2,344
Resources	-	<b>4,811</b>	1,700
Salaries and benefits	-	<b>271,913</b>	177,252
Supplies	-	<b>18,553</b>	15,167
Telephone	-	<b>10,709</b>	14,416
Training	-	<b>2,644</b>	44,904
Travel	-	<b>106,713</b>	53,201
Utilities	-	<b>12,060</b>	13,034
	-	<b>851,685</b>	798,700
<b>Operating deficit before transfers</b>	-	<b>(263,588)</b>	(301,877)
<b>Transfers between segments</b>	-	<b>274,032</b>	301,874
<b>Operating surplus (deficit)</b>	-	<b>10,444</b>	(3)

**Wabauskang First Nation**  
**Ontario First Nations Limited Partnership**  
**Schedule 5 - Consolidated Schedule of Segment Revenue and Expenses**  
*For the year ended March 31, 2014*

	<i><b>2014 Budget</b></i>	<i><b>2014</b></i>	<i><b>2013</b></i>
<b>Revenue</b>			
Ontario First Nations Limited Partnership	-	<b>443,574</b>	444,070
Deferred revenue - prior year	-	<b>193,481</b>	1,103,092
Deferred revenue - current year	-	-	(193,481)
	-	<b>637,055</b>	1,353,681
<b>Expenses</b>			
Bank charges and interest	-	<b>50</b>	-
Miscellaneous	-	<b>1,657</b>	-
Travel	-	<b>1,411</b>	-
	-	<b>3,118</b>	-
<b>Operating surplus before transfers</b>	-	<b>633,937</b>	1,353,681
<b>Transfers between segments</b>	-	<b>(367,273)</b>	(758,882)
<b>Operating surplus</b>	-	<b>266,664</b>	594,799

**Wabauskang First Nation**  
**Economic Development**  
**Schedule 6 - Consolidated Schedule of Segment Revenue and Expenses**  
*For the year ended March 31, 2014*

	<b>2014 Budget</b>	<b>2014</b>	<b>2013 (Restated)</b>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	-	<b>42,000</b>	42,000
Other revenue	-	<b>45,858</b>	-
Goldcorp Incorporated	-	<b>135,482</b>	121,870
Ministry of Natural Resources	-	<b>95,166</b>	-
Shooniyaa Wa-Biitong	-	<b>93,590</b>	77,556
Horizon Legacy	-	<b>93,133</b>	49,915
TransCanada	-	<b>15,000</b>	1,286
Rubicon Minerals Corporation	-	<b>13,052</b>	95,249
Union Gas Limited	-	<b>7,500</b>	118,607
Ministry of Northern Development and Mines	-	<b>6,400</b>	-
Miscellaneous	-	<b>3,820</b>	2,456
Northern Iron Corporation	-	-	11,000
	-	<b>551,001</b>	519,939
<b>Expenses</b>			
Contracted services	-	<b>23,879</b>	12,708
Honoraria	-	<b>18,950</b>	16,058
Internet	-	<b>402</b>	1,000
Materials	-	<b>1,503</b>	278
Meetings	-	<b>10,663</b>	14,630
Miscellaneous	-	-	1,250
Office supplies	-	<b>358</b>	1,729
Professional fees	-	<b>395,628</b>	253,979
Salaries and benefits	-	<b>108,685</b>	101,440
Student expenses	-	<b>7,400</b>	7,500
Supplies	-	-	3,586
Telephone	-	<b>682</b>	1,419
Travel	-	<b>35,274</b>	81,469
Utilities	-	<b>7,000</b>	-
Administration	-	<b>3,022</b>	-
	-	<b>613,446</b>	497,046
<b>Operating surplus (deficit) before transfers</b>	-	<b>(62,445)</b>	22,893
<b>Transfers between segments</b>	-	<b>17,123</b>	97,038
<b>Operating surplus (deficit)</b>	-	<b>(45,322)</b>	119,931

**Wabauskang First Nation**  
**Education**

**Schedule 7 - Consolidated Schedule of Segment Revenue and Expenses**

*For the year ended March 31, 2014*

	<b>2014 Budget</b>	<b>2014</b>	<b>2013 (Restated)</b>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	-	<b>766,543</b>	777,390
Right to Play	-	<b>26,053</b>	21,443
Miscellaneous	-	<b>7,623</b>	3,115
Deferred revenue - prior year	-	-	14,311
Repayment of funding	-	-	(55,524)
	-	<b>800,219</b>	760,735
<b>Expenses</b>			
Administration	-	<b>53,535</b>	30,505
Amortization	-	<b>14,311</b>	14,311
Bank charges and interest	-	<b>31</b>	-
Gas	-	<b>7,268</b>	16,020
Honoraria	-	<b>1,660</b>	-
Insurance	-	<b>3,732</b>	7,258
Interest on Tuition	-	<b>4,325</b>	-
Internet	-	<b>6,536</b>	27,311
Meetings	-	<b>3,623</b>	9,345
Miscellaneous	-	<b>78</b>	500
Office supplies	-	<b>54</b>	59
Professional fees	-	<b>4,190</b>	1,500
Repairs and maintenance	-	<b>11,691</b>	9,027
Resources	-	<b>10,500</b>	14,544
Salaries and benefits	-	<b>138,687</b>	126,863
Student expenses	-	<b>166,337</b>	207,221
Supplies	-	<b>14,609</b>	18,593
Telephone	-	<b>1,197</b>	8,248
Training	-	<b>13,862</b>	9,474
Travel	-	<b>24,306</b>	18,002
Tuition	-	<b>334,045</b>	278,142
Utilities	-	<b>948</b>	4,494
	-	<b>815,525</b>	801,417
<b>Operating deficit before transfers</b>	-	<b>(15,306)</b>	(40,682)
<b>Transfers between segments</b>	-	<b>7,897</b>	51,373
<b>Operating surplus (deficit)</b>	-	<b>(7,409)</b>	10,691



**Wabauskang First Nation  
Health**

**Schedule 8 - Consolidated Schedule of Segment Revenue and Expenses**

*For the year ended March 31, 2014*

	<b>2014 Budget</b>	<b>2014</b>	<b>2013</b>
<b>Revenue</b>			
First Nations and Inuit Health	-	<b>308,370</b>	302,773
Paawidigong First Nation's Forum Incorporated	-	<b>61,739</b>	55,450
Ministry of Health and Long-Term Care	-	<b>31,390</b>	31,390
Grand Council Treaty #3	-	<b>3,161</b>	1,783
Miscellaneous	-	<b>2,400</b>	-
Northern Diabetes Health Network	-	-	3,138
Reimbursed Medical Travel	-	-	2,887
	-	<b>407,060</b>	397,421
<b>Expenses</b>			
Contracted services	-	-	600
Gas	-	<b>10,886</b>	17,895
Honoraria	-	<b>5,000</b>	11,411
Insurance	-	<b>6,378</b>	2,970
Internet	-	<b>250</b>	250
Medical transportation	-	<b>17,674</b>	66,312
Meetings	-	<b>10,743</b>	16,893
Miscellaneous	-	<b>1,468</b>	-
Office supplies	-	<b>6,433</b>	6,214
Repairs and maintenance	-	<b>22,597</b>	18,921
Salaries and benefits	-	<b>251,610</b>	252,393
Student expenses	-	<b>750</b>	444
Supplies	-	<b>37,199</b>	58,001
Telephone	-	<b>16,193</b>	9,535
Training	-	<b>1,386</b>	17,625
Travel	-	<b>51,082</b>	55,696
Utilities	-	<b>1,625</b>	17,514
	-	<b>441,274</b>	552,674
<b>Operating deficit before transfers</b>	-	<b>(34,214)</b>	(155,253)
<b>Transfers between segments</b>	-	<b>34,218</b>	155,254
<b>Operating surplus</b>	-	<b>4</b>	<b>1</b>

**Wabauskang First Nation**  
**Operations and Maintenance**  
**Schedule 9 - Consolidated Schedule of Segment Revenue and Expenses**  
*For the year ended March 31, 2014*

	<b>2014 Budget</b>	<b>2014</b>	<b>2013</b>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	-	<b>326,694</b>	322,261
Federal Economic Development Agency - Southern Ontario	-	<b>150,000</b>	-
Rental income	-	<b>94,250</b>	-
Deferred revenue - prior year	-	<b>153,964</b>	100,233
Deferred revenue - current year	-	<b>(156,902)</b>	(153,964)
	-	<b>568,006</b>	268,530
<b>Expenses</b>			
Administration	-	<b>16,097</b>	-
Amortization	-	<b>257,493</b>	238,962
Contracted services	-	<b>68,485</b>	74,180
Gas	-	<b>18,552</b>	3,158
Honoraria	-	-	160
Insurance	-	<b>23,672</b>	18,681
Internet	-	-	250
Repairs and maintenance	-	<b>21,247</b>	106,634
Salaries and benefits	-	<b>126,207</b>	94,630
Supplies	-	<b>20,099</b>	20,864
Telephone	-	<b>1,461</b>	3,126
Training	-	<b>5,416</b>	7,603
Travel	-	<b>2,956</b>	7,373
Utilities	-	<b>58,370</b>	46,865
	-	<b>620,055</b>	622,486
<b>Operating deficit before transfers</b>	-	<b>(52,049)</b>	(353,956)
<b>Transfers between segments</b>	-	<b>24,810</b>	136,624
<b>Operating deficit</b>	-	<b>(27,239)</b>	(217,332)

**Wabauskang First Nation**  
**Social Services**

**Schedule 10 - Consolidated Schedule of Segment Revenue and Expenses**

*For the year ended March 31, 2014*

	<b>2014 Budget</b>	<b>2014</b>	<b>2013</b>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	-	<b>22,700</b>	21,835
Canada Mortgage and Housing Corporation	-	-	16,000
Ministry of Community and Social Services	-	<b>192,596</b>	27,892
	-	<b>215,296</b>	65,727
<b>Expenses</b>			
Miscellaneous	-	<b>626</b>	3,335
Professional fees	-	-	1,000
Resources	-	<b>2,000</b>	9,488
Salaries and benefits	-	<b>22,361</b>	21,328
Social assistance - Basic needs	-	<b>119,869</b>	114,939
Social assistance - Special needs	-	<b>9,837</b>	19,604
Supplies	-	<b>100</b>	936
Telephone	-	-	851
Travel	-	<b>6,208</b>	5,665
	-	<b>161,001</b>	177,146
<b>Operating surplus (deficit) before transfers</b>	-	<b>54,295</b>	(111,419)
<b>Transfers between segments</b>	-	<b>9,193</b>	16,719
<b>Operating surplus (deficit)</b>	-	<b>63,488</b>	(94,700)