

**Wabauskang First Nation  
Consolidated Financial Statements**

*March 31, 2015*

# **Wabauskang First Nation Contents**

*For the year ended March 31, 2015*

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## Management's Responsibility

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To the Members and Chief and Council 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 and Chief and Council 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.

March 29, 2016



Barb Katic  
Band Manager

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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, 2015, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the 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 Nation's consolidated statement of operations and consolidated statement of change in net financial assets 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, 2015 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Kenora, Ontario

March 29, 2016



Chartered Professional Accountants

Licensed Public Accountants

**Wabauskang First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2015*

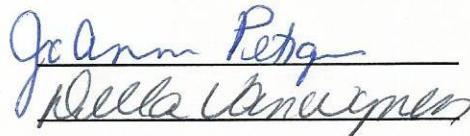
	2015	2014
<b>Financial assets</b>		
<b>Current</b>		
Cash (Note 3)	1,717,545	118,023
Accounts receivable (Note 4)	214,598	586,401
Receivable from Rubicon Mineral Corporation (Note 5)	253,188	-
	2,185,331	704,424
<b>Funds held in Ottawa Trust Fund (Note 6)</b>	42,425	28,394
<b>Portfolio investments (Note 7)</b>	116,870	-
<b>Total financial assets</b>	<b>2,344,626</b>	732,818
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 8)	571,503	426,411
Deferred revenue (Note 9)	52,500	156,902
Current portion of long-term debt (Note 10)	-	7,148
<b>Total liabilities</b>	<b>624,003</b>	590,461
<b>Net financial assets</b>	<b>1,720,623</b>	142,357
<b>Contingent liabilities (Note 16)</b>		
<b>Subsequent event (Note 17)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	2,843,061	3,062,426
Prepaid expenses	-	2,913
<b>Total non-financial assets</b>	<b>2,843,061</b>	3,065,339
<b>Accumulated surplus (Note 11)</b>	<b>4,563,684</b>	3,207,696

Approved on behalf of Chief and Council



Chief

Councillor



Councillor

Councillor

**Wabauskang First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada (Note 12)	1,434,306	1,517,817
First Nations and Inuit Health (Note 12)	324,464	308,370
Canada Mortgage and Housing Corporation (Note 12)	16,000	-
Federal Economic Development Agency (Note 12)	-	150,000
Other revenue	-	45,858
Goldcorp	1,816,437	135,482
Ontario First Nations Limited Partnership	456,493	443,574
Rubicon Minerals Corporation	428,188	13,052
Ministry of Community and Social Services (Note 12)	208,036	192,596
Ministry of Natural Resources (Note 12)	96,470	95,166
Paawidigong First Nation's Forum Incorporated	90,776	92,129
Ministry of Aboriginal Affairs (Note 12)	90,000	80,000
Union Gas Limited	60,000	7,500
Shooniyya Wa-Biitong	56,083	93,590
Miscellaneous	36,064	29,435
Ministry of Health and Long-Term Care (Note 12)	31,390	31,390
Administration fees	8,300	75,154
Province of Ontario (Note 12)	6,553	-
Grand Council Treaty #3	759	4,739
Rental income	-	94,250
Horizon Legacy	-	93,133
Right to Play	-	26,053
New Horizons for Seniors	-	25,000
TransCanada	-	15,000
Ministry of Northern Development and Mines (Note 12)	-	6,400
Interest income	-	503
Repayment of funding	(128,602)	-
Deferred revenue - prior year (Note 9)	156,902	347,445
Deferred revenue - current year (Note 9)	(52,500)	(156,902)
	<b>5,136,119</b>	3,766,734
<b>Expenses</b>		
Administration	780,990	815,071
Economic Development	724,763	519,857
Education	945,727	821,001
Health	498,552	566,001
Ontario First Nations Limited Partnership	7,582	3,118
Operations and Maintenance	658,494	620,055
Social Services	155,893	161,001
<b>Total expenses (Schedule 2)</b>	<b>3,772,001</b>	3,506,104
<b>Other income (expense)</b>		
Valuation loss on investments (Note 7)	(8,130)	-
<b>Annual Surplus</b>	<b>1,355,988</b>	260,630

*Continued on next page*

**Wabauskang First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Annual Surplus</b> <i>(Continued from previous page)</i>	<b>1,355,988</b>	260,630
<b>Accumulated surplus, beginning of year</b>	<b>3,207,696</b>	2,947,066
<b>Accumulated surplus, end of year</b>	<b>4,563,684</b>	3,207,696

**Wabauskang First Nation**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Annual Surplus</b>	<b>1,355,988</b>	260,630
Purchases of tangible capital assets	(42,287)	(350,886)
Amortization of tangible capital assets	261,652	272,804
	219,365	(78,082)
Acquisition of prepaid expenses	-	(2,913)
Use of prepaid expenses	2,913	6,612
	2,913	3,699
<b>Increase in net financial assets</b>	<b>1,578,266</b>	186,247
<b>Net financial assets (debt), beginning of year</b>	<b>142,357</b>	(43,890)
<b>Net financial assets, end of year</b>	<b>1,720,623</b>	142,357

**Wabauskang First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual Surplus	1,355,988	260,630
Non-cash items		
Amortization	261,652	272,804
Valuation loss on investments	8,130	-
	<b>1,625,770</b>	533,434
Changes in working capital accounts		
Accounts receivable	118,615	(18,057)
Prepaid expenses	2,913	3,699
Accounts payable and accruals	145,092	151,338
Deferred revenue	(104,402)	(190,543)
	<b>1,787,988</b>	479,871
<b>Financing activities</b>		
Repayment of long-term debt	(7,148)	(14,299)
<b>Capital activities</b>		
Purchases of tangible capital assets	(42,287)	(350,886)
<b>Investing activities</b>		
Funds held in Ottawa Trust Fund	(14,031)	(702)
Purchase of portfolio investments	(125,000)	-
	<b>(139,031)</b>	(702)
<b>Increase in cash resources</b>	<b>1,599,522</b>	113,984
<b>Cash resources, beginning of year</b>	<b>118,023</b>	4,039
<b>Cash resources, end of year</b>	<b>1,717,545</b>	118,023
<b>Supplementary cash flow information</b>		
Interest paid	233	792
Interest received	-	503

**Wabauskang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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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 Wabauskang First Nation reporting entity includes the Nation government and all related enterprises that are accountable to the Nation and are either owned or controlled by the Nation. Trusts administered by Wabauskang First Nation are excluded from the Nation reporting entity.

***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 consolidated 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.

***Portfolio investments***

Long-term investments in entities that are not owned, controlled or influenced by the Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records for infrastructure, housing, buildings, vehicles, 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 %

**Wabauskang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**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 consolidated 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***

The Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Nation is determined by its financial assets less its liabilities. Net financial assets 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 collectability 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.

**Wabauskang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**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***

**PS 3210 Assets**

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

- Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.
- Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.
- The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.
- A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.
- A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.
- An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

**Wabauskang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**PS 3320 Contingent Assets**

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**PS 3380 Contractual Rights**

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

**PS 3430 Restructuring Transactions**

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

- A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.
- A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

**Wabauskang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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

- Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.
- The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.
- Restructuring-related costs are recognized as expenses when incurred.
- Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.
- The financial position and results of operations prior to the restructuring date are not restated.
- Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged.

**3. Cash**

	<b>2015</b>	<b>2014</b>
Ontario First Nations Limited Partnership	310,633	74,147
RBC General Account	-	25,647
Right to Play	24,881	18,229
General	1,382,031	-
	<b>1,717,545</b>	<b>118,023</b>

**Wabauskang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**4. Accounts receivable**

	<b>2015</b>	<b>2014</b>
Member advances	349,967	344,847
Aboriginal Affairs and Northern Development Canada	86,037	24,729
First Nation and Inuit Health	39,287	13,057
Ministry of Natural Resources	36,493	-
Shooniyaa Wa-Biitong	26,484	34,677
Gold Canyon Resources Inc.	21,000	35,000
Ministry of Community and Social Services	5,241	118,469
Harmonized Sales Tax receivable	56	-
Right to Play	-	10,137
Other First Nations	-	1,690
Community Infrastructure Improvement Fund	-	150,000
1358807 Ontario Ltd.	-	94,250
Goldcorp Incorporated	-	93,604
Ministry of Northern Development and Mines	-	6,400
Grand Council Treaty #3	-	4,388
	<b>564,565</b>	931,248
Allowance for doubtful accounts	<b>(349,967)</b>	(344,847)
	<b>214,598</b>	586,401

The allowance for doubtful accounts includes \$349,967 (2014 - \$344,847) relating to member advances.

**5. Receivable from Rubicon Minerals Corporation**

Per the Nation's agreement with Rubicon Minerals Corporation (Rubicon), the Nation is entitled to an annual payment of \$250,000 subject to an Applicable Expenditure Limit. The 2014 annual amount is to be paid by March 31, 2015. As part of this agreement, Rubicon may, at its sole discretion, issue or transfer to the Nation common shares of Rubicon with an equivalent value by April 15.

On April 15, 2015, the Nation received 232,710 shares in Rubicon with a fair market value of \$253,188 as payment for 2014. This amount has been accrued as a receivable by the Nation at March 31, 2015.

**6. 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.

	<b>2015</b>	<b>2014</b>
<b>Capital Trust</b>		
Balance, beginning and end of year	873	873
<b>Revenue Trust</b>		
Balance, beginning of year	27,521	26,819
Interest	14,031	702
Balance, end of year	41,552	27,521
	<b>42,425</b>	28,394

**Wabauskang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**7. Portfolio investments**

	<b>2015</b>	2014
Rubicon Minerals Corporation 101,626 common shares Written down to FMV at March 31, 2015	<b>125,000</b> <b>(8,130)</b>	- -
	<b>116,870</b>	-

**8. Accounts payable and accruals**

	<b>2015</b>	2014
Trade payables	241,462	150,696
Funding repayable	184,126	55,524
Tuition payable	110,915	153,224
Accruals	35,000	35,000
Government remittances	-	31,967
	<b>571,503</b>	426,411

**9. Deferred revenue**

	Balance March 31, 2014	Funding Received 2015	Other Revenue 2015	Revenue recognized 2015	Balance March 31, 2015
<b>Federal Government</b>					
Operations and Maintenance	156,902	-	345,809	502,711	-
Economic Development	-	-	2,472,136	2,419,636	<b>52,500</b>
	<b>156,902</b>	<b>-</b>	<b>2,817,945</b>	<b>2,922,347</b>	<b>52,500</b>

**10. Long-term debt**

	<b>2015</b>	2014
Royal Bank of Canada loan, repaid during the year	-	7,148
Less: current portion of long term debt	-	7,148
	<b>-</b>	<b>-</b>

**Wabauskang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**11. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2015</b>	<b>2014</b>
Equity in Ottawa Trust Funds		
Balance, beginning of year	28,394	27,692
Interest	804	702
Capital investment	13,227	-
	<b>42,425</b>	28,394
Equity in tangible capital assets		
Balance, beginning of year	3,062,426	2,984,344
Amortization	(261,652)	(272,804)
Purchases	42,287	350,886
	<b>2,843,061</b>	3,062,426
Opening unrestricted surplus (deficit)	116,876	(64,970)
Annual change in unrestricted surplus (deficit)	1,561,322	181,846
Closing unrestricted surplus	<b>1,678,198</b>	116,876
	<b>4,563,684</b>	3,207,696

**12. Government transfers**

	Operating	Capital	<b>2015</b>	2014
<b>Federal government transfers</b>				
Aboriginal Affairs and Northern Development Canada	1,434,306	-	<b>1,434,306</b>	1,517,817
First Nation and Inuit Health	324,464	-	<b>324,464</b>	308,370
Canada Mortgage and Housing Corporation	16,000	-	<b>16,000</b>	-
Federal Economic Development Agency	-	-	-	150,000
<b>Total Federal</b>	<b>1,774,770</b>	-	<b>1,774,770</b>	1,976,187
<b>Provincial government transfers</b>				
Ministry of Community and Social Services	208,036	-	<b>208,036</b>	192,596
Ministry of Natural Resources	96,470	-	<b>96,470</b>	95,166
Ministry of Aboriginal Affairs	90,000	-	<b>90,000</b>	80,000
Ministry of Health and Long-term Care	31,390	-	<b>31,390</b>	31,390
Province of Ontario	6,553	-	<b>6,553</b>	-
Ministry of Northern Development and Mines	-	-	-	6,400
<b>Total Provincial</b>	<b>432,449</b>	-	<b>432,449</b>	405,552
	<b>2,207,219</b>	-	<b>2,207,219</b>	2,381,739

**13. AANDC funding reconciliation**

	<b>2015</b>	<b>2014</b>
AANDC revenue per Financial Statements	1,434,306	1,517,817
AANDC revenue per funding confirmation	<b>1,434,306</b>	1,517,817

**Wabauskang First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**14. Economic dependence**

Wabauskang First Nation receives 28% (2014 - 40%) 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.

**15. 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 consolidated financial statements.

**16. 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.

**17. Subsequent event**

Subsequent to March 31, 2015, the value of the shares of Rubicon Minerals Corporation (Rubicon) declined significantly due to a shut-down of operations at its mine in Red Lake. As at March 31, 2015 the Nation owned 101,626 common shares originally valued at \$125,000 (\$1.23 / share) and thereafter written down to \$116,870, and had an additional 232,710 common shares committed to it by Rubicon with a value of \$253,188 (\$1.09 / share).

As at March 24, 2016 the shares were trading at \$.06 / share, and the Nation's total investment had a fair market value of \$20,060. No adjustment has been recorded in these consolidated financial statements to reflect this decline in share value subsequent to year-end.

**18. 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 consolidated financial statements. While having no effect on reported revenue, expenses, and surplus (deficit), omission of this information is considered a departure from PSA standards.

**19. Comparative figures**

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

**20. 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, 2015. 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, 2015*

	<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	1,105,755	3,688,693	1,770,714	210,886	1,374,999	8,151,047
Acquisition of tangible capital assets	-	-	-	42,287	-	42,287
<b>Balance, end of year</b>	<b>1,105,755</b>	<b>3,688,693</b>	<b>1,770,714</b>	<b>253,173</b>	<b>1,374,999</b>	<b>8,193,334</b>
<b>Accumulated amortization</b>						
Balance, beginning of year	193,663	2,668,856	699,547	191,383	1,370,997	5,124,446
Annual amortization	29,335	156,336	44,268	27,957	1,000	258,896
<b>Balance, end of year</b>	<b>222,998</b>	<b>2,825,192</b>	<b>743,815</b>	<b>219,340</b>	<b>1,371,997</b>	<b>5,383,342</b>
<b>Net book value of tangible capital assets</b>	<b>882,757</b>	<b>863,501</b>	<b>1,026,899</b>	<b>33,833</b>	<b>3,002</b>	<b>2,809,992</b>
2014 Net book value of tangible capital assets	912,092	1,019,837	1,071,167	19,503	4,002	3,026,601

**Wabauskang First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2015*

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	<i>Subtotal</i>	<i>Land Improvements</i>	2015	2014
<b>Cost</b>				
Balance, beginning of year	8,151,047	55,124	8,206,171	7,855,285
Acquisition of tangible capital assets	42,287	-	42,287	350,886
<b>Balance, end of year</b>	<b>8,193,334</b>	<b>55,124</b>	<b>8,248,458</b>	<b>8,206,171</b>
<b>Accumulated amortization</b>				
Balance, beginning of year	5,124,446	19,299	5,143,745	4,870,941
Annual amortization	258,896	2,756	261,652	272,804
<b>Balance, end of year</b>	<b>5,383,342</b>	<b>22,055</b>	<b>5,405,397</b>	<b>5,143,745</b>
<b>Net book value of tangible capital assets</b>	<b>2,809,992</b>	<b>33,069</b>	<b>2,843,061</b>	<b>3,062,426</b>
<b>2014 Net book value of tangible capital assets</b>	<b>3,026,601</b>	<b>35,825</b>	<b>3,062,426</b>	

**Wabauskang First Nation**  
**Schedule 2 - Consolidated Schedule of Expenses by Object**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Consolidated expenses by object</b>		
Administration	15,332	75,153
Advertising	6,260	-
Amortization	261,652	272,804
Bad debts	5,120	182,647
Bank charges and interest	13,210	4,020
Communications	221	1,701
Contracted services	331,088	120,303
Contributions to programs	4,375	-
Funeral	10,455	-
Furniture and equipment	500	-
Gas	35,756	48,954
Honoraria	90,000	70,801
Insurance	38,116	33,864
Interest on tuition	-	4,325
Interest on long-term debt	233	792
Internet	-	31,394
Materials	-	12,674
Medical transportation	-	17,674
Meetings	41,721	35,300
Miscellaneous	21,875	9,774
Office supplies	47,695	28,999
Shelter	34,739	-
Professional fees	436,356	463,759
Program education	6,000	-
Program expense	20,670	-
Repairs and maintenance	95,715	64,091
Resources	96,631	17,311
Salaries and benefits	799,094	919,463
Social assistance - Basic needs	40,516	119,869
Social assistance - Special needs	1,680	9,837
Student expenses	237,915	174,487
Supplies	110,616	90,559
Telephone	58,212	30,241
Training	50,368	23,309
Transportation	58,577	-
Travel	265,738	227,950
Tuition	452,036	334,045
User fees	50	-
Utilities	83,479	80,004
	<b>3,772,001</b>	<b>3,506,104</b>

**Wabauskang First Nation**  
**Schedule 3 - Summary of Consolidated Schedules of Revenue and Expenses by Segment**  
*For the year ended March 31, 2015*

	Schedule #	AANDC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Adjustments/Transfers From (To)	Current Surplus (Deficit)
Administration	4	182,008	135,123	-	317,131	780,990	240,896	(222,963)
Economic Development	5	42,000	2,422,005	(52,500)	2,411,505	724,763	109,224	1,795,966
Education	6	785,740	(122,049)	-	663,691	945,727	24,406	(257,630)
Health	7	-	473,673	-	473,673	498,552	30,418	5,539
Ontario First Nations Limited Partnership	8	-	456,493	-	456,493	7,582	(404,944)	43,967
Operations and Maintenance	9	329,809	16,000	156,902	502,711	658,494	-	(155,783)
Social Services	10	94,749	208,036	-	302,785	155,893	-	146,892
		1,434,306	3,589,281	104,402	5,127,989	3,772,001	-	1,355,988

**Wabauskang First Nation**  
**Administration**  
**Schedule 4 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	182,008	314,980
Ministry of Aboriginal Affairs	90,000	80,000
Miscellaneous	36,064	15,592
Administration fees	8,300	75,154
Grand Council Treaty #3	759	1,578
New Horizons for Seniors	-	25,000
Interest income	-	503
	<b>317,131</b>	<b>512,807</b>
<b>Expenses</b>		
Administration	7,200	2,500
Advertising	3,060	-
Amortization	1,000	1,000
Bad debts	5,120	182,647
Bank charges and interest	6,028	3,939
Communications	221	1,701
Contracted services	55,786	27,938
Gas	20,046	12,105
Honoraria	89,250	41,441
Insurance	11,210	82
Interest on long-term debt	-	792
Internet	-	23,956
Materials	-	11,171
Meetings	7,779	9,687
Miscellaneous	20,927	5,944
Office supplies	26,978	22,040
Professional fees	61,073	63,941
Repairs and maintenance	18,717	8,556
Resources	-	4,461
Salaries and benefits	132,424	249,348
Supplies	6,764	14,086
Telephone	37,038	7,414
Training	33,543	2,644
Travel	204,955	106,143
Utilities	31,871	11,535
	<b>780,990</b>	<b>815,071</b>
<b>Deficit before transfers</b>	<b>(463,859)</b>	<b>(302,264)</b>
<b>Transfers between programs</b>	<b>240,896</b>	<b>312,706</b>
<b>Surplus (deficit)</b>	<b>(222,963)</b>	<b>10,442</b>

**Wabauskang First Nation**  
**Economic Development**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	42,000	42,000
Other revenue	-	45,858
Goldcorp	1,816,437	135,482
Rubicon Minerals Corporation	428,188	13,052
Ministry of Natural Resources	96,470	95,166
Union Gas Limited	60,000	7,500
Shooniyaa Wa-Biitong	29,040	-
TransCanada	-	15,000
Horizon Legacy	-	93,133
Miscellaneous	-	3,820
Ministry of Northern Development and Mines	-	6,400
Deferred revenue - current year (Note 9)	(52,500)	-
	2,419,635	457,411
<b>Expenses</b>		
Administration	25	-
Contracted services	1,930	23,879
Honoraria	750	18,950
Internet	-	402
Materials	-	1,503
Meetings	28,942	10,663
Office supplies	18,711	358
Professional fees	375,283	395,628
Resources	96,631	-
Salaries and benefits	168,920	18,118
Student expenses	-	7,400
Supplies	1,000	-
Telephone	-	682
Travel	32,571	35,274
Utilities	-	7,000
	724,763	519,857
<b>Surplus (deficit) before other items</b>	<b>1,694,872</b>	(62,446)
<b>Other income (expense)</b>		
Valuation loss on investments	(8,130)	-
<b>Surplus (deficit) before transfers</b>	<b>1,686,742</b>	(62,446)
<b>Transfers between programs</b>	<b>109,224</b>	17,123
<b>Surplus (deficit)</b>	<b>1,795,966</b>	(45,323)

**Wabauskang First Nation**  
**Education**  
**Schedule 6 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	785,740	771,543
Province of Ontario	6,553	-
Miscellaneous	-	7,623
Right to Play	-	26,053
Repayment of funding	(128,602)	-
	<b>663,691</b>	805,219
<b>Expenses</b>		
Administration	8,098	53,535
Amortization	-	14,311
Bank charges and interest	7,175	31
Contracted services	33,091	-
Gas	6,877	7,268
Honoraria	-	5,160
Insurance	18,895	3,732
Interest on long-term debt	233	-
Interest on tuition	-	4,325
Internet	-	6,536
Meetings	-	4,207
Miscellaneous	-	78
Office supplies	2,006	54
Professional fees	-	4,190
Program expense	16,050	-
Repairs and maintenance	9,095	11,691
Resources	-	10,500
Salaries and benefits	128,578	138,687
Student expenses	237,915	166,337
Supplies	9,922	15,716
Telephone	1,181	1,197
Training	625	13,862
Travel	13,900	24,591
Tuition	452,036	334,045
User fees	50	-
Utilities	-	948
	<b>945,727</b>	821,001
<b>Deficit before transfers</b>	<b>(282,036)</b>	(15,782)
<b>Transfers between programs</b>	<b>24,406</b>	8,373
<b>Deficit</b>	<b>(257,630)</b>	(7,409)

**Wabauskang First Nation**  
**Health**  
**Schedule 7 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Revenue</b>		
First Nations and Inuit Health	324,464	308,370
Paawidigong First Nation's Forum Incorporated	90,776	92,129
Ministry of Health and Long-Term Care	31,390	31,390
Shooniyyaa Wa-Biitong	27,043	93,590
Miscellaneous	-	2,400
Grand Council Treaty #3 Inc	-	3,161
	<b>473,673</b>	<b>531,040</b>
<b>Expenses</b>		
Administration	-	3,022
Amortization	8,457	-
Contracted services	11,896	-
Furniture and equipment	500	-
Gas	-	11,030
Honoraria	-	5,250
Insurance	8,011	6,378
Internet	-	500
Medical transportation	-	17,674
Meetings	-	10,742
Miscellaneous	948	1,468
Office supplies	-	6,547
Program expense	4,619	-
Repairs and maintenance	42,287	22,597
Resources	-	350
Salaries and benefits	289,700	364,743
Student expenses	-	750
Supplies	43,541	40,558
Telephone	14,569	19,488
Training	949	1,386
Transportation	58,577	-
Travel	8,740	51,367
Utilities	5,758	2,151
	<b>498,552</b>	<b>566,001</b>
<b>Deficit before transfers</b>	<b>(24,879)</b>	<b>(34,961)</b>
<b>Transfers between programs</b>	<b>30,418</b>	<b>34,967</b>
<b>Surplus</b>	<b>5,539</b>	<b>6</b>

**Wabauskang First Nation**  
**Ontario First Nations Limited Partnership**  
**Schedule 8 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Revenue</b>		
Ontario First Nations Limited Partnership	456,493	443,574
Deferred revenue - prior year (Note 9)	-	193,481
	<b>456,493</b>	637,055
<b>Expenses</b>		
Advertising	3,200	-
Bank charges and interest	7	50
Contributions to programs	4,375	-
Miscellaneous	-	1,657
Travel	-	1,411
	<b>7,582</b>	3,118
<b>Surplus before transfers</b>	<b>448,911</b>	633,937
<b>Transfers between programs</b>	<b>(404,943)</b>	(367,273)
<b>Surplus</b>	<b>43,968</b>	266,664

**Wabauskang First Nation**  
**Operations and Maintenance**  
**Schedule 9 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	329,809	326,694
Canada Mortgage and Housing Corporation	16,000	-
Federal Economic Development Agency	-	150,000
Rental income	-	94,250
Deferred revenue - prior year	156,902	153,964
Deferred revenue - current year <i>(Note 9)</i>	-	(156,902)
	<b>502,711</b>	<b>568,006</b>
<b>Expenses</b>		
Administration	-	16,097
Amortization	252,195	257,493
Contracted services	224,235	68,485
Gas	8,833	18,552
Insurance	-	23,672
Repairs and maintenance	25,615	21,247
Salaries and benefits	38,375	126,207
Supplies	48,541	20,099
Telephone	615	1,461
Training	15,252	5,416
Travel	3,793	2,956
Utilities	41,040	58,370
	<b>658,494</b>	<b>620,055</b>
<b>Deficit before transfers</b>	<b>(155,783)</b>	<b>(52,049)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>24,810</b>
<b>Deficit</b>	<b>(155,783)</b>	<b>(27,239)</b>

**Wabauskang First Nation**  
**Social Services**  
**Schedule 10 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	94,749	62,600
Ministry of Community and Social Services	208,036	192,596
	<b>302,785</b>	255,196
<b>Expenses</b>		
Administration	8	-
Contracted services	4,150	-
Funeral	10,455	-
Meetings	5,000	-
Miscellaneous	-	626
Program education	6,000	-
Resources	-	2,000
Salaries and benefits	41,098	22,361
Shelter	34,739	-
Social assistance - Basic needs	40,516	119,869
Social assistance - Special needs	1,680	9,837
Supplies	849	100
Travel	1,779	6,208
Telephone	4,809	-
Utilities	4,810	-
	<b>155,893</b>	161,001
<b>Surplus before transfers</b>	<b>146,892</b>	94,195
<b>Transfers between programs</b>	<b>-</b>	(30,707)
<b>Surplus</b>	<b>146,892</b>	63,488