

Wabauskang First Nation
Consolidated Financial Statements
March 31, 2017

Wabauskang First Nation

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For the year ended March 31, 2017

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Management's Responsibility

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

The accompanying consolidated financial statements of Wabauskang First Nation (the "First 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 First Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, 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.

May 11, 2018

Original Signed By:
MARTINE PETIQUAN
_____ Chief

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, 2017, 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 First Nation's consolidated statement of operations and accumulated surplus 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.

The audit opinion for the previous year was similarly qualified in respect to this matter.

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 consolidated financial position of Wabauskang First Nation as at March 31, 2017 and the consolidated 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

May 11, 2018

Chartered Professional Accountants

Licensed Public Accountants

Wabauskang First Nation
Consolidated Statement of Financial Position
As at March 31, 2017

	2017	2016 (Restated)
Financial assets		
Current		
Cash (Note 3)	2,806,922	743,212
Accounts receivable (Note 4)	472,017	912,564
	3,278,939	1,655,776
Funds held in Ottawa Trust Fund (Note 5)	65,258	49,253
Portfolio investments (Note 6)	3,794	983,530
Total financial assets	3,347,991	2,688,559
Liabilities		
Current		
Accounts payable and accruals (Note 7)	314,166	359,576
Repayment of funding (Note 8)	449,914	184,126
Deferred revenue (Note 9)	1,079,533	701,445
	1,843,613	1,245,147
Long-term debt (Note 10)	19,664	-
Total liabilities	1,863,277	1,245,147
Net financial assets	1,484,714	1,443,412
Contingencies (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	2,484,609	2,689,552
Prepaid expenses	12,172	2,990
Total non-financial assets	2,496,781	2,692,542
Accumulated surplus (Note 12)	3,981,495	4,135,954
Approved on behalf of Chief and Council		
Original Signed By: MARTINE PETIQUAN	Chief	Original Signed By: JO-ANNE PETIQUAN
Original Signed By: DELLA VANWYNEN	Councillor	Councillor

Wabauskang First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2017

	<i>Schedules</i>	2017	2016 <i>(Restated)</i>
Revenue			
Indigenous and Northern Affairs Canada <i>(Note 13)</i>		2,036,151	1,586,967
First Nations and Inuit Health <i>(Note 13)</i>		311,233	297,327
Canada Mortgage and Housing Corporation <i>(Note 13)</i>		97,700	19,000
Employment and Social Development Canada <i>(Note 13)</i>		49,050	-
Goldcorp		637,225	906,800
Ontario First Nations Limited Partnership		518,843	459,752
Shooniyaa Wa-Biitong		210,025	65,495
Paawidigong First Nations Forum Incorporated		182,183	103,036
Anishinaabe Abinoojii Family Services		158,178	154,592
Ministry of Indigenous Relations and Reconciliation <i>(Note 13)</i>		127,500	150,000
Ministry of Community and Social Services <i>(Note 13)</i>		97,484	60,156
Ministry of Natural Resources <i>(Note 13)</i>		86,077	343,011
Miscellaneous		62,903	49,185
Ministry of Northern Development and Mines <i>(Note 13)</i>		58,674	51,872
Bimose Tribal Council		52,018	53,904
Independent Electricity System Operator		49,683	-
Investment income		38,437	4,022
Harmonized Sales Tax rebates		27,959	-
Reimbursed medical travel		27,101	1,644
Interest income		17,393	-
Administration fees		14,239	96,062
Province of Ontario <i>(Note 13)</i>		8,866	9,645
TransCanada Pipelines		-	154,264
Rental income		-	10,000
Rubicon Minerals Corporation		-	28,659
Ministry of Health and Long-Term Care <i>(Note 13)</i>		-	23,545
Other revenue		-	13,332
Deferred revenue - prior year <i>(Note 9)</i>		701,445	52,500
Deferred revenue - current year <i>(Note 9)</i>		(1,079,533)	(701,445)
Repayment of funding		(265,649)	(874)
		4,225,185	3,992,451
Expenses			
Administration	4	1,120,198	711,932
Economic Development	5	368,764	989,105
Education	6	1,005,688	943,271
Health	7	736,720	674,500
Ontario First Nations Limited Partnership	8	27,012	2,976
Operations and Maintenance	9	990,649	937,259
Social Services	10	124,635	97,674
Total expenses <i>(Schedule 2)</i>		4,373,666	4,356,717
Deficit before other items		(148,481)	(364,266)

Continued on next page

Wabauskang First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	2017	2016 <i>(Restated)</i>
Deficit before other items <i>(Continued from previous page)</i>	(148,481)	(364,266)
Other expense		
Gain (loss) on disposal of portfolio investments	(7,712)	-
Gain on disposal of capital assets	18,000	25,000
Valuation loss on investments <i>(Note 6)</i>	(16,266)	(349,998)
	(5,978)	(324,998)
Deficit	(154,459)	(689,264)
Accumulated surplus, beginning of year, as previously stated	4,048,000	4,643,681
Correction of an error <i>(Note 14)</i>	87,954	181,537
Accumulated surplus, beginning of year, as restated	4,135,954	4,825,218
Accumulated surplus, end of year	3,981,495	4,135,954

Wabauskang First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2017

	2017	2016 <i>(Restated)</i>
Deficit	(154,459)	(689,264)
Purchases of tangible capital assets	(41,500)	(104,554)
Amortization of tangible capital assets	246,443	258,063
Gain on sale of tangible capital assets	(18,000)	(25,000)
Proceeds of disposal of tangible capital assets	18,000	25,000
	204,943	153,509
Acquisition of prepaid expenses	(12,172)	(2,990)
Use of prepaid expenses	2,990	-
	(9,182)	(2,990)
Increase (decrease) in net financial assets	41,302	(538,745)
Net financial assets, beginning of year	1,443,412	1,982,157
Net financial assets, end of year	1,484,714	1,443,412

Wabauskang First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016 (Restated)
Cash provided by (used for) the following activities		
Operating activities		
Deficit	(154,459)	(689,264)
Non-cash items		
Amortization	246,443	258,063
Loss on disposal of portfolio investments	7,712	-
Gain on disposal of capital assets	(18,000)	(25,000)
Valuation loss on investments	16,266	349,998
	97,962	(106,203)
Changes in working capital accounts		
Accounts receivable	441,697	(437,586)
Prepaid expenses	(9,182)	(2,990)
Accounts payable and accruals	(46,559)	(26,647)
Deferred revenue	378,088	648,945
Repayment of funding	265,788	-
	1,127,794	75,519
Financing activities		
Advances of long-term debt	23,500	-
Repayment of long-term debt	(3,836)	-
	19,664	-
Capital activities		
Purchases of tangible capital assets	(41,500)	(104,554)
Proceeds of disposal of tangible capital assets	18,000	25,000
	(23,500)	(79,554)
Investing activities		
Proceeds (purchase) of portfolio investments	955,757	(963,470)
Funds held in Ottawa Trust Fund	(16,005)	(6,828)
	939,752	(970,298)
Increase (decrease) in cash resources	2,063,710	(974,333)
Cash resources, beginning of year	743,212	1,717,545
Cash resources, end of year	2,806,922	743,212
Supplementary cash flow information		
Interest paid	192	-

Wabauskang First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

1. Operations

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

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of the First 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 First 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 First 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 capital assets are recorded at their fair value at the date of contribution.

Amortization

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

	Rate
Infrastructure	4 %
Housing	4 %
Buildings	20 %
Vehicles	30 %
Equipment	30 %
Land improvements	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 First 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 First 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 First 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 First 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

Funding

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

Government Transfers

The First 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 First 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 First 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 First Nation records externally restricted inflows in deferred revenue.

Investment income

Investment income is recognized when the right to receive payment is established.

Resource utilization revenue

Ongoing royalty fees, which are determined on a formula basis in accordance with the terms of the relevant land use agreements, are recognized as revenue when earned or when the related services have been provided.

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 First 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, 2017

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 First 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 First 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*.

3. Cash

	2017	2016
RBC Trust	1,017,256	-
Ontario First Nations Limited Partnership	939,188	114,094
General	849,832	575,088
Trilateral SPI	563	14,480
Right to Play	83	90
RBC Dominion	-	39,460
	2,806,922	743,212

Wabauskang First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

4. Accounts receivable

	2017	2016 <i>(Restated)</i>
Indigenous and Northern Affairs Canada	136,127	68,096
Shooniyaa Wa-Biitong	128,872	11,865
CMHC subsidy assistance receivable	97,700	19,000
Other accounts receivable	39,438	17,721
Bimose Tribal Council Inc.	24,011	28,604
Independent Electricity System Operator	22,752	-
Ministry of Community and Social Services	17,791	11,603
Paawidigong First Nation's Forum Incorporated	2,896	26,400
Grand Council Treaty #3	1,385	1,063
Harmonized Sales Tax receivable	1,045	10,267
Natural Resources Canada	-	50,522
Gold Canyon Resources Inc.	-	21,000
TransCanada Pipelines	-	106,748
First Nations and Inuit Health	-	8,369
Ontario First Nations Limited Partnership	-	306,257
Goldcorp	-	114,300
Ministry of Northern Development and Mines	-	20,749
Seven Generations	-	90,000
	472,017	912,564

5. Funds held in Ottawa Trust Fund

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

	2017	2016
Capital Trust		
Balance, beginning and end of year	873	873
Revenue Trust		
Balance, beginning of year	48,380	41,552
Interest	16,005	6,828
Balance, end of year	64,385	48,380
	65,258	49,253

Wabauskang First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

6. Portfolio investments

	2017	2016
Rubicon Minerals Corporation 2,062 (2016 - 101,626) common shares	20,060	116,870
Shares acquired during the year	-	253,188
Writedown to fair market value	(16,266)	(349,998)
	3,794	20,060
Russell Income Essential Mutual Fund	-	963,470
	3,794	983,530

Rubicon has reduced its exploration efforts and suspended production in one of its main producing operations. At year end, the decline in share value was determined to be other than temporary, and as a result, an adjustment to fair market value has been recorded.

7. Accounts payable and accruals

	2017	2016 (Restated)
Trade payables	261,047	303,470
Accruals	52,408	55,487
Government remittances	711	619
Harmonized Sales Tax payable	-	-
	314,166	359,576

8. Repayment to funders

	2017	2016
Indigenous and Northern Affairs Canada	426,875	184,126
Bimose Tribal Council Inc.	22,900	-
First Nations and Inuit Health	139	-
	449,914	184,126

9. Deferred revenue

	Balance March 31, 2016	Funding Received 2017	Other Revenue 2017	Revenue Recognized 2017	Balance March 31, 2017
Federal Government					
Operations and Maintenance	180,000	500,394	59,366	739,760	-
Ontario First Nations Limited Partnership	456,776	-	518,843	106,086	869,533
Economic Development	64,669	322,000	655,155	831,824	210,000
Education	-	1,010,422	(14,664)	995,758	-
	701,445	1,832,816	1,218,700	2,673,428	1,079,533

Wabauskang First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

10. Long-term debt

	2017	2016
RBC loan non-revolving term facility, repayable in blended monthly payments of principal and interest in the amount of \$1,007, bearing interest at 2.65%. Secured by band council resolutions signed by a quorum of the Chief and Council authorizing the borrowings as noted in the loan agreement.	19,664	-

11. Contingencies

The First Nation has signed funding agreements with Indigenous and Northern Affairs 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.

12. Accumulated surplus

Accumulated surplus consists of the following:

	2017	2016 (Restated)
Equity in Ottawa Trust Funds		
Balance, beginning of year	48,380	42,425
Interest	873	828
Capital investment	16,005	6,000
	65,258	49,253
Equity in tangible capital assets		
Balance, beginning of year	2,689,552	2,843,061
Amortization	(246,443)	(258,063)
Purchases	41,500	104,554
RBC loan	(19,664)	-
	2,464,945	2,689,552
Opening unrestricted surplus	1,397,149	1,859,736
Annual change in unrestricted surplus (deficit)	54,143	(462,587)
Closing unrestricted surplus	1,451,292	1,397,149
	3,981,495	4,135,954

Wabauskang First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

13. Government transfers

	Operating	Capital	2017	2016 (Restated)
Federal government transfers				
Indigenous and Northern Affairs Canada	2,036,151	-	2,036,151	1,586,967
First Nations and Inuit Health	311,233	-	311,233	297,327
Canada Mortgage and Housing Corporation	97,700	-	97,700	19,000
Employment and Social Development Canada	49,050	-	49,050	-
Total Federal	2,494,134	-	2,494,134	1,903,294
Provincial government transfers				
Ministry of Indigenous Relations and Reconciliation	127,500	-	127,500	150,000
Ministry of Community and Social Services	97,484	-	97,484	60,156
Ministry of Natural Resources	86,077	-	86,077	343,011
Ministry of Northern Development and Mines	58,674	-	58,674	51,872
Province of Ontario	8,866	-	8,866	9,645
Ministry of Health and Long-Term Care	-	-	-	23,545
Total Provincial	378,601	-	378,601	638,229
	2,872,735	-	2,872,735	2,541,523

14. Correction of an error

Effective April 1, 2016, the First Nation determined that revenue earned from a rental agreement with Seven Generations Education Institute, and that was recorded in the current year in the amount of \$90,000, actually related to fiscal years 2007 - 2016. The correction of this error was applied retrospectively and prior year results have been restated as follows:

- April 1, 2015 opening retained earnings has increased by \$80,000
- March 31, 2016 rental revenue has increased by \$10,000
- March 31, 2016 accounts receivable has increased by \$90,000
- April 1, 2016 opening retained earnings has increased by \$90,000

Effective April 1, 2016, the First Nation determined that revenue earned from an agreement with Canada Mortgage and Housing Corporation, and that was recorded in the current year in the amount of \$19,000, actually related to the 2015 / 2016 fiscal year. The correction of this error was applied retrospectively and prior year results have been restated as follows:

- March 31, 2016 revenue and accounts receivable have increased by \$19,000
- April 1, 2016 opening retained earnings has increased by \$19,000

Effective April 1, 2016, the First Nation determined that revenue earned from an agreement with the Ontario Ministry of Natural Resources, and that was recorded in the prior year in the amount of \$21,046 had actually been recorded twice. The correction of this error was applied retrospectively and prior year results have been restated as follows:

- March 31, 2016 revenue and accounts receivable have decreased by \$21,046
- April 1, 2016 opening retained earnings has decreased by \$21,046

The effect of the above changes resulted in a net increase of \$87,954 to the April 1, 2016 opening accumulated surplus and accounts receivable balances.

Wabauskang First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

15. INAC funding reconciliation

	2017	2016
INAC revenue per Financial Statements	2,036,151	1,586,967
Add: funds transferred to Ministry of Natural Resources	-	175,000
INAC revenue per funding confirmation	2,036,151	1,761,967

16. Economic dependence

The First Nation receives 48% (2016 - 40%) of its revenue from Indigenous and Northern Affairs Canada ("INAC") as a result of treaties entered into with the Government of Canada. These treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

17. 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 First 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 First 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.

18. Budget information

Canadian public sector accounting (PSA) standards require the disclosure of budget information for comparison to the First 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 Act

The First Nation is required by the First Nations Financial Transparency Act to post its consolidated financial statements on a website and submit the consolidated financial statements to INAC by July 28, 2017. As the audit report is dated after this date, the First 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, 2017

	<i>Infrastructure</i>	<i>Housing</i>	<i>Buildings</i>	<i>Vehicles</i>	<i>Equipment</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	1,105,755	3,688,694	1,770,715	286,170	1,374,999	8,226,333
Acquisition of tangible capital assets	-	-	-	-	41,500	41,500
Disposal of tangible capital assets	-	-	-	(55,000)	-	(55,000)
Balance, end of year	1,105,755	3,688,694	1,770,715	231,170	1,416,499	8,212,833
Accumulated amortization						
Balance, beginning of year	252,336	2,981,524	788,083	172,155	1,372,996	5,567,094
Annual amortization	29,335	140,566	44,268	24,368	5,150	243,687
Accumulated amortization on disposals	-	-	-	(55,000)	-	(55,000)
Balance, end of year	281,671	3,122,090	832,351	141,523	1,378,146	5,755,781
Net book value of tangible capital assets	824,084	566,604	938,364	89,647	38,353	2,457,052
2016 Net book value of tangible capital assets	853,422	707,165	982,631	114,019	2,002	2,659,239

Wabauskang First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Subtotal</i>	<i>Land Improvements</i>	<i>2017</i>	<i>2016</i>
Cost				
Balance, beginning of year	8,226,333	55,125	8,281,458	8,248,458
Acquisition of tangible capital assets	41,500	-	41,500	104,554
Disposal of tangible capital assets	(55,000)	-	(55,000)	(71,554)
Balance, end of year	8,212,833	55,125	8,267,958	8,281,458
Accumulated amortization				
Balance, beginning of year	5,567,094	24,812	5,591,906	5,405,397
Annual amortization	243,687	2,756	246,443	258,063
Accumulated amortization on disposals	(55,000)	-	(55,000)	(71,554)
Balance, end of year	5,755,781	27,568	5,783,349	5,591,906
Net book value of tangible capital assets	2,457,052	27,557	2,484,609	2,689,552
2016 Net book value of tangible capital assets	2,659,239	30,313	2,689,552	

Wabauskang First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2017

	2017	2016 <i>(Restated)</i>
Consolidated expenses by object		
Administration	14,239	96,062
Advertising	2,706	1,747
Amortization	246,443	258,063
Bad debts	21,000	500
Bank charges and interest	1,842	5,754
Communications	7,624	516
Community events	7,000	214,500
Contracted services	732,738	113,862
Family assistance	131,931	27,064
Furniture and equipment	-	4,120
Gas and oil	14,962	38,468
Honourarium	124,400	106,083
Insurance	33,986	29,647
Interest on long-term debt	192	-
Investment fees	17,787	1,092
Materials	1,884	5,050
Meeting	108,215	67,219
Office supplies	35,771	22,532
Shelter	43,246	-
Professional fees	290,944	460,836
Program expense	97,783	73,777
Rent	-	1,200
Repairs and maintenance	63,289	488,929
Resource committee	7,811	71,328
Salaries and benefits	1,034,135	1,051,087
Social assistance	84,658	65,137
Staledated cheques	(5,635)	(37,510)
Student expenses	221,562	257,087
Supplies	158,450	105,118
Telephone	51,764	50,095
Training	20,843	30,877
Transportation	71,504	48,909
Travel	316,202	224,996
Tuition	335,639	391,658
User fees	830	300
Utilities	75,890	70,514
Workers compensation premiums	2,031	10,100
	4,373,666	4,356,717

Wabauskang First Nation

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

For the year ended March 31, 2017

	<i>Schedule #</i>	<i>INAC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue (net)</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/ Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>
Administration	4	182,135	552,995	-	735,130	1,120,198	-	(385,068)
Economic Development	5	322,000	655,155	(145,331)	831,824	368,764	52,688	515,748
Education	6	1,010,422	(14,664)	-	995,758	1,005,688	6,255	(3,675)
Health	7	-	692,134	-	692,134	736,720	-	(44,586)
Ontario First Nations Limited Partnership	8	-	518,843	(412,757)	106,086	27,012	(79,074)	-
Operations and Maintenance	9	500,394	59,366	180,000	739,760	990,649	20,131	(230,758)
Social Services	10	21,200	97,315	-	118,515	124,635	-	(6,120)
		2,036,151	2,561,144	(378,088)	4,219,207	4,373,666	-	(154,459)

Wabauskang First Nation
Administration
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016 (Restated)
Revenue		
Indigenous and Northern Affairs Canada	182,135	216,514
Shooniyaa Wa-Biitong	183,456	28,176
Ministry of Indigenous Relations and Reconciliation	127,500	150,000
Miscellaneous	62,903	49,185
Independent Electricity System Operator	49,683	-
Investment income	38,437	4,022
Harmonized Sales Tax rebates	27,959	-
Bimose Tribal Council	18,007	23,460
Interest income	17,393	-
Administration fees	14,239	96,062
Grand Council Treaty #3	3,130	1,644
Repayment of funding	-	(874)
Rental income	-	10,000
	724,842	578,189
Expenses		
Administration	-	13,200
Advertising	-	300
Amortization	2,729	1,000
Bad debts	21,000	500
Bank charges and interest	1,821	5,688
Communications	7,624	516
Contracted services	190,958	33,709
Family assistance	124,329	11,788
Gas and oil	3,845	7,914
Honourarium	113,272	70,283
Insurance	9,407	7,360
Investment fees	17,787	1,092
Meeting	31,306	9,900
Office supplies	31,191	19,551
Professional fees	152,616	136,884
Repairs and maintenance	7,777	14,860
Salaries and benefits	165,657	211,078
Staledated cheques	(5,635)	(37,510)
Supplies	1,185	3,118
Telephone	11,266	34,942
Training	7,943	11,069
Travel	186,542	130,783
Utilities	37,578	23,907
	1,120,198	711,932
Deficit before other items	(395,356)	(133,743)
Other income (expense)		
Gain on disposal of tangible capital assets	18,000	25,000
Gain (loss) on disposal of portfolio investments	(7,712)	-
	10,288	25,000
Deficit	(385,068)	(108,743)

Wabauskang First Nation
Economic Development
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016 (Restated)
Revenue		
Indigenous and Northern Affairs Canada	322,000	42,000
Ministry of Natural Resources	86,077	343,011
Ministry of Northern Development and Mines	58,674	51,872
Goldcorp	515,559	656,800
Bimose Tribal Council	34,011	27,411
TransCanada Pipelines	-	154,264
Rubicon Minerals Corporation	-	28,659
Other revenue	-	13,332
Deferred revenue - prior year (Note 9)	64,669	52,500
Deferred revenue - current year (Note 9)	(210,000)	(64,669)
Repayment of funding	(22,900)	-
	848,090	1,305,180
Expenses		
Administration	9,961	52,610
Community events	7,000	214,500
Contracted services	38,417	53,345
Furniture and equipment	-	4,000
Honourarium	10,378	35,800
Meeting	36,058	41,158
Office supplies	1,889	2,158
Professional fees	138,328	323,952
Resource committee	7,811	71,328
Salaries and benefits	81,825	135,414
Supplies	489	16,000
Telephone	166	-
Training	1,205	8,315
Travel	35,237	30,525
	368,764	989,105
Surplus before other items	479,326	316,075
Other expense		
Valuation loss on investments	(16,266)	(349,998)
Surplus (deficit) before transfers	463,060	(33,923)
Transfers between segments		
Transfer from Ontario First Nations Limited Partnership	52,688	-
Surplus (deficit)	515,748	(33,923)

Wabauskang First Nation
Education

Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016 (Restated)
Revenue		
Indigenous and Northern Affairs Canada	1,010,422	848,567
Employment and Social Development Canada	49,050	-
Province of Ontario	8,866	9,645
Repayment of funding	(72,580)	-
	995,758	858,212
Expenses		
Administration	1,839	50
Bank charges and interest	15	37
Contracted services	40,470	14,571
Gas and oil	8,699	12,723
Insurance	24,580	22,287
Interest on long-term debt	192	-
Materials	1,884	5,050
Meeting	33,198	16,161
Office supplies	2,691	823
Program expense	73,675	36,907
Repairs and maintenance	4,498	1,587
Salaries and benefits	184,480	152,951
Student expenses	221,562	257,087
Supplies	20,136	5,875
Telephone	24,922	1,296
Training	1,845	2,682
Travel	24,533	21,226
Tuition	335,639	391,658
User fees	830	300
	1,005,688	943,271
Deficit before transfers	(9,930)	(85,059)
Transfers between segments		
Transfer from Ontario First Nations Limited Partnership	6,255	-
Deficit	(3,675)	(85,059)

**Wabauskang First Nation
Health**

Schedule 7 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2017

	2017	2016 (Restated)
Revenue		
First Nations and Inuit Health	301,233	297,327
Paawidigong First Nations Forum Incorporated	182,183	103,036
Anishinaabe Abinoojii Family Services	158,178	154,592
Shooniyaa Wa-Biitong	26,569	37,320
Grand Council Treaty #3	23,971	-
Ministry of Health and Long-Term Care	-	23,545
	692,134	615,820
Expenses		
Administration	2,439	30,202
Amortization	8,457	8,457
Contracted services	12,096	7,202
Family assistance	7,598	15,276
Furniture and equipment	-	120
Honourarium	750	-
Meeting	1,615	-
Program expense	24,107	36,870
Rent	-	1,200
Repairs and maintenance	3,725	2,425
Salaries and benefits	394,802	404,163
Supplies	130,260	65,382
Telephone	8,241	8,416
Training	1,365	933
Transportation	71,504	48,909
Travel	64,530	34,550
Utilities	5,231	10,395
	736,720	674,500
Deficit	(44,586)	(58,680)

Wabauskang First Nation
Ontario First Nations Limited Partnership
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016 (Restated)
Revenue		
Ontario First Nations Limited Partnership	518,843	459,752
Deferred revenue - prior year (Note 9)	456,776	-
Deferred revenue - current year (Note 9)	(869,533)	(456,776)
	106,086	2,976
Expenses		
Advertising	2,706	1,447
Bank charges and interest	6	29
Social assistance	24,300	1,500
	27,012	2,976
Surplus (deficit) before transfers	79,074	-
Transfers between segments		
Transfer to Education	(6,255)	-
Transfer to Operations and Maintenance	(20,131)	-
Transfer to Economic Development	(52,688)	-
	(79,074)	-
Surplus (deficit)	-	-

Wabauskang First Nation
Operations and Maintenance
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016 (Restated)
Revenue		
Indigenous and Northern Affairs Canada	500,394	450,786
Canada Mortgage and Housing Corporation	97,700	19,000
First Nations and Inuit Health	10,000	-
Goldcorp	121,666	250,000
Bimose Tribal Council	-	3,034
Deferred revenue - prior year (Note 9)	180,000	-
Deferred revenue - current year (Note 9)	-	(180,000)
Repayment of funding	(170,000)	-
	739,760	542,820
Expenses		
Amortization	235,257	248,605
Contracted services	450,798	5,035
Gas and oil	2,417	17,831
Meeting	6,039	-
Repairs and maintenance	47,289	470,057
Salaries and benefits	189,172	132,781
Supplies	6,380	14,743
Telephone	7,169	5,441
Training	8,486	5,079
Travel	4,560	1,475
Utilities	33,082	36,212
	990,649	937,259
Deficit before transfers	(250,889)	(394,439)
Transfers between segments		
Transfer from Ontario First Nations Limited Partnership	20,131	-
Deficit	(230,758)	(394,439)

Wabauskang First Nation
Social Services
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2016 (Restated)
Revenue		
Indigenous and Northern Affairs Canada	21,200	29,100
Ministry of Community and Social Services	97,484	60,156
Repayment of funding	(169)	-
	118,515	89,256
Expenses		
Salaries and benefits	18,200	14,700
Shelter	43,246	-
Social assistance	60,358	63,637
Training	-	2,800
Travel	800	6,437
Workers compensation premiums	2,031	10,100
	124,635	97,674
Deficit	(6,120)	(8,418)