

**Wabauskang First Nation  
Consolidated Financial Statements**

*March 31, 2017*

# **Wabauskang First Nation Contents**

*For the year ended March 31, 2017*

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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 "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

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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.



Chartered Professional Accountants

Licensed Public Accountants

Kenora, Ontario

May 11, 2018

**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
	<b>3,278,939</b>	1,655,776
<b>Funds held in Ottawa Trust Fund (Note 5)</b>	<b>65,258</b>	49,253
<b>Portfolio investments (Note 6)</b>	<b>3,794</b>	983,530
<b>Total financial assets</b>	<b>3,347,991</b>	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
	<b>1,843,613</b>	1,245,147
<b>Long-term debt (Note 10)</b>	<b>19,664</b>	-
<b>Total liabilities</b>	<b>1,863,277</b>	1,245,147
<b>Net financial assets</b>	<b>1,484,714</b>	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
<b>Total non-financial assets</b>	<b>2,496,781</b>	2,692,542
<b>Accumulated surplus (Note 12)</b>	<b>3,981,495</b>	4,135,954

**Approved on behalf of Chief and Council**

Original Signed By:  
MARTINE PETIQUAN

Chief

Original Signed By:  
JO-ANNE PETIQUAN

Councillor

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>	<b>2017</b>	<b>2016</b> (Restated)
<b>Revenue</b>			
Indigenous and Northern Affairs Canada (Note 13)	2,036,151	1,586,967	
First Nations and Inuit Health (Note 13)	311,233	297,327	
Canada Mortgage and Housing Corporation (Note 13)	97,700	19,000	
Employment and Social Development Canada (Note 13)	49,050	-	
Goldcorp	637,225	906,800	
Ontario First Nations Limited Partnership	518,843	459,752	
Shooniyyaa 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 (Note 13)	127,500	150,000	
Ministry of Community and Social Services (Note 13)	97,484	60,156	
Ministry of Natural Resources (Note 13)	86,077	343,011	
Miscellaneous	62,903	49,185	
Ministry of Northern Development and Mines (Note 13)	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 (Note 13)	8,866	9,645	
TransCanada Pipelines	-	154,264	
Rental income	-	10,000	
Rubicon Minerals Corporation	-	28,659	
Ministry of Health and Long-Term Care (Note 13)	-	23,545	
Other revenue	-	13,332	
Deferred revenue - prior year (Note 9)	701,445	52,500	
Deferred revenue - current year (Note 9)	(1,079,533)	(701,445)	
Repayment of funding	(265,649)	(874)	
	<b>4,225,185</b>	<b>3,992,451</b>	
<b>Expenses</b>			
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
<b>Total expenses (Schedule 2)</b>		<b>4,373,666</b>	4,356,717
<b>Deficit before other items</b>		<b>(148,481)</b>	(364,266)

*Continued on next page*

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

	<b>2017</b>	<b>2016</b>
	<i>(Restated)</i>	
<b>Deficit before other items</b> <i>(Continued from previous page)</i>	<b>(148,481)</b>	(364,266)
<b>Other expense</b>		
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)
	<b>(5,978)</b>	(324,998)
<b>Deficit</b>	<b>(154,459)</b>	(689,264)
<b>Accumulated surplus, beginning of year, as previously stated</b>	<b>4,048,000</b>	4,643,681
Correction of an error <i>(Note 14)</i>	87,954	181,537
<b>Accumulated surplus, beginning of year, as restated</b>	<b>4,135,954</b>	4,825,218
<b>Accumulated surplus, end of year</b>	<b>3,981,495</b>	4,135,954

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

	<b>2017</b>	<b>2016</b> (Restated)
<b>Deficit</b>	<b>(154,459)</b>	(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
	<b>204,943</b>	153,509
Acquisition of prepaid expenses	(12,172)	(2,990)
Use of prepaid expenses	2,990	-
	<b>(9,182)</b>	(2,990)
<b>Increase (decrease) in net financial assets</b>	<b>41,302</b>	(538,745)
<b>Net financial assets, beginning of year</b>	<b>1,443,412</b>	1,982,157
<b>Net financial assets, end of year</b>	<b>1,484,714</b>	1,443,412

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

	<b>2017</b>	<b>2016</b>
	<i>(Restated)</i>	
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
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
<b>Financing activities</b>		
Advances of long-term debt	23,500	-
Repayment of long-term debt	(3,836)	-
	19,664	-
<b>Capital activities</b>		
Purchases of tangible capital assets	(41,500)	(104,554)
Proceeds of disposal of tangible capital assets	18,000	25,000
	(23,500)	(79,554)
<b>Investing activities</b>		
Proceeds (purchase) of portfolio investments	955,757	(963,470)
Funds held in Ottawa Trust Fund	(16,005)	(6,828)
	939,752	(970,298)
<b>Increase (decrease) in cash resources</b>	<b>2,063,710</b>	(974,333)
<b>Cash resources, beginning of year</b>	<b>743,212</b>	1,717,545
<b>Cash resources, end of year</b>	<b>2,806,922</b>	743,212
<b>Supplementary cash flow information</b>		
Interest paid	192	-

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

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**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 %

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

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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 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*

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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 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**

	<b>2017</b>	<b>2016</b>
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
	<b>2,806,922</b>	<b>743,212</b>

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

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**4. Accounts receivable**

	<b>2017</b>	<b>2016</b> (Restated)
Indigenous and Northern Affairs Canada	<b>136,127</b>	68,096
Shooniyaa Wa-Biitong	<b>128,872</b>	11,865
CMHC subsidy assistance receivable	<b>97,700</b>	19,000
Other accounts receivable	<b>39,438</b>	17,721
Bimose Tribal Council Inc.	<b>24,011</b>	28,604
Independent Electricity System Operator	<b>22,752</b>	-
Ministry of Community and Social Services	<b>17,791</b>	11,603
Paawidigong First Nation's Forum Incorporated	<b>2,896</b>	26,400
Grand Council Treaty #3	<b>1,385</b>	1,063
Harmonized Sales Tax receivable	<b>1,045</b>	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
	<b>472,017</b>	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.

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

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

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**6. Portfolio investments**

	2017	2016
Rubicon Minerals Corporation 2,062 (2016 - 101,626) common shares	<b>20,060</b>	116,870
Shares acquired during the year	-	253,188
Written down to fair market value	<b>(16,266)</b>	(349,998)
	<b>3,794</b>	20,060
Russell Income Essential Mutual Fund	-	963,470
	<b>3,794</b>	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	<b>261,047</b>	303,470
Accruals	<b>52,408</b>	55,487
Government remittances	<b>711</b>	619
Harmonized Sales Tax payable	-	-
	<b>314,166</b>	359,576

**8. Repayment to funders**

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

**9. Deferred revenue**

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

# **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)
<b>Equity in Ottawa Trust Funds</b>		
Balance, beginning of year	48,380	42,425
Interest	873	828
Capital investment	16,005	6,000
	<b>65,258</b>	49,253
<b>Equity in tangible capital assets</b>		
Balance, beginning of year	2,689,552	2,843,061
Amortization	(246,443)	(258,063)
Purchases	41,500	104,554
RBC loan	(19,664)	-
	<b>2,464,945</b>	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	<b>1,451,292</b>	1,397,149
	<b>3,981,495</b>	4,135,954

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

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**13. Government transfers**

	Operating	Capital	2017	2016 (Restated)
<b>Federal government transfers</b>				
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	-
<b>Total Federal</b>	<b>2,494,134</b>	-	<b>2,494,134</b>	<b>1,903,294</b>
<b>Provincial government transfers</b>				
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
<b>Total Provincial</b>	<b>378,601</b>	-	<b>378,601</b>	<b>638,229</b>
	<b>2,872,735</b>	-	<b>2,872,735</b>	<b>2,541,523</b>

**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*

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**15. INAC funding reconciliation**

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

**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>
<b>Cost</b>						
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)
<b>Balance, end of year</b>	<b>1,105,755</b>	<b>3,688,694</b>	<b>1,770,715</b>	<b>231,170</b>	<b>1,416,499</b>	<b>8,212,833</b>
<b>Accumulated amortization</b>						
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)
<b>Balance, end of year</b>	<b>281,671</b>	<b>3,122,090</b>	<b>832,351</b>	<b>141,523</b>	<b>1,378,146</b>	<b>5,755,781</b>
<b>Net book value of tangible capital assets</b>	<b>824,084</b>	<b>566,604</b>	<b>938,364</b>	<b>89,647</b>	<b>38,353</b>	<b>2,457,052</b>
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*

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	<i>Subtotal</i>	<i>Land Improvements</i>	<i>2017</i>	<i>2016</i>
<b>Cost</b>				
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	<b>8,212,833</b>	<b>55,125</b>	<b>8,267,958</b>	<b>8,281,458</b>
<b>Accumulated amortization</b>				
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	<b>5,755,781</b>	<b>27,568</b>	<b>5,783,349</b>	<b>5,591,906</b>
<b>Net book value of tangible capital assets</b>	<b>2,457,052</b>	<b>27,557</b>	<b>2,484,609</b>	<b>2,689,552</b>
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*

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

	Schedule #	INAC Revenue	Other Revenue	Deferred Revenue (net)	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Surplus (Deficit)
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*

	<b>2017</b>	<b>2016</b> (Restated)
<b>Revenue</b>		
Indigenous and Northern Affairs Canada	182,135	216,514
Shooniyyaa 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
	<b>724,842</b>	<b>578,189</b>
<b>Expenses</b>		
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
	<b>1,120,198</b>	<b>711,932</b>
<b>Deficit before other items</b>	<b>(395,356)</b>	<b>(133,743)</b>
<b>Other income (expense)</b>		
Gain on disposal of tangible capital assets	18,000	25,000
Gain (loss) on disposal of portfolio investments	(7,712)	-
	<b>10,288</b>	<b>25,000</b>
<b>Deficit</b>	<b>(385,068)</b>	<b>(108,743)</b>

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

	<b>2017</b>	<b>2016</b> (Restated)
<b>Revenue</b>		
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)	-
	<b>848,090</b>	1,305,180
<b>Expenses</b>		
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
	<b>368,764</b>	989,105
<b>Surplus before other items</b>	<b>479,326</b>	316,075
<b>Other expense</b>		
Valuation loss on investments	(16,266)	(349,998)
<b>Surplus (deficit) before transfers</b>	<b>463,060</b>	(33,923)
<b>Transfers between segments</b>		
Transfer from Ontario First Nations Limited Partnership	52,688	-
<b>Surplus (deficit)</b>	<b>515,748</b>	(33,923)

**Wabauskang First Nation**  
**Education**  
**Schedule 6 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b> (Restated)
<b>Revenue</b>		
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)	-
	<b>995,758</b>	858,212
<b>Expenses</b>		
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
	<b>1,005,688</b>	943,271
<b>Deficit before transfers</b>	<b>(9,930)</b>	(85,059)
<b>Transfers between segments</b>		
Transfer from Ontario First Nations Limited Partnership	6,255	-
<b>Deficit</b>	<b>(3,675)</b>	(85,059)

**Wabauskang First Nation**  
**Health**  
**Schedule 7 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b> (Restated)
<b>Revenue</b>		
First Nations and Inuit Health	301,233	297,327
Paawidigong First Nations Forum Incorporated	182,183	103,036
Anishinaabe Abinojii 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
	<b>692,134</b>	615,820
<b>Expenses</b>		
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
	<b>736,720</b>	674,500
<b>Deficit</b>	<b>(44,586)</b>	(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*

	<b>2017</b>	<b>2016</b>
	<i>(Restated)</i>	
<b>Revenue</b>		
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)
	<b>106,086</b>	2,976
<b>Expenses</b>		
Advertising	2,706	1,447
Bank charges and interest	6	29
Social assistance	24,300	1,500
	<b>27,012</b>	2,976
<b>Surplus (deficit) before transfers</b>	<b>79,074</b>	-
<b>Transfers between segments</b>		
Transfer to Education	(6,255)	-
Transfer to Operations and Maintenance	(20,131)	-
Transfer to Economic Development	(52,688)	-
	<b>(79,074)</b>	-
<b>Surplus (deficit)</b>	<b>-</b>	-

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

	<b>2017</b>	<b>2016</b> (Restated)
<b>Revenue</b>		
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)	-
	<b>739,760</b>	542,820
<b>Expenses</b>		
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
	<b>990,649</b>	937,259
<b>Deficit before transfers</b>	<b>(250,889)</b>	(394,439)
<b>Transfers between segments</b>		
Transfer from Ontario First Nations Limited Partnership	20,131	-
<b>Deficit</b>	<b>(230,758)</b>	(394,439)

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

	<b>2017</b>	<b>2016</b>
	<i>(Restated)</i>	
<b>Revenue</b>		
Indigenous and Northern Affairs Canada	21,200	29,100
Ministry of Community and Social Services	97,484	60,156
Repayment of funding	(169)	-
	<b>118,515</b>	89,256
<b>Expenses</b>		
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
	<b>124,635</b>	97,674
<b>Deficit</b>	<b>(6,120)</b>	(8,418)