

**OBASHKAANDAGAANG FIRST NATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2018**

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## **Management's Responsibility**

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

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

D. Bruno Valente, an independent Chartered Professional Accountant, was appointed by the Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors has full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

February 7, 2019



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## INDEPENDENT AUDITOR'S REPORT

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To the Members and to the Chief and Council of Obashkaandagaang First Nation

**Report on the Financial Statements**

I have audited the accompanying consolidated financial statements of Obashkaandagaang First Nation which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations, accumulated deficit, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standard, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse audit opinion.

**Basis for Adverse Opinion**

Beginning January 01, 2009 generally accepted accounting policies required that the First Nation record the net value of the tangible capital assets in its consolidated financial statements. The First Nation has not applied these financial reporting standards and has not adjusted the value of tangible capital assets on its consolidated statement of financial position, nor has it recorded any related amortization or impairment in its consolidated statement of operations and accumulated deficit because the First Nation did not provide us with a complete capital asset register reflecting the total cost of tangible capital assets owned by the First Nation and any impairment or related amortization attributable to each of those assets. We were unable to determine the new value of the tangible capital assets that should have been recorded as an asset and the related amortization or impairment that should have been recorded as an expense in the current and prior period. The effect on the consolidated financial statements of the failure to record tangible capital assets has not been determined.

In addition, I was unable to obtain sufficient, appropriate audit evidence to support assets, liabilities, as well as revenues and expenses and I was unable to satisfy myself with respect to the completion of revenue in the Washagamis Bay Investment Corporation. As such, I was unable to determine what adjustments, if any, might have been necessary to the consolidated statements of operations and accumulated deficit and change in net debt.

Canadian public sector accounting standards require Obashkaandagaang First Nation to disclose their approved budget. For the year ending March 31, 2018, no budget was prepared or approved.

**Adverse Opinion**

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraphs, the consolidated financial statements do not present fairly the financial position of Obashkaandagaang First Nation as at March 31, 2018 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The consolidated financial statements of Obashkaandagaang First Nation for the year ending March 31, 2017 were audited by another firm of Chartered Professional Accountants who issued an independent auditors' report with an adverse opinion on the statements on August 30, 2017.

**Other Matter**

The auditor's procedures on subsequent events are restricted solely to the amendment of the financial statements.

Thunder Bay, Ontario  
February 7, 2019

*D. Bruno Valente*  
Chartered Professional Accountant  
Licensed Public Accountant

## OBASHKAANDAGAANG FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31

2018

2017

## FINANCIAL ASSETS

## Current

Cash (Note 3)	\$ 578,613	\$ 1,019,328
Accounts receivable (Note 4)	964,005	394,468
	<u>1,542,618</u>	1,413,796
Investments in First Nation Partnerships (Note 5)	102	4,099
Funds held in Ottawa Trust Fund (Note 6)	<u>93,708</u>	<u>91,760</u>
<b>Total financial assets</b>	<b>\$ 1,636,428</b>	<b>\$ 1,509,655</b>

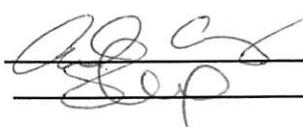
## LIABILITIES

## Current

Accounts payable and accrued (Note 8)	\$ 311,037	\$ 306,519
Deferred revenue (Note 9)	1,075,910	961,151
Repayable to Funders (Note 10)	<u>190,373</u>	<u>129,804</u>
	<u>1,577,320</u>	<u>1,397,474</u>
Long-term debt (Note 11)	<u>1,208,306</u>	<u>1,221,861</u>
<b>Total liabilities</b>	<b><u>2,785,626</u></b>	<b><u>2,619,335</u></b>
<b>Net debt</b>	<b><u>(1,149,198)</u></b>	<b><u>(1,109,680)</u></b>

## Contingent liabilities (Note 14)

Non-Financial assets		
Tangible capital assets	<u>904,903</u>	<u>758,899</u>
<b>Total non-financial assets</b>	<b><u>904,903</u></b>	<b><u>758,899</u></b>
<b>Accumulated deficit</b>	<b><u>(244,295)</u></b>	<b><u>(350,781)</u></b>

Approved on behalf of the Council  
M. Mullan ChiefCouncillor  
Councillor  
Councillor

## OBASHKAANDAGAANG FIRST NATION

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

Year ended March 31	2018	2017
<b>Revenues</b>		
Indigenous and Northern Affairs Canada (Note 12)	\$ 2,487,186	\$ 2,071,099
First Nations and Inuit Health (Note 12)	619,240	318,384
Canada Mortgage and Housing Corporation (Note 12)	5,412	20,570
Ministry of Canada and Social Services (Note 12)	570,527	593,713
Ontario First Nations Limited Partnership	524,266	518,515
Kenora Chiefs Advisory	377,020	271,353
Cottage Lot Fees	272,966	267,994
Ministry of Indigenous Relations & Reconciliation (Note 12)	162,000	145,000
Miscellaneous	95,884	60,622
Shooniyaa Wa-Biitong	89,085	60,011
Rental Income	74,425	56,939
Ministry of Education (Note 12)	41,471	50,654
Ministry of Health and Long-Term Care (Note 12)	-	35,349
Grand Council Treaty #3	25,691	30,382
National Energy Board	35,620	30,000
Hydro One	60,637	-
Aboriginal Economic Development Fund	10,000	10,000
Kakina Economic Development Group LP	(3,998)	3,998
Bimose Tribal Council	6,000	-
Administration	53,900	-
Deferred revenue - prior year (Note 9)	961,151	329,430
Deferred revenue - current year (Note 9)	1,075,910	(961,151)
Repayment of funding	(85,242)	(117,529)
	<b>5,307,331</b>	<b>3,795,333</b>
<b>Expenditures</b>		
Administration	960,480	500,435
Education	1,035,131	937,841
Operations and Maintenance	485,129	378,497
Social Assistance	1,186,968	1,076,644
Health	729,717	301,430
Minor Capital	301,497	137,720
Ontario First Nations Limited Partnership	20,404	108,285
Land Management	481,519	446,538
<b>Total expenses (Schedule 1)</b>	<b>5,200,845</b>	<b>3,887,390</b>
<b>Surplus (Deficit)</b>	<b>106,486</b>	<b>(92,057)</b>
Accumulated deficit, beginning of year	(350,781)	(258,724)
<b>Accumulated deficit, end of year</b>	<b>\$ (244,295)</b>	<b>\$ (350,781)</b>

The accompanying notes are an integral part of these financial statements

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**OBASHKAANDAGAANG FIRST NATION**
**CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT**

<b>Year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Annual surplus (deficit)</b>	<b>106,486</b>	(92,057)
Purchases of tangible capital assets	(146,004)	(27,900)
Use of prepaid expenses	-	73,745
<b>Increase in net debt</b>	<b>(39,518)</b>	(46,212)
<b>Net debt, beginning of year</b>	<b>(1,109,680)</b>	(1,063,468)
<b>Net debt, end of year</b>	<b>(1,149,198)</b>	(1,109,680)

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**OBASHKAANDAGAANG FIRST NATION**
**CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>Year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Operating activities</b>		
Surplus (deficit)	<b>106,486</b>	(92,057)
Changes in non-cash working capital components:		
Accounts receivable	<b>(569,545)</b>	(244,688)
Prepaid expenses	-	73,745
Accounts payable and accrued liabilities	<b>4,525</b>	(1,757)
Deferred revenues	<b>114,758</b>	631,721
Repayable to funders	<b>60,570</b>	117,529
	<hr/>	<hr/>
	<b>(283,206)</b>	484,493
<b>Financing activities</b>		
Advances of long-term debt	<b>158,573</b>	189,441
Repayment of long-term debt	<b>(172,128)</b>	(191,421)
Increase in Funds Held in Ottawa Trust Fund	<b>(1,947)</b>	(1,670)
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	<b>(15,502)</b>	(3,650)
<b>Capital activities</b>		
Purchase of tangible capital assets	<b>(146,004)</b>	(27,900)
<b>Investing activities</b>		
Investment in Kakina Economic Development Group LP	<b>3,997</b>	(4,099)
<b>Increase (decrease) in cash</b>	<b>(440,715)</b>	448,844
<b>Cash, beginning of year</b>	<b>1,019,328</b>	570,484
<b>Cash, end of year</b>	<b>578,613</b>	1,019,328
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<b>Supplementary cash flow information</b>		
Interest paid	<b>2,822</b>	17,184
Interest received	<b>1,948</b>	1,670
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## **1. Operations**

The Obashkaandagaang First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its members. First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

## **2. Significant accounting policies**

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

### ***Reporting entity***

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Obashkaandagaang First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Obashkaandagaang First Nation
- Washagamis Bay Investment Corporation

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

### ***Basis of presentation***

Sources of revenue 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***

Cash include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

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

The funds held in trust in the consolidated revenue fund of the Government of Canada are subject to audit by the office of the Auditor General of Canada. Revenue from the funds held in trust are recognized in the year in which it is earned when it is measurable and collection is reasonably assured. 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.

***Asset classification***

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

***Net Debt***

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

***Tangible capital assets***

Tangible capital assets were historically all expensed. Beginning January 1, 2009, generally accepted accounting policies required that the First Nation record the net value of the tangible capital assets in the consolidated financial statements. The First Nation has not yet applied these new financial reporting standards and has not applied the value of all its tangible capital assets on its consolidated statement of financial position, nor has it recorded any related amortization on its consolidated statement of operations. In 2014 the First Nation started to capitalize construction costs related to the Elders' Centre. At March 31, 2018 the construction in process relating to the Elders' Centre was \$677,999 (2017 - \$677,999). In the current year, \$146,004 was also capitalized for automotive equipment. No amortization has been recorded.

***Revenue recognition***

***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.

***Measurement uncertainty***

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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. These estimates and assumptions are reviewed periodically and as adjustments become necessary, they are reported in the records in the periods in which they become known.

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.

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

***Long-lived assets***

Long-lived assets consist of tangible capital assets. The First Nation performs impairment testing on long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in surplus (deficit) for the year.

***Segments***

The First Nation conducts its business through eight reportable segments: Administration, Education, Operations and Maintenance, Social Assistance, Health, Minor Capital, Ontario First Nations Limited Partnership and Land Management. These operating segments are established by senior management to facilitate the achievement of the First Nation's longterm 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.

***Investments in First Nation Business Partnerships***

First Nation Business Partnerships that are neither controlled by the First Nation nor dependent on the First Nation for their continued operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

**3. Cash**

	<b>2018</b>	<b>2017</b>
Royal Bank of Canada	397,150	642,750
Trust Accounts (Note 4)	178,831	179,837
TD Bank of Canada	2,632	2,632
Federal and Provincial Claims	-	194,109
	<b>578,613</b>	<b>1,019,328</b>

**4. Accounts receivable**

	<b>2018</b>	<b>2017</b>
Indigenous and Northern Affairs Canada	<b>687,589</b>	234,088
Shooniyaa Wa-Biitong	<b>76,916</b>	78,221
Due to/from Obashkaandagaang CMHC	<b>21,300</b>	21,300
CMHC subsidy assistance receivable	-	20,570
Harmonized Sales Tax Recievable	<b>25,401</b>	19,047
Ministry of Community and Social Services	<b>93,052</b>	16,551
Other accounts receivable	<b>24,229</b>	4,691
First Nations and Inuit Health	<b>35,518</b>	-
	<b>964,005</b>	394,468

**5. Investment in First Nation Partnerships**

	<b>2018</b>	<b>2017</b>
<b>Kakina Economic Development Group LP</b>		
Partnership Units - 99.999 (10% interest)	1	1
Income earned, less distributed	-	3,998
	<b>1</b>	3,999
<b>Kakina Economic Development Group GP</b>		
100 Shares	<b>100</b>	100
<b>Sovereign Wealth LP</b>		
Partnership Units - 1 partnership unit (0.39% interest)	1	-
	<b>102</b>	4,099

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

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

	<b>2018</b>	<b>2017</b>
<b>Capital Trust</b>		
Balance, beginning of year	<b>26,109</b>	26,109
Balance, end of year	<b>26,109</b>	26,109
<b>Revenue Trust</b>		
Balance, beginning of year	65,651	63,981
Interest	1,948	1,670
Balance, end of year	<b>67,599</b>	65,651
	<b>93,708</b>	91,760

**7. Washagamis Bay Investment Corporation**

At March 31, 2018 the Washagamis Bay Investment Corporation had a balance owing to Indigenous and Northern Affairs Canada (INAC) in trust of Obashkaandagaang First Nation (the "First Nation") in the amount of \$780,00 (March 31, 2017 - \$711,600) that related to arrears in land lease payments for the years from 2004 - 2018.

Those funds, once flowed to INAC, will be deposited into the Ottawa Trust Fund in trust of the First Nation.

For the purposes of the consolidated financial statements, the balances owed have been reflected as follows:

Washagamis Bay Investment Corporation payable to INAC	(780,000)
Obashkaandagaang First Nation receivable from the Ottawa Trust Fund	780,000

These balances have been netted against each other upon consolidation.

**8. Accounts payable and accrued**

	<b>2018</b>	<b>2017</b>
Trade payable and accruals	<b>314,763</b>	295,315
Government remittances	<b>(3,726)</b>	11,204
	<b>311,037</b>	306,519

**9. Deferred revenue**

<b>Segment</b>	Balance March 31, 2017	Funding Received 2018	Other Revenue 2018	Revenue Recognized 2018	<b>Balance March 31, 2018</b>
Administration	10,000	400,344	503,915	914,259	
Education	53,731	1,010,282	40,118	1,104,131	
Minor Capital	85,573	309,380	87,876	482,829	
Operations & Maintenance	278,845	537,771	60,637	877,253	
Social Assistance	-	139,969	949,437	998,786	90,620
Health	30,382	-	696,311	721,193	5,500
Ontario First Nations Limited Partnership	502,620	-	524,266	47,096	979,790
	<b>961,151</b>	<b>2,397,746</b>	<b>2,862,560</b>	<b>5,145,547</b>	<b>1,075,910</b>

**10. Repayable to Funders**

	<b>2018</b>	<b>2017</b>
Indigenous and Northern Affairs Canada	<b>187,045</b>	\$ 129,668
First Nations and Inuit Health	<b>3,328</b>	136
	<b>190,373</b>	129,804

**11. Long-term debt**

	<b>2018</b>	2017
INAC Flooding Claim loan, unsecured, repayable when flood claim is settled, interest free, maturing in March 2021 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	<b>727,676</b>	588,351
RBC Elders Centre non-revolving term facility, repayable in blended monthly payments of principal and interest in the amount of \$13,861, bearing interest at 4.75%, secured by a general security agreement and irrevocable letter of direction to Ontario First Nations Limited Partnership directing all funds to be deposited into an account maintained at the Royal Bank of Canada. Maturing January 2018.	-	135,866
INAC Garden Island Land Claim loan, unsecured, repayable when land claim is settled, interest free, maturing in March 2021 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	<b>408,548</b>	389,300
CMHC loan, repayable in blended monthly payments of principal and interest in the amount of \$2,308, bearing interest at 4.5%. Secured by a Ministerial guarantee. Maturing 2020.	<b>48,254</b>	73,908
RBC School Bus non-revolving term facility, repayable in monthly payments of \$884 plus interest, bearing interest at 5.5%, secured by the 2010 Blue Bird Vision School Bus with a net book value at March 31, 2018 of \$53,000.	<b>23,828</b>	34,436
	<b><u>1,208,306</u></b>	<b><u>1,221,861</u></b>

Principal repayments on long-term debt in each of the next three years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2019	36,630
2020	33,614
2021	1,138,062

Interest on long-term debt amounted to \$2,822 (2017 - \$17,184).

**12. Government transfers**

	<b>Operating</b>	<b>Capital</b>	<b>2018</b>	<b>2017</b>
<b>Federal government transfers</b>				
Indigenous and Northern Affairs Canada	2,487,186	-	2,487,186	2,071,099
First Nations and Inuit Health	619,240	-	619,240	318,384
Canada Mortgage and Housing Corporation	5,412	-	5,412	20,570
	<hr/>	<hr/>	<hr/>	<hr/>
	3,111,838	-	3,111,838	2,410,053
 <b>Provincial government transfers</b>				
Ministry of Community and Social Services	570,527	-	570,527	593,713
Ministry of Indigenous Relations & Reconciliation	162,000	-	162,000	145,000
Ministry of Education	41,471	-	41,471	50,654
Ministry of Health and Long-Term Care	-	-	-	35,349
	<hr/>	<hr/>	<hr/>	<hr/>
Total Provincial	773,998	-	773,998	824,716
	<hr/>	<hr/>	<hr/>	<hr/>
	3,885,836	-	3,885,836	3,234,769

**13. Ontario First Nations Limited Partnership**

Commencing with the 2012 fiscal year end and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and the Ontario First Nations Limited Partnership (OFNLP), the Province of Ontario shall pay to the OFNLP 12 monthly payments equal to one-twelfth of the 1.7% of the aggregate provincial gross gaming revenues. 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 and economic development.

**14. Contingent liabilities**

The First Nation has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

**15. Economic dependence**

Obashkaandagaang First Nation receives 50% (2017 - 54%) 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.

**16. Budget information**

Canadian public sector accounting standards require Obashkaandagaang First Nation to disclose their approved budget. For the year ending March 31, 2018, no budget was prepared or approved.

**17. First Nations Financial Transparency Act**

The First Nation is required by the First Nations Transparency Act to post its consolidated financial statements on a website and submit the consolidated financial statements to INAC by July 29, 2018. 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.

**18. Comparative figures**

Comparative figures have been audited by another firm of Chartered Professional Accountants who issued an independent auditors' report with an adverse opinion on these consolidated financial statements on August 30, 2017.

## OBASHKAANDAGAANG FIRST NATION

## SCHEDULE 1 - CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT

Year ended March 31	2018	2017
<b>Consolidated expenses by object</b>		
Administration	<b>55,119</b>	79,086
Bad debts	-	5,663
Bank charges and Interest	<b>9,046</b>	6,644
Bottled water expenses	-	9,520
Child care	<b>64,134</b>	65,854
Community donations	<b>6,793</b>	34,955
Community events	<b>308</b>	15,624
Contracted services	<b>1,250,837</b>	499,131
Cottage lot fee expenses	<b>215,972</b>	-
Employee benefits	<b>8,100</b>	6,000
Employee related expenses	<b>8,050</b>	10,952
Fuel and oil	<b>5,256</b>	2,097
Funeral	-	7,000
Furniture and equipment	<b>12,811</b>	13,302
Honoraria	<b>50,100</b>	126,453
Income support	<b>2,000</b>	2,000
Insurance	<b>23,981</b>	14,375
Interest on long-term debt	<b>3,908</b>	18,881
Meeting	<b>14,351</b>	1,300
Miscellaneous	<b>4,901</b>	37,863
Office rent	<b>3,015</b>	8,047
Pow-wow	<b>36,150</b>	38,944
Professional fees	<b>461,606</b>	395,268
Program expense	<b>430,154</b>	153,354
Rent	<b>21,972</b>	18,535
Repairs and maintenance	<b>49,779</b>	105,222
Salaries and benefits	<b>1,014,520</b>	875,753
Social assistance	<b>580,413</b>	463,869
Supplies	<b>99,329</b>	67,093
Telephone and internet	<b>28,966</b>	11,511
Training	<b>1,870</b>	13,046
Travel	<b>133,669</b>	227,950
Tuition	<b>558,378</b>	526,510
Utilities	<b>45,357</b>	25,588
	<b>5,200,845</b>	3,887,390

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**OBASHKAANDAGAANG FIRST NATION**
**SCHEDULE 2 - SUMMARY OF CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES BY SEGMENT**
**Year ended March 31**


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	Schedule #	INAC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Adjustments s/ Transfers From (To)	Current Surplus (Deficit)
Administration	3	400,344	503,915	10,00(	914,259	960,480	23,310	(22,911)
Education	4	1,099,722	(49,322)	53,73(	1,104,131	1,035,131	-	69,000
Operations and Maintenance	5	537,771	60,637	278,84(	877,253	485,129	-	392,124
Social Assistance	6	139,969	949,437	(90,62(	998,786	1,186,968	-	(188,182)
Health	7	-	696,095	24,88(	720,977	729,717	69,844	61,104
Minor Capital	8	309,380	87,876	85,57(	482,829	301,497	(66,462	114,870
Ontario First Nations Limited Partnership	9	-	524,266	(477,17(	47,096	20,404	(26,692	-
Land Management	10	-	162,000	-	162,000	481,519	-	(319,519)
		2,487,186	2,934,904	(114,759)	5,307,331	5,200,845	-	106,486

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## OBASHKAANDAGAANG FIRST NATION

## ADMINISTRATION

## SCHEDULE 3 - CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES

Year ended March 31	2018	2017
<b>Revenues</b>		
Indigenous and Northern Affairs Canada	400,344	266,396
Cottage Lot Fees	272,966	267,994
Miscellaneous	95,870	60,622
National Energy Board	35,620	30,000
Rental income	64,000	28,000
Aboriginal Economic Development Fund	10,000	10,000
Kakina Economic Development Group LP	(3,998)	3,998
Administration	53,900	-
First Nations and Inuit Health	229	-
Deferred revenue - prior year (Note 9)	10,000	-
Deferred revenue - current year (Note 9)	-	(10,000)
Repayment of funding	(24,672)	(772)
	<b>914,259</b>	<b>656,238</b>
<b>Expenditures</b>		
Administration	900	-
Bad debts	-	5,663
Bank charges and interest	7,582	5,400
Community donations	6,793	34,955
Community events	(7,515)	1,572
Contracted services	173,126	61,474
Cottage lot fee expenses	215,972	-
Employee benefits	8,100	6,000
Funeral	-	7,000
Honoraria	47,900	112,653
Insurance	14,481	2,901
Interest on long-term debt	2,822	13,709
Miscellaneous	660	23,749
Pow-wow	36,150	27,123
Professional fees	267,278	34,504
Program expense	31,960	278
Repairs and maintenance	-	42,298
Salaries and benefits	79,807	52,073
Supplies	11,472	6,319
Telephone and internet	24,783	6,295
Travel	31,790	37,074
Tuition	-	8,250
Utilities	6,419	4,747
	<b>960,480</b>	<b>494,037</b>
<b>Surplus (deficit) before transfers</b>	<b>(46,221)</b>	<b>162,201</b>
<b>Transfer between segments</b>	<b>23,310</b>	<b>544</b>
<b>Surplus (deficit)</b>	<b>(22,911)</b>	<b>162,745</b>

**OBASHKAANDAGAANG FIRST NATION****EDUCATION****SCHEDULE 4 - CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES**

<b>Year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenues</b>		
Indigenous and Northern Affairs Canada	<b>1,099,722</b>	1,072,025
Repayment of funding	<b>(49,322)</b>	(89,440)
Deferred revenue - prior year (Note 9)	<b>53,731</b>	-
Deferred revenue - current year (Note 9)	<b>-</b>	(53,731)
	<b><u>1,104,131</u></b>	<b>928,854</b>
<b>Expenditures</b>		
Administration	<b>23,800</b>	40,300
Community events	<b>(1,279)</b>	-
Contracted services	<b>-</b>	10,000
Fuel and Oil	<b>1,577</b>	-
Income support	<b>2,000</b>	2,000
Interest on long-term debt	<b>-</b>	3,475
Professional fees	<b>-</b>	49,526
Program expense	<b>110,406</b>	53,785
Repairs and maintenance	<b>5,741</b>	18,349
Salaries and benefits	<b>271,145</b>	146,044
Supplies	<b>20,892</b>	31,000
Training	<b>-</b>	11,588
Travel	<b>42,471</b>	44,527
Tuition	<b>558,378</b>	518,260
	<b><u>1,035,131</u></b>	<b>928,854</b>
<b>Surplus (deficit)</b>	<b>69,000</b>	-

**OBASHKAANDAGAANG FIRST NATION****OPERATIONS AND MAINTENANCE****SCHEDULE 5 - CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES**

<b>Year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenues</b>		
Indigenous and Northern Affairs Canada	<b>537,771</b>	381,328
Hydro One	<b>60,637</b>	-
Deferred revenue - prior year (Note 9)	<b>278,845</b>	236,496
Deferred revenue - current year (Note 9)	<b>-</b>	(278,845)
	<b>877,253</b>	338,979
<b>Expenditures</b>		
Administration	<b>-</b>	450
Contracted services	<b>347,529</b>	268,071
Insurance	<b>-</b>	1,269
Program expense	<b>5,336</b>	-
Rent	<b>10,472</b>	8,535
Repairs and maintenance	<b>14,449</b>	14,979
Salaries and benefits	<b>76,887</b>	73,029
Supplies	<b>7,350</b>	1,057
Telephone and internet	<b>2,110</b>	2,592
Training	<b>1,429</b>	35
Travel	<b>3,655</b>	839
Utilities	<b>15,912</b>	7,641
	<b>485,129</b>	378,497
<b>Surplus (deficit)</b>	<b>392,124</b>	(39,518)

**OBASHKAANDAGAANG FIRST NATION****SOCIAL ASSISTANCE****SCHEDULE 6 - CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES**

<b>Year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenues</b>		
Indigenous and Northern Affairs Canada	<b>139,969</b>	175,700
Ministry of Community and Social Services	<b>570,527</b>	593,713
Kenora Chiefs Advisory	<b>332,439</b>	234,018
Ministry of Education	<b>41,471</b>	50,654
Ministry of Health and Long-Term Care	-	35,349
Grand Council Treaty #3	<b>5,000</b>	-
Repayment of funding	-	(27,181)
Deferred revenue - current year (Note 9)	<b>(90,620)</b>	-
	<b>998,786</b>	1,062,253
<b>Expenditures</b>		
Administration	-	6,612
Bank charges and interest	<b>1,436</b>	1,219
Child care	<b>64,134</b>	65,854
Contracted services	<b>3,466</b>	6,724
Employee related expenses	<b>8,050</b>	10,952
Fuel and oil	<b>50</b>	369
Furniture and equipment	<b>12,811</b>	13,302
Miscellaneous	<b>(425)</b>	1,555
Office rent	-	1,429
Professional fees	<b>1,000</b>	11,946
Program expense	<b>187,347</b>	82,708
Rent	<b>11,500</b>	10,000
Repairs and maintenance	<b>714</b>	1,929
Salaries and benefits	<b>284,550</b>	327,520
Social assistance	<b>580,413</b>	463,869
Supplies	<b>11,891</b>	3,895
Telephone and internet	<b>2,048</b>	-
Training	<b>441</b>	1,123
Travel	<b>13,192</b>	64,838
Utilities	<b>4,350</b>	800
	<b>1,186,968</b>	1,076,644
<b>Surplus (deficit)</b>	<b>(188,182)</b>	(14,391)

**OBASHKAANDAGAANG FIRST NATION****HEALTH****SCHEDULE 7 - CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES**

<b>Year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenues</b>		
First Nations and Inuit Health	<b>612,801</b>	318,384
Kenora Chiefs Advisory	<b>50,806</b>	37,335
Grand Council Treaty #3	<b>20,690</b>	30,382
Bimose Tribal Council	<b>6,000</b>	-
Shooniyaa Wa-Biitong	<b>17,046</b>	-
Deferred revenue - prior year (Note 9)	<b>30,382</b>	-
Deferred revenue - current year (Note 9)	<b>(5,500)</b>	(30,382)
Repayment of funding	<b>(11,248)</b>	(136)
	<b>720,977</b>	355,583
<b>Expenditures</b>		
Administration	<b>30,419</b>	31,723
Bank charges and interest	<b>6</b>	12
Community events	<b>6,247</b>	14,052
Contracted services	<b>381,899</b>	25,343
Fuel and oil	<b>3,631</b>	1,728
Insurance	<b>2,500</b>	2,291
Office rent	<b>3,015</b>	6,618
Program expense	<b>84,855</b>	16,584
Repairs and maintenance	<b>3,451</b>	14,320
Salaries and benefits	<b>163,806</b>	173,908
Supplies	<b>36,549</b>	24,458
Telephone and internet	<b>24</b>	237
Training	<b>-</b>	300
Travel	<b>5,772</b>	11,734
Utilities	<b>7,543</b>	5,511
	<b>729,717</b>	328,819
<b>Surplus (deficit) before transfers</b>	<b>(8,740)</b>	26,764
<b>Transfer between segments</b>	<b>69,844</b>	-
<b>Surplus (deficit)</b>	<b>61,104</b>	26,764

## OBASHKAANDAGAANG FIRST NATION

## MINOR CAPITAL

## SCHEDULE 8 - CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES

Year ended March 31	2018	2017
<b>Revenues</b>		
Indigenous and Northern Affairs Canada	<b>309,380</b>	175,650
Canada Mortgage and Housing Corporation	<b>5,412</b>	20,570
Shooniyaa Wa-Biitong	<b>72,039</b>	60,011
Rental income	<b>10,425</b>	28,939
Deferred revenue - prior year (Note 9)	<b>85,573</b>	-
Deferred revenue - current year (Note 9)	<b>-</b>	<b>(85,573)</b>
	<b>482,829</b>	<b>199,597</b>
<b>Expenditures</b>		
Contracted services	<b>105,261</b>	24,599
Insurance	<b>7,000</b>	7,915
Interest on long-term debt	<b>1,086</b>	1,697
Program expense	<b>10,251</b>	-
Repairs and maintenance	<b>25,424</b>	13,347
Salaries and benefits	<b>129,345</b>	68,522
Supplies	<b>11,176</b>	364
Telephone and internet	<b>-</b>	2,387
Travel	<b>822</b>	-
Utilities	<b>11,132</b>	<b>6,885</b>
	<b>301,497</b>	<b>125,716</b>
<b>Surplus (deficit) before transfer</b>	<b>181,332</b>	73,881
<b>Transfer between segments</b>	<b>(66,462)</b>	-
<b>Surplus (deficit)</b>	<b>114,870</b>	<b>73,881</b>

**OBASHKAANDAGAANG FIRST NATION****ONTARIO FIRST NATIONS LIMITED PARTNERSHIP****SCHEDULE 9 - CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES**

<b>Year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenues</b>		
Ontario First Nations Limited Partnership	<b>524,266</b>	518,515
Deferred revenue - prior year (Note 9)	<b>502,620</b>	92,934
Deferred revenue - current year (Note 9)	<b>(979,790)</b>	(502,620)
	<b>47,096</b>	108,829
<b>Expenditures</b>		
Bank charges and interest	<b>22</b>	13
Bottled water expense	<b>-</b>	9,520
Community events	<b>2,855</b>	-
Contracted services	<b>-</b>	1,636
Miscellaneous	<b>4,666</b>	12,559
Pow-wow	<b>-</b>	11,821
Professional fees	<b>-</b>	32,402
Salaries and benefits	<b>8,980</b>	34,658
Travel	<b>3,881</b>	5,676
	<b>20,404</b>	108,285
<b>Surplus (deficit) before transfer</b>	<b>26,692</b>	544
<b>Transfer between segments</b>	<b>(26,692)</b>	(544)
<b>Surplus (deficit)</b>	<b>-</b>	-

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**OBASHKAANDAGAANG FIRST NATION****GARDEN ISLAND CLAIM AND FLOOD CLAIM****SCHEDULE 10 - CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES**

<b>Year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenues</b>		
Ministry of Indigenous Relations & Reconciliation	<b>162,000</b>	145,000
	<b>162,000</b>	145,000
<b>Expenditures</b>		
Contracted services	<b>239,556</b>	101,285
Honoraria	<b>2,200</b>	13,800
Meeting	<b>14,351</b>	1,300
Professional fees	<b>193,328</b>	266,891
Travel	<b>32,084</b>	63,262
	<b>481,519</b>	446,538
<b>Deficit</b>	<b>(319,519)</b>	(301,538)

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