

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Wasauksing First Nation are the responsibility of management. Management has prepared these financial statements in accordance with the accounting policies and procedures of Wasauksing First Nation and has ensured that they are presented fairly in all material aspects.

The consolidated financial statements have been prepared by management in accordance with the accounting policies and procedures of Wasauksing First Nation and have been audited by KPMG LLP, a member firm of the KPMG network, which is a member of the International Federation of Accountants (IFAC).

Consolidated Financial Statements of
Wasauksing First Nation

WASAUKSING FIRST NATION

The consolidated financial statements of Wasauksing First Nation are the responsibility of management. Management has prepared these financial statements in accordance with the accounting policies and procedures of Wasauksing First Nation and has ensured that they are presented fairly in all material aspects.

And Independent Auditors' Report thereon
Year ended March 31, 2019

The consolidated financial statements of Wasauksing First Nation are the responsibility of management. Management has prepared these financial statements in accordance with the accounting policies and procedures of Wasauksing First Nation and has ensured that they are presented fairly in all material aspects.

The Chief and Council review the consolidated financial statements and ensure that they are presented fairly in all material aspects. The Chief and Council are responsible for the consolidated financial statements of Wasauksing First Nation.

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Chief Executive Officer



Director of Finance

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

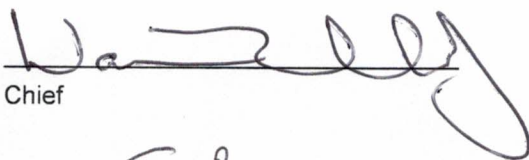
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains a system of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

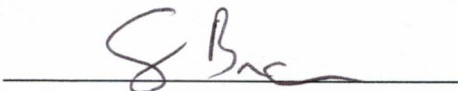
The Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council review the First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet to discuss and to review the consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

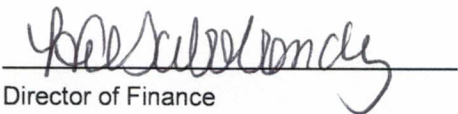
The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the First Nation.



Chief



Chief Executive Director



Director of Finance



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INDEPENDENT AUDITORS' REPORT

To the Council and Members of Wasauksing First Nation

Opinion

We have audited the consolidated financial statements of Wasauksing First Nation (the "First Nation"), which comprise:

- the consolidated statement of financial position as at March 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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



Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group First Nation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

July 20, 2019

WASAUKSING FIRST NATION

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Year ended March 31, 2019

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WASAUKSING FIRST NATION

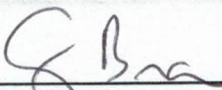
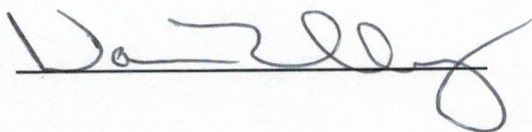
Exhibit A - Consolidated Statement of Financial Position

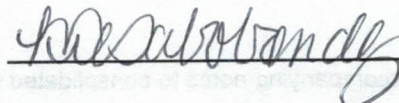

March 31, 2019, with comparative information for 2018

	2019	2018
Financial Assets		
Cash	\$ 5,460,790	\$ 4,597,401
Accounts receivable (note 2)	2,988,325	1,959,799
Consolidated revenue trust fund	14,671	14,671
Restricted cash (note 3)	325,871	323,264
Marketable securities	-	3,014,138
Restricted assets - M'tigo Min Trust (note 4)	2,922,373	-
Investment in government business enterprises (note 5)	10,299	10,299
	<u>11,722,329</u>	<u>9,919,572</u>
Financial Liabilities		
Accounts payable and accrued liabilities	1,932,399	882,718
Deferred revenue (note 6)	1,705,688	2,028,986
Obligations under capital leases (note 7)	183,342	77,409
Long-term debt (note 8)	1,307,260	1,389,086
	<u>5,128,689</u>	<u>4,378,199</u>
Net financial assets	6,593,640	5,541,373
Non-Financial Assets		
Tangible capital assets (note 9)	23,066,822	22,224,404
Prepaid expenses	27,502	75,623
	<u>23,094,324</u>	<u>22,300,027</u>
Contingent liabilities (note 10)		
Accumulated surplus (note 11)	\$ 29,687,964	\$ 27,841,400

See accompanying notes to consolidated financial statements.

Approved:

WASAUKSING FIRST NATION

Exhibit B - Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2019, with comparative information for 2018

	2019 Budget (note 13)	2019 Actual	2018 Actual
Revenue:			
Indigenous Services Canada (note 12)	\$ 3,482,140	\$ 3,785,557	\$ 3,681,894
Health Canada	1,335,565	1,301,521	821,058
Ontario First Nations Limited Partnership	1,066,912	1,066,912	842,676
Canada Mortgage and Housing Corporation	124,374	163,697	255,238
Provincial funding	2,803,131	2,416,236	2,021,245
Rentals, leasing and permits	401,152	591,068	407,955
Gain (loss) on investments	88,704	(67,017)	224,882
Other	4,519,828	4,561,210	1,438,318
	13,821,806	13,819,184	9,693,266
Expenses:			
Band Support	1,159,458	806,296	686,949
Social Assistance	1,086,150	1,048,973	1,080,344
Education	2,274,643	1,993,139	1,727,074
Economic Development	209,978	304,710	237,136
Land Management	618,120	661,699	264,758
Community Infrastructure	2,500,642	2,668,813	2,174,270
Community Property	380,333	598,692	428,718
Day Care Operations	676,223	711,163	753,480
Social Services	640,739	580,084	545,645
Health Services	2,218,279	1,779,360	814,746
Library	21,603	14,398	13,936
Employment and Training	138,778	94,698	72,404
CMHC Housing	262,398	270,460	286,824
Rental Housing	212,702	192,607	191,828
Marina	262,634	247,528	247,139
	12,662,680	11,972,620	9,525,251
Excess of revenue over expenses	1,159,126	1,846,564	168,015
Accumulated surplus, beginning of year	27,841,400	27,841,400	27,673,385
Accumulated surplus, end of year	\$ 29,000,526	\$ 29,687,964	\$ 27,841,400

See accompanying notes to consolidated financial statements.

WASAUKSING FIRST NATION

Exhibit C - Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2019, with comparative information for 2018

	2019 Budget (note 13)	2019 Actual	2018 Actual
Excess of revenue over expenses	\$ 1,159,126	\$ 1,846,564	\$ 168,015
Acquisition of tangible capital assets	(429,393)	(2,093,432)	(323,749)
Amortization of tangible capital assets	1,251,014	1,251,014	1,283,719
	1,980,747	1,004,146	1,127,985
Acquisition of prepaid expenses	-	48,121	(22,500)
Change in net financial assets	1,980,747	1,052,267	1,105,485
Net financial assets, beginning of year	5,541,373	5,541,373	4,435,888
Net financial assets, end of year	\$ 7,522,120	\$ 6,593,640	\$ 5,541,373

See accompanying notes to consolidated financial statements.

WASAUKSING FIRST NATION

Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Operating transactions:		
Excess of revenue over expenses	\$ 1,846,564	\$ 168,015
Adjustment for:		
Amortization of tangible capital assets	1,251,014	1,283,719
	3,097,578	1,451,734
Change in non-cash working capital:		
Increase in accounts receivable	(1,028,526)	(1,359,603)
Decrease (increase) in prepaid expenses	48,121	(22,500)
Increase in accounts payable and accrued liabilities	1,049,681	25,496
Increase (decrease) in deferred revenue	(323,298)	1,432,402
	2,843,556	1,527,529
Capital transactions:		
Acquisition of tangible capital assets	(1,922,107)	(323,749)
Financing transactions:		
Principal payments on long-term debt	(81,826)	(119,661)
Principal payments on obligations under capital leases	(65,392)	(33,085)
	(147,218)	(152,746)
Investing transactions:		
Decrease (increase) in restricted assets - M'tigo Min Trust	(2,922,373)	-
Decrease (increase) in marketable securities	3,014,138	(191,892)
Decrease in consolidated revenue trust fund	-	7,209
	91,765	(184,683)
Net increase in cash	865,996	866,351
Cash, beginning of year	4,920,665	4,054,314
Cash, end of year	\$ 5,786,661	\$ 4,920,665
Represented by:		
Cash	\$ 5,460,790	\$ 4,597,401
Restricted cash	325,871	323,264
	\$ 5,786,661	\$ 4,920,665

See accompanying notes to consolidated financial statements.

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

Wasauksing First Nation, located near Parry Sound, Ontario, administers programs and provides services on behalf of its members.

1. Significant accounting policies:

The consolidated financial statements of Wasauksing First Nation (the "First Nation") are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these consolidated financial statements:

(a) Reporting entity:

Basis for consolidation:

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of all programs under the control of Chief and Council.

All controlled entities are fully consolidated on a line-by-line basis except for commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Organizations consolidated include:

- M'tigo Min Trust

Organizations accounted for on a modified equity basis include:

- Wasauksing Holdings LP Inc.
- Wasauksing Holdings GP Inc.
- Wasauksing Marina GP Inc.
- Wasauksing Maple Products GP Inc.

Under the modified equity basis, the government business enterprises' accounting policies are not adjusted to conform with those of the First Nation and inter-organization transactions and balances are not eliminated. The First Nation recognizes its equity interest in the annual income or loss of the government business enterprises in its consolidated statement of operations and accumulated surplus with corresponding increase or decrease in its investment account.

(b) Basis of accounting:

The First Nation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

1. Significant accounting policies (continued):

(c) Revenue recognition:

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the consolidated statement of financial position.

(d) Consolidated revenue trust funds:

Funds held in trust are comprised of funds held in Ottawa Trust accounts and arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

(e) Marketable securities:

Investments in non-controlled entities are recorded at cost. Temporary changes in the market value of the investments are not recorded.

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings and land improvements	20 - 50 years
Equipment	5 - 20 years
Vehicles	5 - 10 years
Roads	25 years
Water systems	25 years
Housing	25 years
Swing bridge	25 years

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

(ii) Works of art and cultural and historic assets are not recorded as assets in the consolidated financial statements.

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

1. Significant accounting policies (continued):

(g) Use of estimates:

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 at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(h) Prior year funding adjustments:

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments, with audit adjustments repayable to the government.

Adjustments made under funding arrangements relating to prior years are charged to operations in the year during which the adjustments are made.

2. Accounts receivable:

	2019	2018
Innovation, Science and Economic Development Canada	\$ 1,027,936	\$ —
Ministry of Education	837,219	468,586
Indigenous Services Canada	578,629	578,594
Union of Ontario Indians	150,939	126,289
Ministry of Health and Long-Term Care	87,516	170,978
Canada Mortgage and Housing Corporation	65,493	162,642
Industry Canada	—	117,750
Other	272,488	373,880
Band members	994,302	1,002,966
Allowance for doubtful accounts	(1,026,197)	(1,041,886)
	<u>\$ 2,988,325</u>	<u>\$ 1,959,799</u>

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

3. Restricted cash:

	2019	2018
Robinson Huron Treaty (i)	\$ 285,189	\$ 284,124
First Nations Finance Authority (ii)	40,682	39,140
	\$ 325,871	\$ 323,264

(i) The First Nation has pledged \$282,750 as security for a loan guarantee arrangement with the Bank of Montreal as described in note 10(b).

(ii) The First Nation is required to maintain a debt reserve bank account of \$37,500 as part of a borrowing agreement with First Nations Finance Authority as described in note 8.

Any interest earned in excess of the pledged amounts is unrestricted for use by the First Nation.

4. Restricted assets – M'Tigo Min Trust:

Under the terms of an agreement with the trustees of the M'tigo Min Trust, the restricted assets are to be used for the benefit of the First Nation for specified purposes outlined in the agreement. Disbursements are not to be made for the normal operating activities of the First Nation.

The restricted assets of M'Tigo Min Trust consist of the following:

2019	Cost	Fair Market Value
Cash	\$ 114,704	\$ 114,704
Marketable securities	2,807,669	2,948,289
	\$ 2,922,373	\$ 3,062,993

5. Investment in government business enterprises:

The investment in government business enterprises is comprised of the following:

	Ownership	2019	2018
Wasauksing Holdings LP Inc.	99%	\$ 9,999	\$ 9,999
Wasauksing Holdings GP Inc.	100%	100	100
Wasauksing Marina GP Inc.	100%	100	100
Wasauksing Maple Products GP Inc.	100%	100	100
		\$ 10,299	\$ 10,299

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

6. Deferred revenue:

	2019	2018
Indigenous Services Canada	\$ 726,050	\$ 1,414,930
Kinoomaadziwin Education Body	718,260	—
Other	261,378	614,056
	<u>\$ 1,705,688</u>	<u>\$ 2,028,986</u>

7. Obligations under capital leases:

	2019	2018
Capital lease obligation, \$1,851 payable monthly including principal and interest, bearing interest at 4.45%, due May 2020, secured by equipment with net book value of \$70,139 (2018 - \$80,930)	\$ 23,446	\$ 44,109
Capital lease obligation, \$1,110 payable monthly principal, interest-free, due September 2020, secured by vehicle with net book value of \$39,960 (2018 - \$45,288)	19,980	33,300
Capital lease obligation, \$2,094 payable monthly principal, interest-free, due April 2023, secured by equipment with net book value of \$137,268 (2018 - \$Nil)	102,582	—
Capital lease obligation, \$762 payable monthly principal, interest-free, due April 2023, secured by vehicle with net book value of \$43,429 (2018 - \$Nil)	37,334	—
	<u>\$ 183,342</u>	<u>\$ 77,409</u>

Future minimum lease payments are as follows:

2020	\$ 69,793
2021	42,776
2022	34,265
2023	34,265
2024	2,855
	<u>183,954</u>
Less: interest included in lease payments	(612)
Present value of future minimum lease payments	<u>\$ 183,342</u>

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

8. Long-term debt:

	2019	2018
<u>Canada Mortgage and Housing Corporation:</u>		
Mortgage payable, \$3,328 monthly including principal and interest, bearing interest at 1.67% per annum, matured April 2018	\$ -	\$ 3,326
Mortgage payable, \$3,201 monthly including principal and interest, bearing interest at 2.49% per annum, due May 2023	307,071	337,696
Mortgage payable, \$2,229 monthly including principal and interest, bearing interest at 1.85% per annum, due August 2019	356,970	376,933
<u>First Nations Finance Authority:</u>		
Promissory note payable, \$4,191 monthly including principal and interest, bearing interest at 2.985% per annum, due August 2024	643,219	671,131
	<u>\$ 1,307,260</u>	<u>\$ 1,389,086</u>

The First Nation may request to refinance the promissory note with First Nations Finance Authority no less than six months prior to the end of its maturity in August 2024. The promissory note is secured by an assignment of distributions from the Ontario First Nations Limited Partnership.

Principal payments due are as follows:

2020	\$ 80,402
2021	81,303
2022	82,219
2023	83,151
2024	84,100
Thereafter	896,085
	<u>\$ 1,307,260</u>

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

9. Tangible capital assets:

Cost	2018	Additions	Disposals	2019
Land	\$ 1	\$ -	\$ -	\$ 1
Buildings and land improvements	7,630,241	-	-	7,630,241
Equipment	1,644,467	159,794	-	1,804,261
Vehicles	1,078,471	116,246	-	1,194,717
Roads	1,473,236	-	-	1,473,236
Water systems	16,740,082	-	-	16,740,082
Housing	11,448,126	-	996,000	12,444,126
Assets under construction	281,523	1,817,392	-	2,098,915
Total	\$ 40,296,147	\$ 2,093,432	\$ 996,000	\$ 43,385,579

Accumulated Amortization	2018	Disposals	Amortization expense	2019
Buildings and land improvements	\$ 2,688,889	\$ -	\$ 153,231	\$ 2,842,120
Equipment	1,168,809	-	72,197	1,241,006
Vehicles	814,858	-	63,331	878,189
Roads	959,290	-	33,790	993,080
Water systems	4,373,601	-	669,602	5,043,203
Housing	8,066,296	996,000	258,863	9,321,159
Total	\$ 18,071,743	\$ 996,000	\$ 1,251,014	\$ 20,318,757

	Net book value 2018	Net book value 2019
Land	\$ 1	\$ 1
Buildings and land improvements	4,941,352	4,788,121
Equipment	475,658	563,255
Vehicles	263,613	316,528
Roads	513,946	480,156
Water systems	12,366,481	11,696,879
Housing	3,381,830	3,122,967
Assets under construction	281,523	2,098,915
Total	\$ 22,224,404	\$ 23,066,822

Equipment includes items acquired under capital lease with a net book value of \$207,407 (2018 - \$80,930).
Vehicles includes items acquired under capital lease with a net book value of \$83,389 (2018 - \$45,288).

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

9. Tangible capital assets (continued):

Cost	2017	Additions	Disposals	2018
Land	\$ 1	\$ -	\$ -	\$ 1
Buildings and land improvements	7,630,241	-	-	7,630,241
Equipment	1,602,241	42,226	-	1,644,467
Vehicles	1,078,471	-	-	1,078,471
Roads	1,473,236	-	-	1,473,236
Water systems	16,740,082	-	-	16,740,082
Housing	11,448,126	-	-	11,448,126
Assets under construction	-	281,523	-	281,523
Total	\$ 39,972,398	\$ 323,749	\$ -	\$ 40,296,147

Accumulated Amortization	2017	Disposals	Amortization expense	2018
Buildings and land improvements	\$ 2,535,658	\$ -	\$ 153,231	\$ 2,688,889
Equipment	1,087,420	-	81,389	1,168,809
Vehicles	747,854	-	67,004	814,858
Roads	925,500	-	33,790	959,290
Water systems	3,703,999	-	669,602	4,373,601
Housing	7,787,593	-	278,703	8,066,296
Total	\$ 16,788,024	\$ -	\$ 1,283,719	\$ 18,071,743

	Net book value 2017	Net book value 2018
Land	\$ 1	\$ 1
Buildings and land improvements	5,094,583	4,941,352
Equipment	514,821	475,658
Vehicles	330,617	263,613
Roads	547,736	513,946
Water systems	13,036,083	12,366,481
Housing	3,660,533	3,381,830
Assets under construction	-	281,523
Total	\$ 23,184,374	\$ 22,224,404

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

10. Contingent liabilities:

- (a) The First Nation has guaranteed loans to various chartered banks on behalf of First Nation members totaling \$664,041 (2018 - \$682,994).
- (b) In accordance with terms and conditions of a financing arrangement between the Bank of Montreal and the Robinson Huron Treaty Trust (the "Trust"), the First Nation as a beneficiary of the Trust has guaranteed borrowings in proportion to its beneficial interest in the Trust in the amount of \$282,750 (2018 - \$282,750). As of March 31, 2019, its proportional outstanding loan balance as part of the Trust is \$281,821 (2018 - \$281,821).

11. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2019	2018
Surplus:		
Invested in tangible capital assets	\$ 21,632,388	\$ 20,811,841
Consolidated revenue trust	14,671	14,671
Ontario First Nations Limited Partnership	3,474,421	6,140,443
CMHC Housing operations	(339,628)	(312,841)
Operations	308,716	176,661
	25,090,568	26,830,775
M'tigo Min Trust	2,815,007	-
Replacement reserves	115,205	167,878
Committed reserves	1,667,184	842,747
	\$ 29,687,964	\$ 27,841,400

12. Reconciliation of Indigenous Services Canada Revenue ("ISC"):

ISC revenue is comprised of the following:

Funding per confirmation	\$ 3,101,157
Add: opening deferred revenue	1,414,930
Less: ending deferred revenue	(726,050)
Less: set contribution funding payable	(4,480)
Revenue per consolidated financial statements	\$ 3,785,557

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

13. Budget information:

The budget data presented in these consolidated financial statements is based upon the operating and capital budgets approved by Council. The reconciliation of the approved budget to the budget figures reported on these consolidated financial statements is listed below:

Approved expense budget:	
Total expenses per budget	\$ 11,988,277
Less:	
Capital acquisitions	(429,393)
Principal payments on long-term debt	(81,826)
Principal payments on obligations under capital leases	(65,392)
	11,411,666
Add:	
Amortization of tangible capital assets	1,251,014
Expense budget per consolidated financial statements	\$ 12,662,680

14. Comparative information:

Certain 2019 comparative information have been reclassified where necessary to conform with the presentation adopted in 2018.

15. Segmented information:

The First Nation is a diversified governmental institution that provides a wide range of services to its Members, including band support, health services, education, social assistance, capital projects and business operations in addition to also managing specific funds from others. For management reporting purposes the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by functional areas and their activities are reported in these funds. Certain functional areas that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Band Support

The band support functional area oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of chief and council and management and assistance for the related departments within the First Nation, as well as administration of all land claims on behalf of the First Nation.

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

15. Segmented information (continued):

Community Infrastructure

The community infrastructure functional area provides public services that contribute to sustainability through the provision of maintenance and operating services such as roads, water and sanitation, fire protection, street lighting and community buildings.

Economic Development

The economic development functional area develops employment and training opportunities, along with identification of economic development initiatives for the First Nation and its members, including the First Nation's marina operations.

Health

The health services functional area provides a diverse bundle of services directed toward the well-being of the Members including such activities as patient transportation, early childhood development and various other health related activities.

Education

The education functional area administers tuition agreements with various school boards, manages the post-secondary program for its members, provides local transportation for the students and delivers various other educational initiatives.

Community Property

The community property department provides services for the longevity of the First Nation by the acquisition or construction of equipment, roads and buildings. Revenue and expenses included in the community property department are generally of long-term in nature, capitalized in the accounts of the First Nation and amortized over their useful life.

Social Services

The social services functional area delivers a variety of programming including Ontario Works, employment support services, homemakers and national child benefit programs. The department also includes day care operations, library services and native child welfare initiatives.

Housing

The housing functional area manages the operations of the various rental housing owned by the First Nation including both CMHC and other social housing. This includes tenant identification, rent collection and maintenance management.

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

15. Segmented information (continued):

Other

The First Nation's activities related to its participation with the Ontario First Nations Limited Partnership are identified and managed by this department.

For each reported segment, revenues and expenses include amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocations methodologies are employed in the preparation of segmented financial information, including transfers that have been apportioned based on a percentage of budgeted expenses.

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

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

15. Segmented information (continued):

	Band Support	Community Infrastructure	Economic Development	Health	Education	Community Property	Social Services	Housing	Other	2019 Total
Revenue:										
Revenue	\$ 1,725,310	2,064,049	1,904,615	1,746,989	1,966,041	582,689	2,442,508	388,352	998,631	13,819,184
Expenses:										
Administration chargebacks	(487,803)	-	-	-	-	-	-	-	-	(487,803)
Salaries, benefits and honoraria	865,041	713,953	203,459	780,139	782,404	58,619	1,243,290	73,997	-	4,720,902
Travel and training	72,861	5,301	3,681	103,811	58,163	-	61,839	-	-	305,656
Interest on long-term debt	1,793	35,119	7,992	-	-	-	-	14,466	-	59,370
Contractual and professional fees	222,545	4,292	1,604,051	205,621	39,255	77,021	45,787	4,200	-	2,202,772
Materials, supplies and rentals	147,216	863,294	138,199	301,242	211,070	370,426	393,026	89,077	-	2,513,550
Tuition and student allowances	-	-	-	-	854,374	-	-	-	-	854,374
Other	646,340	515,493	113,072	373,616	40,708	92,627	670,573	22,463	-	2,474,892
Amortization of tangible capital assets	-	952,502	32,484	-	7,165	-	-	258,863	-	1,251,014
Investment in tangible capital assets	-	(421,140)	-	(44,967)	-	(1,456,000)	-	-	-	(1,922,107)
	1,467,993	2,668,814	2,102,938	1,719,462	1,993,139	(857,307)	2,414,515	463,066	-	11,972,620
Excess (deficiency) of revenue over expenses	\$ 257,317	(604,765)	(198,323)	27,527	(27,098)	1,439,996	27,993	(74,714)	998,631	1,846,564

WASAUKSING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

15. Segmented information (continued):

	Band Support	Community Infrastructure	Economic Development	Health	Education	Community Property	Social Services	Housing	Other	2018 Total
Revenue:										
Revenue	\$ 1,021,644	1,181,685	662,259	889,784	1,783,662	426,018	2,362,818	314,874	1,050,522	9,693,266
Expenses:										
Salaries, benefits and honoraria	(404,470)	-	-	-	-	-	-	-	-	(404,470)
Travel and training	767,012	548,411	187,086	342,574	700,101	79,104	1,228,245	93,186	-	3,945,719
Interest on long-term debt	74,663	5,182	5,046	28,419	76,885	-	86,014	-	-	276,209
Contractual and professional fees	1,299	14,550	7,498	-	-	-	-	13,156	-	36,503
Materials, supplies and rentals	158,581	5,231	122,605	85,664	25,651	55,178	38,870	5,200	-	496,980
Tuition and student allowances	127,737	536,152	386,122	274,754	139,470	233,341	307,702	82,971	-	2,088,249
Other	-	-	-	-	681,472	-	-	-	-	681,472
Loss on disposal of tangible capital assets	255,031	114,167	49,878	162,651	96,332	61,094	700,028	5,438	-	1,444,619
Amortization of tangible capital assets	-	950,580	47,271	-	7,165	-	-	278,703	-	1,283,719
Investment in tangible capital assets	(28,154)	-	(248,827)	(33,376)	-	-	(13,392)	-	-	(323,749)
	951,699	2,174,273	556,679	860,686	1,727,076	428,717	2,347,467	478,654	-	9,525,251
Excess (deficiency) of revenue over expenses	\$ 69,945	(992,588)	105,580	29,098	56,586	(2,699)	15,351	(163,780)	1,050,522	168,015