**Western FileRON - Webequie First Nation March 31, 2016 Audit**

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**From:** "Ralph Orr" <ralph@holukoffchiarella.ca>
**To:** <Reportsontario@aandc.gc.ca>
**Date:** 7/21/2016 4:41 PM
**Subject:** Webequie First Nation March 31, 2016 Audit
**CC:** "'Kevin MacDonald'" <kevinm@webequie.ca>, "'Gerald Conrad'" <Gerald.Conr...
**Attachments:** Webequie First Nation Consolidated Financial Statements March 31, 2016..pdf; Webequie First Nation Schedule of Remuneration and Expenses Chief and Councillors March 31, 2016..pdf .

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Attached is the First Submission for documents the First Nation requests that you publish on your internet website on their behalf.

1. **Documents to be published on the internet (as per Section 6.1.1)**
   - Annual Audited Consolidated Financial Statements
   - Schedule of Remuneration and Expenses (Chiefs and Councilors) – Annex B

If there is anything further you require please let us know.

Ralph C. Orr, B.Comm (Hons), CPA, C.A.
Partner
Holukoff Chiarella Chartered Accountants
101 - 1180 Pembina Highway
Winnipeg, Manitoba
R3T 2A4
Tel.: (204) 452-6449 (ext. 31) Fax: (204) 452-3397

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# WEBEQUIE FIRST NATION

## CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2016

**WEBEQUIE FIRST NATION**
**INDEX**
**FOR THE YEAR ENDED MARCH 31, 2016**

## MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

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

Management is responsible for the integrity and objectivity of the consolidated financial statements. Estimates are necessary in the preparation of these consolidated financial statements and, based on careful judgments, have been properly reflected. Management has established systems of internal control, which are designed to provide reasonable assurance that all assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for the preparation of financial information.

The First Nation 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 consolidated financial statements have been audited by Holukoff Chiarella in accordance with Canadian generally accepted auditing standards on behalf of the Members. Holukoff Chiarella has full and free access to Council.

CHIEF

COUNCILLOR

COUNCILLOR

COUNCILLOR

**Holukoff Chiarella**
CHARTERED ACCOUNTANTS

**EXHIBIT "A"**

Kevin Masse, B.Comm. (Hons), C.A.
(Practising as Kevin Masse Chartered Accountant Ltd.)
Ralph Orr, B.Comm. (Hons), C.A.
(Practising as Ralph Orr Chartered Accountant Ltd.)

101 - 1180 Pembina Highway
Winnipeg, Manitoba R3T 2A4
Telephone (204) 452-6449
Fax (204) 452-3397

## INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Members of
Webequie First Nation

We have audited the accompanying consolidated financial statements of Webequie First Nation, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of accumulated surplus, operations, 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 the requirements of Canadian public sector accounting standards, 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.

**Auditors' Responsibility**
Our responsibility is to express an opinion on these 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 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 auditors' judgement, 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.

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

Holukoff Chiarella
CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Masse, B.Comm. (Hons), C.A.
(Practising as Kevin Masse Chartered Accountant Ltd.)
Ralph Orr, B.Comm. (Hons), C.A.
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## INDEPENDENT AUDITORS' REPORT - continued

**Basis for Qualified Opinion**

Inventory consists of fuel purchased for the community of Webequie First Nation plus materials and supplies for projects and operations. We did not observe the inventory counts at the beginning or end of the year and alternative means did not provide us with the necessary assurance concerning the existence and valuation of the inventory. As a result, we were unable to determine what adjustments, if any, might be necessary to assets, annual surplus (deficit) and accumulated surplus.

Our examination has indicated deficiencies in internal control over the recording of accounts payable and expenditures. As a consequence we were unable to satisfy ourselves that all expenditures and payables have been properly accrued or recorded. We were unable to determine by alternative means whether adjustments were required in respect of unrecorded accounts payable and accrued liabilities, expenditures, net surplus (deficit) for the year and the accumulated operating surplus.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Webequie First Nation as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Holukoff Chiarella

WINNIPEG, MANITOBA
July 20, 2016.

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

EXHIBIT "B"

## WEBEQUIE FIRST NATION
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT MARCH 31, 2016

| | | 2016 | 2015 |
|---|---|---|---|
| **FINANCIAL ASSETS** | | | |
| Cash, Note 3 | $ | 16,723 | 246,527 |
| Accounts receivable, Note 4 | | 2,887,315 | 2,181,979 |
| Equity in commercial enterprises, Note 5 | | 236,832 | 1,076,704 |
| Funds on deposit with Aboriginal Affairs and Northern Development Canada, Note 6 | | 21,727 | 21,276 |
| Total financial assets | | 3,162,597 | 3,526,486 |
| **LIABILITIES** | | | |
| Bank indebtedness, Note 7 | | 350,000 | 445,000 |
| Accounts payable, Note 8 | | 3,342,585 | 2,950,730 |
| Deferred revenue, Note 9 | | 575,938 | 366,452 |
| Long term debt, Note 10 | | 2,831,583 | 3,578,832 |
| Reserves, Note 11 | | 74,302 | 153,783 |
| Total liabilities | | 7,174,408 | 7,494,797 |
| **NET DEBT** | | (4,011,811) | (3,968,311) |
| **NON-FINANCIAL ASSETS** | | | |
| Inventory and prepaid expenses, Note 12 | | 140,903 | 369,176 |
| Tangible capital assets, Note 13 | | 39,990,931 | 41,291,324 |
| | | 40,131,834 | 41,660,500 |
| **ACCUMULATED SURPLUS, Exhibit "C"** | $ | 36,120,023 | 37,692,189 |

CONTINGENCIES AND COMMITMENTS, Notes 18 and 19

APPROVED BY:

CHIEF

COUNCILLOR

COUNCILLOR

COUNCILLOR

EXHIBIT "C"

## WEBEQUIE FIRST NATION
## CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS
## FOR THE YEAR ENDED MARCH 31, 2016

| | 2016 | 2015 |
|---|---|---|
| BALANCE AT BEGINNING OF YEAR | $ 37,692,189 | 39,635,540 |
| ANNUAL SURPLUS (DEFICIT) | (1,572,166) | (1,943,351) |
| BALANCE AT END OF YEAR | $ 36,120,023 | 37,692,189 |

EXHIBIT "D"

# WEBEQUIE FIRST NATION
## CONSOLIDATED STATEMENT OF OPERATIONS
## FOR THE YEAR ENDED MARCH 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| AANDC | $ 6,125,455 | 7,625,115 | 6,510,803 |
| Health Canada - Regular | 1,685,122 | 2,459,997 | 1,895,263 |
| Health Canada - Travel reimbursement | 9,000 | 760 | 8,590 |
| CMHC | 63,760 | 73,760 | 73,760 |
| OFNLP | 945,860 | 944,114 | 940,420 |
| Industry Canada - Fed Nor | 393,814 | 526,065 | 293,087 |
| Ministry of Community and Social Services | 2,571,400 | 1,847,682 | 1,447,183 |
| Children's Aid | | 199,100 | 199,100 |
| Ministry of Health - Province of Ontario | 167,882 | 166,542 | 167,882 |
| Public Safety Canada | | | 43,175 |
| Ministry of Mines and Northern Development | 1,718,907 | 1,400,423 | 1,522,708 |
| Ministry of Natural Resources | 110,000 | 298,480 | 100,000 |
| Ministry of Aboriginal Affairs | 90,000 | 90,000 | 90,000 |
| Other | 2,594,542 | 2,414,137 | 3,457,875 |
| | 16,475,742 | 18,046,175 | 16,706,671 |
| **EXPENSES** | | | |
| Band Support | 603,490 | 757,870 | 780,174 |
| Band O & M | 1,414,925 | 1,241,597 | 1,655,719 |
| Education Authority | 3,895,755 | 4,327,182 | 4,439,729 |
| Social Services | 3,121,363 | 2,328,000 | 2,435,356 |
| Economic Development | 838,976 | 944,841 | 869,594 |
| Capital Projects | | 722,266 | 210,712 |
| Housing | 871,967 | 453,879 | 1,224,637 |
| OFNLP | 946,010 | 949,782 | 940,732 |
| Health Services | 2,386,473 | 3,119,273 | 2,293,021 |
| Lands and Resources | 2,027,025 | 2,490,188 | 2,247,023 |
| | 16,105,984 | 17,334,878 | 17,096,697 |
| **ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS** | 369,758 | 711,297 | (390,026) |
| **OTHER ITEMS** | | | |
| Recoveries | | (187,706) | (228,316) |
| Transfer to tangible capital assets | | 82,745 | 128,901 |
| Amortization | (50,016) | (1,866,883) | (991,485) |
| Interest, Ottawa Trust Funds | | 451 | 586 |
| Write-down of investment | | (832,776) | (450,000) |
| Gain on Hydro loan refinancing | | 527,801 | |
| Investment income (loss) | | (7,095) | (13,011) |
| **ANNUAL SURPLUS (DEFICIT)** | $ 319,742 | (1,572,166) | (1,943,351) |

EXHIBIT "D-1"

# WEBEQUIE FIRST NATION
## CONSOLIDATED STATEMENT OF OPERATIONS
## FOR THE YEAR ENDED MARCH 31, 2016

| | Schedule | Revenue AANDC | Revenue Other | Revenue Total | Expenses | Transfers | Annual Surplus (Deficit) |
|---|---|---|---|---|---|---|---|
| Band Support | 1 | $ 536,726 | 180,821 | 717,547 | 757,870 | | (40,323) |
| Band O & M | 2 | 1,220,887 | 158,135 | 1,379,022 | 1,241,597 | (202,521) | (65,096) |
| Education Authority | 3 | 3,804,365 | 320,003 | 4,124,368 | 4,327,182 | | (202,814) |
| Social Services | 4 | 384,900 | 1,902,901 | 2,287,801 | 2,328,000 | | (40,199) |
| Economic Development | 5 | 50,000 | 968,175 | 1,018,175 | 944,841 | | 73,334 |
| Capital Projects | 6 | 1,090,197 | (139,605) | 950,592 | 722,266 | 293,087 | 521,413 |
| Housing Authority | 7 | 289,376 | 224,656 | 514,032 | 453,879 | 202,521 | 262,674 |
| Casino Rama | 8 | | 949,782 | 949,782 | 949,782 | | |
| Health Services | 9 | | 2,924,083 | 2,924,083 | 3,119,273 | | (195,190) |
| Lands and Resources | 10 | 248,664 | 2,932,109 | 3,180,773 | 2,490,188 | (293,087) | 397,498 |
| | | $ 7,625,115 | 10,421,060 | 18,046,175 | 17,334,878 | | 711,297 |

| | |
|---|---|
| OTHER ITEMS | |
| Recoveries | (187,706) |
| Transfer to tangible capital assets | 82,745 |
| Amortization | (1,866,883) |
| Interest Ottawa Trust Funds | 451 |
| Gain on Hydro One refinancing | 527,801 |
| Write-down of Wasaya investment | (832,776) |
| Investment losses | (7,095) |
| ANNUAL SURPLUS (DEFICIT) | $ (1,572,116) |

| | |
|---|---|
| AANDC FUNDING PER CONFIRMATION | $ 7,590,115 |
| 16/17 AMENDMENT FOR 15/16 GOVERNANCE | 35,000 |
| | $ 7,625,115 |

EXHIBIT "E"

## WEBEQUIE FIRST NATIONS
## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
## FOR THE YEAR ENDED MARCH 31, 2016

| | 2016 | 2015 |
|---|---|---|
| ANNUAL SURPLUS (DEFICIT), Exhibit "D" | $ (1,572,166) | (1,943,351) |
| Acquisitions/disposal of tangible capital assets and capital assets under construction | (566,490) | (128,900) |
| Amortization of tangible capital assets | 1,866,883 | 1,020,125 |
| Acquisition (disposal) of inventory and prepaid expenses | 228,273 | (114,516) |
| (INCREASE) DECREASE IN NET DEBT | (43,500) | (1,166,642) |
| NET DEBT AT BEGINNING OF YEAR | (3,968,311) | (2,801,669) |
| NET DEBT AT END OF YEAR | $ (4,011,811) | (3,968,311) |

EXHIBIT "F"

# WEBEQUIE FIRST NATION
## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED MARCH 31, 2016

| | 2016 | 2015 |
|---|---|---|
| **OPERATING TRANSACTIONS** | | |
| Annual surplus (deficit) | $ (1,572,166) | (1,943,351) |
| Non-cash items | | |
| Amortization | 1,866,883 | 1,020,125 |
| Replacement reserve | (79,481) | 13,000 |
| Changes in financial assets/liabilities | | |
| Accounts receivable | (705,336) | 2,108,311 |
| Ottawa Trust Funds | (451) | (586) |
| Accounts payable | 391,855 | (1,809,266) |
| Deferred revenue | 209,486 | (420,186) |
| Changes in inventory and prepaid expenses | 228,273 | (114,516) |
| | 339,063 | (1,146,469) |
| **CAPITAL TRANSACTIONS** | | |
| Acquisitions/disposal of tangible capital costs and assets under construction | (566,490) | (128,900) |
| **FINANCIAL TRANSACTIONS** | | |
| Principal repayments on long-term debt | (2,936,168) | (1,168,921) |
| Increase in long-term debt | 2,188,919 | 300,000 |
| | (747,249) | (868,921) |
| **INVESTING TRANSACTIONS** | | |
| Decrease (increase) in long-term investments | 839,872 | 463,011 |
| **NET CHANGE IN CASH POSITION** | (134,804) | (1,681,279) |
| **CASH POSITION AT BEGINNING OF YEAR** | (198,473) | 1,482,806 |
| **CASH POSITION AT END OF YEAR** | $ (333,277) | (198,473) |
| **CASH POSITION CONSISTS OF:** | | |
| Cash | $ 16,723 | 246,527 |
| Bank indebtedness | (350,000) | (445,000) |
| | $ (333,277) | (198,473) |

# WEBEQUIE FIRST NATION
## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE YEAR ENDED MARCH 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING PRINCIPLES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting for local government entities, as defined in the Public Sector Accounting and Auditing Handbook of the Canadian Institute of Chartered Accountants.

a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with local government entities, as defined in the Public Sector Accounting and Auditing Handbook of the Canadian Institute of Chartered Accountants and to comply with Aboriginal Affairs and Northern Development Canada (AANDC) Year End Reporting Handbook for funding agreements covering 2015/16.

b) Nature and Purpose of Organization

The purpose of the organization is the management and administration of all aspects of the Webequie First Nation. The organization operates with a Chief and Council, who are ultimately responsible for the establishment and administration of all programs of the First Nation.

c) Reporting Entity and Principles of Financial Reporting

The Webequie First Nation reporting entity includes the Webequie First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidations:

Webequie First Nation Administration
Webequie Co-Management
Webequie Administration/Health
Webequie Housing Authority
Webequie Economic Development

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual statements.

Incorporated business entities, which are owned or controlled by Webequie First Nation Council and which are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Segment Reporting

The First Nation provides a wide range of services to its members. For management reporting purposes, the First Nation's operations and activities are organized and reported on by program and activity. The various programs are outlined in the various schedules of operations.

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING PRINCIPLES

d) Tangible Capital Assets

Tangible capital assets include purchased, built, developed and improved capital assets, the useful life of which extends beyond one year and which are intended to be used on an on-going basis for producing goods or delivery services. Tangible capital assets are recorded at cost. Capital assets under construction at year-end are capitalized but not amortized until the asset is available for productive use.

i) Capital assets acquired after March 31, 1996

Property, equipment and infrastructure expenditures incurred after March 31, 1996 are valued at acquisition cost and were recorded by the First Nation in accordance with Indian and Northern Affairs Canada requirements at that time. Expenditures incurred prior to April 1, 1996 are not reflected in the Fund, other than the cable TV equipment which was previously capitalized to the extent of the related debt funding. This equipment was transferred to the Fund at its net book value. This 1996 change in accounting policy was recorded on a prospective basis, restatement of the prior year was not appropriate as the information was not readily available.

ii) Tangible capital assets recognized at nominal value

In accordance with Canadian generally accepted accounting principles for local government entities, the First Nation is required, as of fiscal 2010, to value and capitalize all tangible assets of the First Nation. The First Nation has determined that it is either not feasible or economically reasonable to comply with this requirement for tangible assets acquired or constructed prior to March 31, 1996. Therefore certain assets, acquired prior to March 31, 1996, have been assigned a nominal value of one dollar.

iii) Capitalization of interest

The First Nation has a policy of capitalizing borrowing costs incurred when financing the acquisition of a tangible capital asset, for those interest costs incurred up to the date the asset goes into use.

iv) Amortization

Capital assets are amortized annually and charged to operating fund expenses for the program in which the assets are used. Assets are amortized over their expected useful life using the declining balance method at the following rates:

| | |
|---|---|
| Automobiles and heavy equipment | 30% |
| Buildings and improvements | 4% |
| General housing | 4% |
| Infrastructure | 4% |
| Office and general equipment | 20% |

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING PRINCIPLES

e) Revenue Recognition

The First Nation follows the deferral method of accounting for revenue. Revenue is recognized as it becomes receivable under the terms of applicable funding agreements and can be reasonably estimated and collection is reasonably assured. 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 balance sheet.

Other income, primarily fees for service, is recognized upon transfer of title of the product or upon performance of the service and when collectability is reasonably assured.

f) Financial Instruments

*Initial and subsequent measurement*
The First Nation initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The First Nation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and accounts and loans receivable and investments.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable, deferred revenues, accrued liabilities and long term debt.

*Transaction costs*
Transactions costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

g) Reserve Funds

The replacement reserve for the Webequie Housing Authority is funded by an annual charge against earnings as opposed to an appropriation of surplus.

The operating reserve for the Webequie Housing Authority is funded by an appropriation of surplus as specified by CMHC.

h) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING PRINCIPLES, continued

i) Net Debt/Net Financial Assets

The organization's financial statements are presented so as to highlight net debt/net financial assets as the measurement of financial position. The net debt/net financial assets of the organization are determined by its financial assets less its liabilities. Net financial assets are comprised of two components, non-financial assets and accumulated surplus.

2. ECONOMIC DEPENDENCE

Webequie First Nation receives 57% (2015 – 50%) of its revenues from Aboriginal Affairs and Northern Development Canada ("AANDC") and First Nations and Inuit Health ("FNIH") as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC and FNIH under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

3. CASH AND EQUIVALENTS

| | 2016 | 2015 |
|---|---|---|
| Bank accounts at Royal Bank of Canada, Thunder Bay | | |
| General Operations: | | |
| - Administration | $ (220,030) | (980) |
| - Health | (52,920) | 82,963 |
| - Social Services | 38,281 | (10,214) |
| - Education | (67,865) | (97,666) |
| - Heavy Equipment | 5,569 | 5,575 |
| Capital: | | |
| - Project account - loan interest - Minor Capital | | |
| - 13-unit Housing Project | | |
| - Gravel Haul Project | | |
| Other Operations: | | |
| - Broadband telecommunications | 9,403 | 20,245 |
| - Women's Group | 3,016 | 2,661 |
| - Housing Authority | 25,106 | 18,948 |
| - Neebin Adaminawin | 13,212 | 27,288 |
| - Small Business Centre - Operations | 21,940 | 12,289 |
| - Corridor Study | 548 | |
| - Property Management | 4,437 | 6,693 |
| - Small Business Centre - Agency Bank | 44,133 | 15,837 |
| - Small Business Centre - Agency Commission | 6,396 | 6,098 |
| - Ring of Fire Development Project | 18,257 | 13,898 |
| - Airport Redevelopment Project | 25,987 | 121,916 |
| - Community Sports Complex | 12,324 | 12,422 |
| - Housing Replacement Fund | 47 | 155 |
| - Reserve Project | 491 | 491 |
| Balance carried forward | $ (111,668) | 238,619 |

## WEBEQUIE FIRST NATION
## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE YEAR ENDED MARCH 31, 2016

### 3. CASH AND EQUIVALENTS, continued

| | | 2016 | 2015 |
|---|---|---|---|
| Balance brought forward | $ | (111,668) | 238,619 |
| Co-management Accounts: | | | |
| - MNP - Operations | | | 1,773 |
| - MNP - Ring of Fire | | | 48 |
| - MNP - Ministries Trust | | | 40 |
| - BDO - Water and Sewer Project | | | 302 |
| - BDO – Soil Remediation | | 94,394 | |
| Segregated Funds: | | | |
| - Casino Rama | | (238) | 5,740 |
| - Housing Authority - Reserve Fund | | 34,235 | 5 |
| | $ | 16,723 | 246,527 |

### 4. ACCOUNTS AND LOANS RECEIVABLE

| | | 2016 | 2015 |
|---|---|---|---|
| Accounts receivable - current: | | | |
| Arnason Industries Ltd. (net) | $ | 99,474 | 99,474 |
| Aboriginal Affairs and Northern Development Canada | | 1,198,240 | 337,391 |
| Canada Mortgage and Housing Corporation | | 5,313 | 357,394 |
| Health Canada | | 353,671 | 228,745 |
| HST, GST and RST net taxes receivable | | 378,594 | 367,824 |
| Matawa - net receivable | | 31,016 | |
| Ministry of Northern Development and Mines | | 511,253 | 878,598 |
| Ministry of Aboriginal Affairs | | 35,414 | |
| Other ministries, organizations, corporations and members | | 2,872,041 | 2,505,661 |
| | | 5,485,016 | 4,775,087 |
| Allowance for doubtful accounts | | (2,597,701) | (2,593,108) |
| | $ | 2,887,315 | 2,181,979 |

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

5. LONG-TERM INVESTMENTS

The First Nation holds minority share equity investments in certain profit-oriented corporations which are accounted for as follows:

| Modified equity method: | 2016 | 2015 |
|---|---|---|
| i) Wasaya Partnership - 12% interest, and Wasaya Corporation Limited - 1 common share (12.5%) | $ 1,282,776 | 1,282,776 |
| ii) Cyr Drilling International Ltd. | 236,832 | 243,928 |
| | 1,519,608 | 1,526,704 |
| Less: Allowance for write-down in investments | (1,282,776) | (450,000) |
| Net Investment | $ 236,832 | 1,076,704 |

a) Wasaya Group

The First Nation owns 12% of Wasaya Partnership and 12.5% of Wasaya Group Inc. These business enterprise investments have been consolidated and then accounted for under the modified equity method.

The Trustee for the Wasaya Group of companies has filed a proposal with the courts and creditors. The net realizable value of the assets is less than the secured debt so the First Nation investment has been fully provided for.

b) The First Nation, through Webequie Mineral Corporation, a wholly-owned corporation, owns a 20% equity interest in Cyr Drilling Ontario Inc. This business enterprise investment has been accounted for under the modified equity method. This investment was made in July 2008.

| | 2016 | 2015 |
|---|---|---|
| Equity in Cyr Drilling Ontario Inc. ("CYR") Balance, Beginning of year | $ 243,928 | 256,939 |
| Equity in income (loss) for the period: 6.67% share of CYR net income (loss) for the year | (7,096) | (13,011) |
| Dividends received | — | — |
| Balance, End of year | $ 236,832 | 243,928 |

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

## 6. OTTAWA TRUST ACCOUNT

The Ottawa Trust Account arises from monies derived from capital or revenue source 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 Section 63 to 69 of the Indian Act.

Funds on Deposit with Aboriginal Affairs and Northern Development Canada

| | | 2016 | 2015 |
|---|---|---|---|
| Balance at beginning of year | $ | 21,276 | 20,690 |
| Interest and other income | | 451 | 586 |
| Balance at end of year | $ | 21,727 | 21,276 |

## 7. BANK INDEBTEDNESS

| | | 2016 | 2015 |
|---|---|---|---|
| Royal Bank revolving lines of credit: | | | |
| - General Account line of credit | $ | 250,000 | 370,000 |
| - Agency account line of credit | | 100,000 | 75,000 |
| | $ | 350,000 | 445,000 |

Royal Bank overdraft balances and revolving lines of credit bear interest at bank prime plus 2.5% and are secured by Band Council resolutions.

Credit Facilities

The First Nation has the following credit facilities with the Royal Bank of Canada:

Facility #1 - $400,000 revolving demand facility reducing to $100,000 on May 15, 2019, revolve in $5,000 increments at bank prime plus 3.95%.

Facility #2 - $100,000 revolving demand facility revolve in $5,000 increments at bank prime plus 3.95%.

Facility #3 - $50,000 revolving demand facility by way of overdraft protection at bank prime plus 2.45%.

Visa Business to a maximum of $15,000.

Security for the Borrowings and all other obligations of the Borrower to the Bank shall include:

- Letter signed by Aboriginal Affairs and Northern Development Canada agreeing not to move the Band and the Borrower has the rights to the land they are currently inhabiting;
- Band Council resolution signed by a quorum of the Chief and Council of the Borrower authorizing the Borrowings.

# WEBEQUIE FIRST NATION
## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE YEAR ENDED MARCH 31, 2016

### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | | 2016 | 2015 |
|---|---|---|---|
| AANDC | $ | 31,574 | 18,500 |
| CRA | | 7,478 | |
| Wages and benefits | | 51,766 | |
| Various other supplier corporations and entities | | 3,251,767 | 2,932,230 |
| | $ | 3,342,585 | 2,950,730 |

### 9. DEFERRED REVENUE

Funding (expenditures) in the current period to be applied against subsequent period programs are recorded as incomplete projects in the financial statements.

Deferred revenue consists of the following:

| | Schedule | | March 31, 2015 | Funding Received | Revenue Recognized | Balance March 31, 2016 |
|---|---|---|---|---|---|---|
| AANDC Capital project: | | | | | | |
| - Housing - CEAP | 7-3 | $ | | | | |
| Emergency fund and miscellaneous | 9-12 | | 73,365 | | 73,365 | |
| Special Services | 2-4 | | | | | |
| Soil Remediation | 6-1 | | | 1,090,197 | 522,980 | 567,217 |
| Land Use Planning | 10-2 | | | | | |
| Airport FED NOR Feasibility Study | 10-8 | | 293,087 | | 293,087 | |
| Governance - Paid | | | | 35,000 | 26,279 | 8,721 |
| | | $ | 366,452 | 1,125,197 | 915,711 | 575,938 |

### 10. LONG TERM DEBT

| | | 2016 | 2015 |
|---|---|---|---|
| Royal Bank variable term loan, interest at 2.96%, repayable at $847.44 monthly principal and interest, maturing March 18, 2016. Secured by 2010 Dodge Ram 1500. | $ | | 10,008 |
| Royal Bank term loan, interest at 2.96% repayable at $5,096.37 monthly principal and interest, maturing March 18, 2016. Secured by heavy equipment. | | | 26,022 |
| Royal Bank term loan, repayable at $20,000 per month plus interest at 4.00%. Secured by Band Council Resolution and assignment of Ontario First Nations (2008) Limited Partnership proceeds for a minimum of 54 months or until the facility is repaid. Maturing June 30, 2020. | | 923,274 | |

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

10. LONG TERM DEBT, continued

| | 2016 | 2015 |
|---|---|---|
| Royal Bank variable term loan, repayable at $11,602.84 per month including interest at bank prime plus 3.25% Secured by a Band Council Resolution and supported by an assignment of funding. Maturing October 4, 2016. | $ 239,534 | 360,297 |
| Aboriginal Affairs and Northern Development Canada capital advance repayable annually at the direction of AANDC from minor capital funding. The advance is non-interest bearing, secured by a Band Council Resolution, and there has been no advance recovery. | | 279,300 |
| Royal Bank of Canada capital lease with monthly payments of $4,499.51, interest at 5.5048%, with purchase option for $1 on December 21, 2017. Secured by 2005 Bombardier snow groomer with a book value of $126,650. | 85,797 | |
| Canada Mortgage and Housing Corporation (CMHC) Section 95 loan, blended principal and interest, at 2.11%, payable monthly at $5,810.80, maturing on January 1, 2019. Secured by assignment of insurance proceeds and a guaranteed by Aboriginal Affairs and Northern Development Canada. | 771,797 | 824,795 |
| Royal Bank term loan, monthly payments of $21,231 with interest at 3.5%, maturing March 3, 2017. Secured by excavators with a cost of $250,000. | 250,000 | |
| Royal Bank term loan, repayable at $653 monthly principal and interest, interest at 4.25%, maturing June 5, 2019. Secured by an Express 3500 Chevrolet van with a book value of $29,656 and a commitment of AANDC capital funding for 2016/17. | 23,808 | |
| Nishnawbe-Aski Development Fund term loan repayable monthly at $1,072.01 including principal and interest at 9.5%, secured by a school bus, maturing May 1, 2017. | 14,186 | 25,200 |
| Royal Bank variable term loan, repayable at $25,545.00 per month including interest at 4.0%, maturing January 31, 2016. Secured by a general security agreement and Band Council Resolution. | | 275,409 |
| Royal Bank variable term loan, repayable at $36,500 per month with interest at Royal Bank prime plus 2%, maturing March 25, 2016. Secured by a general security agreement, assignment of funding from AANDC and Band Council resolution. | 390,251 | |

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

10. LONG TERM DEBT, continued

| | 2016 | 2015 |
|---|---|---|
| Nishnawbe Aski Development Fund loan, repayable at $8,787.70 principal and interest monthly, interest at 11%, due February 2017. Secured by a general Security agreement and promissory note signed by Chief and Council. | $ 91,291 | |
| Marostica Leasing Inc. capital lease, 48 month term with monthly payments of $928.83, interest at 8.04%, maturing March 1, 2020 with purchase option for $5,000.00. Secured by 2015 GMC Sierra 2500HD with a book value of $35,398. | 41,645 | |
| Hydro One non-interest bearing note repayable monthly at $25,000, secured by a Band Council resolution and maturing February, 2019. The non-interest bearing term is conditional on the First Nation staying up to date with current hydro bills and the schedule note payments. Contingent on the First Nation fulfilling its conditions, Hydro One will forgive $125,000 annually commencing in 2012 and $34,000 in the final year of the agreement. $125,000 was forgiven during the current fiscal year. The loan was repaid in full during the year. | | 1,777,801 |
| | 2,831,583 | 3,578,832 |
| Current portion | 1,310,208 | 1,035,616 |
| | $ 1,521,375 | 2,543,216 |

Estimated annual principal payments for the next five fiscal years are as follows:

| | |
|---|---|
| 2017 | $ 1,310,208 |
| 2018 | 325,698 |
| 2019 | 298,175 |
| 2020 | 301,619 |
| 2021 | 110,122 |
| Thereafter | 485,761 |
| | $ 2,831,583 |

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

## 11. RESERVES

### Replacement Reserves

Under the terms of the agreement with Canada Mortgage and Housing Corporation, an annual allocation is to be credited to the Replacement Reserve account. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal.

The reserve has been partially funded in a separate interest bearing account.

The Housing Authority has eligible replacement expenditures totalling $92,481 for the year ended March 31, 2016.

Reserves are comprised of:

| | | 2016 | 2015 |
|---|---|---|---|
| Webequie Housing Authority Replacement reserve | $ | 74,302 | 153,783 |

### Operating Reserve Fund - Post 1996 Section 95 Programs

Under the terms of the agreement with Canada Mortgage and Housing Corporation, any surplus remaining after the payment of all costs and expenses, including the allocation to the Replacement Reserve, should be retained by the First Nation in an Operating Reserve Fund. These funds, along with the accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as many otherwise be mutually agreed to by the First Nation and CMHC. The funds in this account may only be used for the ongoing operating costs of the project. Accordingly, future years' deficit may be recovered from this fund. Withdrawals are credited to interest first and then principal.

The reserve has not been funded in a separate interest bearing account.

## 12. INVENTORY AND PREPAID EXPENSES

| | | 2016 | 2015 |
|---|---|---|---|
| Fuel inventory | $ | 95,344 | 279,180 |
| Prepaid welfare disbursements | | 45,559 | 89,996 |
| | $ | 140,903 | 369,176 |

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

## 13. TANGIBLE CAPITAL ASSETS AND ASSETS UNDER CONSTRUCTION

| | 2015 | | | | |
|---|---|---|---|---|---|
| | Cost Mar. 31/15 | Additions (Disposals) | Cost Mar. 31/16 | Accumulated Amortization | Net Book Value |
| Core and Administration | $ 798,930 | 489,956 | 1,288,886 | 659,258 | 629,628 |
| Economic Development | 6,492,053 | | 6,492,053 | 3,137,137 | 3,354,916 |
| Capital/Infrastructure | 36,269,745 | | 36,269,745 | 6,061,831 | 30,207,914 |
| Health and Medical | 598,281 | | 598,281 | 487,325 | 110,956 |
| Band Enterprise Programs | 1,276,696 | | 1,276,696 | 1,226,192 | 50,504 |
| Other Programs | 27,236 | | 27,236 | 22,667 | 4,569 |
| Education Authority | 2,485,870 | 76,534 | 2,562,404 | 1,772,538 | 789,866 |
| Housing | 8,957,853 | | 8,957,853 | 4,431,889 | 4,525,964 |
| Telecom | 828,008 | | 828,008 | 511,394 | 316,614 |
| | $ 57,734,672 | 566,490 | 58,301,162 | 18,310,231 | 39,990,931 |

| | 2015 | | | | |
|---|---|---|---|---|---|
| | Cost Mar. 31/14 | Additions (Disposals) | Cost Mar. 31/15 | Accumulated Amortization | Net Book Value |
| Core and Administration | $ 556,529 | 107,918 | 664,447 | 436,774 | 227,673 |
| Economic Development | 6,492,053 | | 6,492,053 | 2,991,511 | 3,500,542 |
| Capital/Infrastructure | 36,269,745 | | 36,269,745 | 4,833,997 | 31,435,748 |
| Health and Medical | 577,298 | 20,983 | 598,281 | 446,789 | 151,492 |
| Band Enterprise Programs | 1,276,696 | | 1,276,696 | 1,205,706 | 70,990 |
| Other Programs | 27,236 | | 27,236 | 21,524 | 5,712 |
| Education Authority | 2,620,353 | | 2,620,353 | 1,777,800 | 842,553 |
| Housing | 8,957,853 | | 8,957,853 | 4,240,821 | 4,717,032 |
| Telecom | 828,008 | | 828,008 | 488,426 | 339,582 |
| | $ 57,605,771 | 128,901 | 57,734,672 | 16,443,348 | 41,291,324 |

## 14. FUND BALANCE

A portion of this balance includes surpluses and/or deficits from funds contributed by government agencies. Such surpluses/deficits may be subject to repayment or recovery by the contributing agencies, depending on the terms and conditions of the relevant contribution arrangements.

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

## 15. FEDERAL ASSISTANCE PAYMENTS

The Housing Authority has received federal assistance through Canada Mortgage and Housing Corporation to enable the project to provide housing to low-income individuals. The amount of assistance received in 2016 was $63,760 (2015 - $63,760).

## 16. COMPARATIVE FIGURES

Some of the comparative figures for the previous years have not been shown as the information is considered not to be meaningful for comparison with the current year. Certain comparative figures for the previous year have been reclassified to conform to the presentation of the current year.

## 17. BUDGET INFORMATION

Budget data was included when available. The budget figures have been approved by Chief and Council.

## 18. CONTINGENT LIABILITIES

The Operating Fund balance includes surpluses and/or deficits from funds contributed by government agencies. Such surplus/deficits may be subject to repayment or recovery by the contributing agency depending on the terms and conditions of the relevant contribution arrangements. These transactions would be recorded in the year they become payable or recoverable. Some restrictions may apply to the use of fund balances.

## 19. COMMITMENTS

The First Nation signed an office lease agreement in Thunder Bay, with monthly payments of $2,500 expiring June 30, 2018.

## 20. OTHER

Webequie First Nation and the Wasaya Group are involved in arbitration negotiations during and subsequent to the year-end in order to resolve a dispute related to the retirement of Webequie from the Group. Due to the planned departure, Webequie was not allocated any profit sharing from the partnership and did not account for any change in their equity investment in the Wasaya Group, other than interest earned or drawings, for the fiscal years ended March 31, 2007-2016. Webequie entitlement to profits, if any, will be accounted for once the arbitration is settled. The arbitration process involves legal counsel costs which are based on a percentage of over-all proceeds, those costs will be deducted from the proceeds upon settlement.

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

## 21. PROVISION FOR SITE REHABILITATION

The Ontario Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive lagoon and landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste lagoon and landfill sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance.

As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year-end the extent to which the Nation is bound by environmental laws of the Manitoba Environmental Protection Act was not determinable, and therefore no liability has been recorded in these consolidated financial statements.

## 22. FINANCIAL RISKS AND CONCENTRATION OF RISK

a) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The accounts receivable are due mainly from the Provincial and Federal governments. There has been no change to the risk exposures from 2015.

b) Liquidity risk

Liquidity risk is the risk that Webequie First Nation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The First Nation's exposure to liquidity risk is dependent on the collection of funding, collection of accounts receivable, purchasing commitments and obligations or raising of funds to meet commitments and sustain operations. Cash flow from operations provides a substantial portion of the Company's cash requirements. Additional cash requirements are provided by operating lines of credit as needed. Management is of the opinion that liquidity risk is not a significant risk and there has been no change to the risk exposures from 2015.

The First Nation's debt is structured with regularly recurring payments, secured by assets. Regularly recurring payments are required to service this debt, limiting the requirement to extinguish the debt in the short term. Fluctuating interest rates impacts the First Nation's cash flows but not to a significant effect.

22. FINANCIAL RISKS AND CONCENTRATION OF RISK, continued

c) Currency risk

The First Nation is not exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the First Nation does not normally have purchases and sales denominated in U.S. dollars. There has been no change to the risk exposure from 2015.

d) Interest rate risk

The First Nation has long-term fixed rate debts. A change in the variable rate does not impact cash flows to service the debt when such debt is outstanding. There has been no change to the risk exposure from 2015 and there is expected to be no substantive change in the next fiscal period.

EXHIBIT "G"

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

## 23. SEGMENT DISCLOSURE

| | | Band Support | | | Band O & M | | | Social Services | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Budget | 2016 | 2015 | Budget | 2016 | 2015 | Budget | 2016 | 2015 |
| REVENUE | | | | | | | | | | |
| Federal government | $ | 541,631 | 541,631 | 576,631 | 1,010,448 | 1,220,887 | 1,040,301 | 373,400 | 384,900 | 421,799 |
| Provincial government | | | | | 157,000 | 157,135 | 157,135 | 2,571,400 | 1,847,682 | 1,646,238 |
| Economic activities | | | | (463,011) | | | | | | |
| Net income for investments in government business enterprises | | | (839,871) | 586 | | | | | | |
| Other revenue | | 125,000 | 716,197 | 185,877 | 800 | 1,000 | 276,918 | 36,700 | 55,219 | 39,738 |
| TOTAL REVENUE | | 666,631 | 417,957 | 300,083 | 1,168,248 | 1,379,022 | 1,474,354 | 2,981,500 | 2,287,801 | 2,107,820 |
| EXPENSES | | | | | | | | | | |
| Honoraria | | | | | | | | | | |
| Chief and Councillors | | 517,000 | 437,216 | 516,999 | | | | | | |
| Elders and Board Members | | | | | 500 | | 240 | 1,500 | | 1,312 |
| Wages and benefits | | 245,000 | 167,463 | 242,154 | 564,800 | 354,305 | 331,163 | 172,743 | 33,969 | 177,825 |
| Amortization | | | 1,403,359 | 498,675 | | | | | | |
| Tangible Capital Assets | | | (82,745) | (128,901) | | | | | | |
| Interest | | | 21,981 | 3,627 | | | | | | |
| Other expenses | | (158,510) | 289,689 | 17,394 | 849,625 | 887,292 | 1,324,316 | 2,947,120 | 2,294,031 | 2,256,219 |
| TOTAL EXPENSES | | 603,490 | 2,236,963 | 1,149,948 | 1,414,925 | 1,241,597 | 1,655,719 | 3,121,363 | 2,328,000 | 2,435,356 |
| ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS | | 63,141 | (1,815,006) | (849,865) | (246,677) | 137,425 | (181,365) | (139,863) | (40,199) | (327,536) |
| TRANSFERS | | | | | | (202,521) | | | | |
| ANNUAL SURPLUS (DEFICIT) | $ | 63,141 | (1,819,006) | (849,865) | (246,677) | (65,096) | (181,365) | (139,863) | (40,199) | (327,536) |

EXHIBIT "G"

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

23. SEGMENT DISCLOSURE, continued

| | Economic Development | | | Education | | | Housing | | |
|---|---|---|---|---|---|---|---|---|---|
| | Budget | 2016 | 2015 | Budget | 2016 | 2015 | Budget | 2016 | 2015 |
| REVENUE | | | | | | | | | |
| Federal government | $ 50,000 | 50,000 | 50,000 | 3,761,355 | 3,804,365 | 3,792,764 | 452,381 | 353,136 | 361,382 |
| Provincial government | 60,000 | | 60,000 | | | | | | |
| Economic activities | 1,043,000 | 968,175 | | | | | | | |
| Net income for investments in government business enterprises | | | | | | | | | |
| Other revenue | | | 1,043,839 | 142,380 | 320,003 | 336,242 | 194,000 | 160,896 | 963,064 |
| TOTAL REVENUE | 1,153,000 | 1,018,175 | 1,153,839 | 3,903,735 | 4,124,368 | 4,129,006 | 646,381 | 514,032 | 1,324,446 |
| EXPENSES | | | | | | | | | |
| Honoraria | | | | | | | | | |
| Chief and Councillors | | | | | 45,253 | 35,800 | | | |
| Elders and Board Members | 500 | | 500 | | | | | 4,400 | 7,300 |
| Wages and benefits | 315,100 | 313,143 | 314,842 | 2,453,906 | 2,068,419 | 2,232,927 | 415,684 | 284,383 | 408,384 |
| Amortization | | 168,595 | 180,789 | | 63,324 | 60,422 | 50,016 | 191,068 | 199,940 |
| Tangible Capital Assets | | | | | | | | | |
| Interest | 22,000 | 18,471 | 26,360 | | | | 22,500 | 16,732 | 17,800 |
| Other expenses | 501,376 | 613,227 | 527,892 | 1,441,849 | 2,213,510 | 2,171,002 | 433,783 | 148,364 | 791,153 |
| TOTAL EXPENSES | 838,976 | 1,113,436 | 1,050,383 | 3,895,755 | 4,390,506 | 4,500,151 | 921,983 | 644,947 | 1,424,577 |
| ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS | 314,024 | (95,261) | 103,456 | 7,980 | (266,138) | (371,145) | (275,602) | (130,915) | (100,131) |
| TRANSFERS | | | | | | | | 202,521 | |
| ANNUAL SURPLUS (DEFICIT) | $ 314,024 | (95,261) | 103,456 | 7,980 | (266,138) | (371,145) | (275,602) | 71,606 | (100,131) |



Holukoff Chiarella CHARTERED PROFESSIONAL ACCOUNTANTS

EXHIBIT "G"

WEBEQUIE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

23. SEGMENT DISCLOSURE, continued

| | Health | | | Community Services | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Budget | 2016 | 2015 | Budget | 2016 | 2015 | Budget | 2016 | 2015 |
| REVENUE | | | | | | | | | |
| Federal government | $ 1,694,122 | 2,460,757 | 1,903,853 | 393,814 | 1,437,314 | 634,773 | 8,277,151 | 10,252,990 | 8,781,503 |
| Provincial government | 167,882 | 166,542 | 167,882 | 1,701,907 | 1,598,817 | 1,495,573 | 4,658,189 | 3,770,176 | 3,526,873 |
| Economic activities | | | | | | | 1,043,000 | 968,175 | (463,011) |
| Net income for investments in government business enterprises | | | | | | | | (839,871) | 586 |
| Other revenue | 528,800 | 296,784 | 232,114 | 1,469,722 | 2,045,016 | 1,320,503 | 2,497,402 | 3,595,115 | 4,398,295 |
| TOTAL REVENUE | 2,390,804 | 2,924,083 | 2,303,849 | 3,565,443 | 5,081,147 | 3,450,849 | 16,475,742 | 17,746,585 | 16,694,246 |
| EXPENSES | | | | | | | | | |
| Honoraria | | | | | | | | | |
| Chief and Councillors | | | | | | 38,500 | 517,000 | 482,469 | 591,299 |
| Elders and Board Members | 5,500 | 19,254 | | 110,050 | 114,044 | | 118,050 | 137,698 | 9,352 |
| Wages and benefits | 1,229,275 | 1,122,730 | 1,367,845 | 452,022 | 481,447 | 470,422 | 5,848,530 | 4,825,859 | 5,545,562 |
| Amortization | | 40,537 | 51,659 | | | | 50,016 | 1,866,883 | 991,485 |
| Tangible Capital Assets | | | | | | | | (82,745) | (128,901) |
| Interest | | | | 1,000 | | | 45,500 | 57,184 | 47,787 |
| Other expenses | 1,151,698 | 1,977,289 | 1,086,493 | 2,409,963 | 3,608,001 | 2,956,544 | 9,576,904 | 12,031,403 | 11,131,013 |
| TOTAL EXPENSES | 2,386,473 | 3,159,810 | 2,505,997 | 2,973,035 | 4,203,492 | 3,465,466 | 16,156,000 | 19,318,751 | 18,187,597 |
| ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS | 4,331 | (235,727) | (202,148) | 592,408 | 877,655 | (14,617) | 319,742 | (1,572,166) | (1,943,351) |
| TRANSFERS | | | | | | | | | |
| ANNUAL SURPLUS (DEFICIT) | $ 4,331 | (235,727) | (202,148) | 592,408 | 877,655 | (14,617) | 319,742 | (1,572,166) | (1,943,351) |