

**Wood Mountain First Nation
Consolidated Financial Statements
March 31, 2016**

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Wood Mountain First Nation
Management's Responsibility for Financial Reporting
March 31, 2016

The financial statements have been prepared by management in accordance with the recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and the reporting requirements of the funding agreement with Indigenous and Northern Affairs Canada. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative methods exist, management has chosen what it deems most appropriate, in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and review the financial statements and the external auditor's report.

Chalupiak & Associates, an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

Signature on file
Wood Mountain First Nation

July 6, 2016
Date

Chalupiak & Associates
Chartered Professional Accountants
3261 Saskatchewan Drive, Regina, SK S4T 6S4
Phone (306) 359-3711 Fax (306) 569-3030

Independent Auditors' Report

To the Members of
Wood Mountain First Nation

We have audited the accompanying consolidated financial statements of Wood Mountain First Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations, accumulated surplus, change in net financial assets, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Wood Mountain First Nation as at March 31, 2016, and the results of its operations, the changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
July 6, 2016

Chartered Professional Accountants

Wood Mountain First Nation
Consolidated Statement of Financial Position
March 31, 2016

| | 2016 | 2015 |
|---|-------------------|-------------------|
| Financial Assets | | |
| Cash and cash equivalents (Note 3) | \$ 40,008 | \$ 181,564 |
| Accounts receivable (Note 4) | 94,030 | 100,740 |
| Portfolio investments (Note 6) | 60,000 | 60,000 |
| Trust funds held by federal government (Note 7) | 25,406 | 19,501 |
| | <u>219,444</u> | <u>361,805</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 8) | 39,140 | 30,633 |
| Deferred revenue - unexpended funds (Note 9) | - | 12,762 |
| Deferred revenue (Note 10) | 115,897 | 244,352 |
| | <u>155,037</u> | <u>287,747</u> |
| Net financial assets | <u>64,407</u> | <u>74,058</u> |
| Non-financial Assets | | |
| Capital assets (Note 11) | 544,278 | 579,318 |
| Prepaid expenses (Note 12) | 5,964 | 4,760 |
| | <u>550,242</u> | <u>584,078</u> |
| Accumulated Surplus (Note 13) | <u>\$ 614,649</u> | <u>\$ 658,136</u> |

Approved on behalf of the Chief and Council:

Signature on file _____, **Chief**

Signature on file _____, **Councilor**

The accompanying notes are an integral part of the financial statements

Wood Mountain First Nation
Consolidated Statement of Operations
For the year ended March 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|----------------|----------------|----------------|
| Revenue | | | |
| INAC - grant funding | \$ 113,811 | \$ 113,811 | \$ 113,811 |
| INAC - fixed contribution | 178,224 | 178,478 | 178,623 |
| INAC - set contribution | 140,276 | 130,752 | 111,703 |
| INAC - flexible contribution | 56,442 | 56,442 | 56,442 |
| INAC - prior period revenue (recovery) | - | - | 2,135 |
| INAC - current year receivable (payable) | - | (2,899) | (7,830) |
| Health Canada | 86,667 | 83,993 | 85,770 |
| CMHC | 6,296 | 6,296 | - |
| First Nations Trust | 107,131 | 107,131 | 107,136 |
| FHQ Tribal Council | 31,408 | 33,608 | 32,858 |
| Tribal Council - CDC | 19,921 | 25,062 | 21,024 |
| Earned and held in Trust by federal government | - | 5,905 | 5,884 |
| Keseechiwan Holdings LP | 60,000 | 60,000 | 70,000 |
| Other revenue | - | 17,404 | 12,293 |
| Administration fees | - | 6,883 | 6,778 |
| Unexpended funds transferred - prior year | - | 12,762 | 36,682 |
| Deferred revenue - prior year | - | 244,352 | 169,985 |
| Deferred revenue - current year | - | (115,897) | (244,352) |
| | 800,176 | 964,083 | 758,942 |
| Expenses | | | |
| Claims and Indian Government (Schedule 1) | 101,755 | 128,246 | 71,900 |
| Community Development (Schedule 2) | 134,219 | 182,962 | 114,511 |
| Economic Development (Schedule 3) | 29,108 | 30,177 | 19,054 |
| Education (Schedule 4) | 67,793 | 67,793 | 67,793 |
| Indian Government Support (Schedule 5) | 180,500 | 175,051 | 146,091 |
| Land Management (Schedule 6) | 12,072 | 26,804 | 18,516 |
| Social Development (Schedule 7) | 47,862 | 34,412 | 39,484 |
| Health Programs (Schedule 8) | 84,922 | 90,601 | 85,770 |
| Band Programs (Schedule 9) | 187,052 | 236,485 | 168,931 |
| Amortization (Schedule 10) | - | 35,040 | 35,040 |
| | 845,283 | 1,007,571 | 767,090 |
| Current deficit before unexpended transfers | (45,107) | (43,488) | (8,146) |
| Unexpended transfers | | | |
| Unexpended funds transferred to deferred revenue | - | - | (12,762) |
| Current deficit | \$ (45,107) | \$ (43,488) | \$ (20,908) |

The accompanying notes are an integral part of the financial statements

Wood Mountain First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2016

| | 2016 | 2015 |
|-------------------------------------|------------|------------|
| Surplus at beginning of year | \$ 658,136 | \$ 679,044 |
| Current deficit | (43,488) | (20,908) |
| Surplus at end of year | \$ 614,648 | \$ 658,136 |

The accompanying notes are an integral part of the financial statements

Wood Mountain First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2016

| | 2016 Budget | 2016 Actual | 2015 |
|---|----------------|------------------|------------------|
| Current deficit | \$ (45,107) | \$ (43,488) | \$ (20,908) |
| Amortization of tangible capital assets | - | 35,041 | 35,039 |
| Acquisition of prepaid asset | (1,204) | (5,964) | (4,760) |
| Use of prepaid asset | - | 4,760 | 9,215 |
| | (1,204) | (1,204) | 4,455 |
| (Decrease) increase in net financial assets | (46,311) | (9,651) | 18,586 |
| Net financial assets at beginning of year | - | 74,058 | 55,472 |
| Net financial assets at end of year | \$ - | \$ 64,407 | \$ 74,058 |

The accompanying notes are an integral part of the financial statements

Wood Mountain First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

| | 2016 | 2015 |
|---|-------------|-------------|
| Cash flows from Operating activities | | |
| Current deficit | \$ (43,488) | \$ (20,908) |
| Amortization | 35,040 | 35,040 |
| | (8,448) | 14,132 |
| Change in non-cash operating working capital | | |
| Accounts receivable | 6,710 | (61,467) |
| Prepaid expenses | (1,204) | 4,455 |
| Accounts payable and accrued liabilities | 8,508 | (47,545) |
| Deferred revenue - unexpended funds | (12,762) | 12,762 |
| Deferred revenue | (128,455) | 74,367 |
| | (135,651) | (3,296) |
| Investing activities | | |
| Earned and held in Trust by federal government | (5,905) | (5,884) |
| Decrease in cash and cash equivalents | (141,556) | (9,180) |
| Cash and cash equivalents, beginning of year | 181,564 | 190,744 |
| Cash and cash equivalents, end of year | \$ 40,008 | \$ 181,564 |
| Represented by | | |
| Cash and cash equivalents | \$ 40,008 | \$ 181,564 |

The accompanying notes are an integral part of the financial statements

Wood Mountain First Nation
Notes to Consolidated Financial Statements
March 31, 2016

1. General

The Wood Mountain First Nation is an Indian Band subject to the provisions of the Indian Act.

2. Basis of presentation and significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting entity

The Wood Mountain First Nation reporting entity includes the Wood Mountain First Nation government and all programs administered by the First Nation.

(b) Principles of consolidation

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

Under the modified equity method of accounting, only Wood Mountain First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Wood Mountain First Nation.

There are no controlled entities included in the Wood Mountain First Nation consolidated financial statements and there are no entities included on a modified equity basis.

(c) Asset classification

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

(d) Net debt or net financial assets

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

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

2. Basis of presentation and significant accounting policies (continued)

(f) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Wood Mountain First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

| | |
|-----------------------|------------------------|
| Buildings | 25 years Straight line |
| Machinery & equipment | 10 years Straight line |
| Roads | 30 years Straight line |
| Office equipment | 5 years Straight line |
| Band houses | 20 years Straight line |
| Infrastructure | 30 years Straight line |

Tangible capital assets are written down when conditions indicate that they no longer contribute to Wood Mountain First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(g) Use of estimates

The preparation of consolidated financial statements 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 revenues and expenses during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Wood Mountain First Nation
Notes to Consolidated Financial Statements
March 31, 2016

2. Basis of presentation and significant accounting policies (continued)

(h) Fund accounting

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

(i) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

3. Cash and cash equivalents

Cash and cash equivalents is comprised of the following:

| | 2016 | 2015 |
|------------------------|------------------|-------------------|
| Bank accounts | \$ 30,979 | \$ 172,146 |
| Lawyers' Trust account | 9,029 | 9,418 |
| | <u>\$ 40,008</u> | <u>\$ 181,564</u> |

4. Accounts receivable

| | 2016 | 2015 |
|---|------------------|-------------------|
| Due from government and other government organizations | | |
| INAC (Note 5) | \$ 48,907 | \$ 8,175 |
| Due from others | | |
| FHQ Tribal Council | 2,576 | 31,384 |
| Tribal Council - CDC | 16,164 | 11,024 |
| First Nations Trust | - | 24,657 |
| Other | 26,383 | 25,500 |
| Total due from others | <u>45,123</u> | <u>92,565</u> |
| Total accounts receivable | <u>\$ 94,030</u> | <u>\$ 100,740</u> |

Wood Mountain First Nation
Notes to Consolidated Financial Statements
March 31, 2016

5. INAC - accounts receivable

The amount reported as receivable from INAC in note 4 is comprised of the following:

| | 2016 | 2015 |
|-----------------------------|------------------|-----------------|
| Inherent right consultation | \$ 48,407 | \$ 8,175 |
| In home care | 500 | - |
| | <u>\$ 48,907</u> | <u>\$ 8,175</u> |

6. Portfolio investments

| | 2016 | 2015 |
|--------------------------------|-----------|-----------|
| Keseechiwan Holdings LP (8.3%) | \$ 60,000 | \$ 60,000 |

7. Trust funds held by federal government

The Trust funds held by federal government 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 are primarily governed by the Sections 63 to 69 of the Indian Act. As these are not the assets or liabilities of the First Nation, they have not been included in these consolidated financial statements.

| | 2016 Revenue | 2016 Capital | 2016 Total | 2015 Total |
|----------------------------|------------------|-----------------|------------------|------------------|
| Surplus, beginning of year | \$ 15,618 | \$ 3,883 | \$ 19,501 | \$ 13,617 |
| Lease revenue | 5,700 | - | 5,700 | 4,500 |
| Other revenue | - | - | - | 1,000 |
| Interest earnings | 205 | - | 205 | 384 |
| Surplus, end of year | <u>\$ 21,523</u> | <u>\$ 3,883</u> | <u>\$ 25,406</u> | <u>\$ 19,501</u> |

8. Accounts payable and accrued liabilities

| | 2016 | 2015 |
|--|------------------|------------------|
| Trade payables and accrued liabilities | \$ 36,241 | \$ 22,710 |
| INAC | 2,899 | 7,830 |
| Canada Revenue Agency | - | 93 |
| Total accounts payable | <u>\$ 39,140</u> | <u>\$ 30,633</u> |

Wood Mountain First Nation
Notes to Consolidated Financial Statements
March 31, 2016

9. Deferred revenue - unexpended funds

INAC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to INAC, deferred to the following year, or transferred to another INAC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds" on the financial statements.

| | 2016 | 2015 |
|-------------------|------|-----------|
| Roads and bridges | \$ - | \$ 12,762 |

10. Deferred revenue

| | March 31, 2015 | Funding received, 2016 | Revenue recognized, 2016 | March 31, 2016 |
|---------------------------|-------------------|------------------------------|--------------------------------|-------------------|
| Federal government | | | | |
| Capital | \$ 39,244 | \$ 56,442 | \$ (86,057) | \$ 9,629 |
| Non capital | 10,606 | 105,286 | (115,892) | - |
| | 49,850 | 161,728 | (201,949) | 9,629 |
| Other Sources | | | | |
| Non capital | 194,502 | 109,861 | (198,095) | 106,268 |
| Total | \$ 244,352 | \$ 271,589 | \$ (400,044) | \$ 115,897 |

| | 2016 | 2015 |
|--------------------|------------|------------|
| Specific Claims | \$ - | \$ 10,606 |
| Band Funds | 106,268 | 194,502 |
| Band based capital | 9,629 | 39,244 |
| | \$ 115,897 | \$ 244,352 |

Wood Mountain First Nation
Notes to Consolidated Financial Statements
March 31, 2016

11. Tangible capital assets

| | Cost | Accumulated amortization | 2016 Net book value |
|-----------------------|---------------------|-----------------------------|---------------------------|
| Buildings | \$ 701,505 | \$ 291,841 | \$ 409,664 |
| Machinery & equipment | 44,407 | 16,551 | 27,856 |
| Roads | 86,786 | 52,006 | 34,780 |
| Office equipment | 10,000 | 10,000 | - |
| Band houses | 749,812 | 702,509 | 47,303 |
| Infrastructure | 53,611 | 28,936 | 24,675 |
| | <u>\$ 1,646,121</u> | <u>\$ 1,101,843</u> | <u>\$ 544,278</u> |

| | Cost | Accumulated amortization | 2015 Net book value |
|-----------------------|---------------------|-----------------------------|---------------------------|
| Buildings | \$ 701,505 | \$ 266,650 | \$ 434,855 |
| Machinery & equipment | 44,407 | 16,551 | 27,856 |
| Roads | 86,786 | 47,370 | 39,416 |
| Office equipment | 10,000 | 10,000 | - |
| Band houses | 749,812 | 698,396 | 51,416 |
| Infrastructure | 53,611 | 27,836 | 25,775 |
| | <u>\$ 1,646,121</u> | <u>\$ 1,066,803</u> | <u>\$ 579,318</u> |

12. Prepaid expenses

| | 2016 | 2015 |
|-------------------|-----------------|-----------------|
| Social assistance | \$ 1,064 | \$ 560 |
| Honoraria | 4,900 | 4,200 |
| | <u>\$ 5,964</u> | <u>\$ 4,760</u> |

13. Accumulated surplus

| | 2016 | 2015 |
|--|-------------------|-------------------|
| Invested in tangible capital assets | \$ 544,278 | \$ 579,318 |
| Trust funds held by federal government | 25,406 | 19,501 |
| Operating fund | 44,965 | 59,317 |
| | <u>\$ 614,649</u> | <u>\$ 658,136</u> |

Wood Mountain First Nation
Notes to Consolidated Financial Statements
March 31, 2016

14. Contingent liabilities

Wood Mountain First Nation has entered into contribution agreements with various federal 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.

In addition, in the normal course of its operations, Wood Mountain First Nation may become involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Wood Mountain First Nation's financial statements.

Wood Mountain First Nation is involved in the following legal proceedings.

1. Lecaine v. Harry Lafond et. al. - 2005 action commenced by the First Nation against the trustees of the First Nations Trust. Amount at stake - approximately \$100,000. Inactive since January 2006.
2. Kirk Goodtrack v. Wood Mountain Lakota First Nation - 2007 action commenced by Kirk Goodtrack against the First Nation. Amount at stake - \$148,138. Inactive since August 2008.
3. Wood Mountain Lakota First Nation v. Goodtrack - 2015 the Nation commenced an action in trespass against William and Edith Goodtrack for use of the Nation's Reserve lands in contravention of the Nation's Lands Management Policy. Amount at stake - \$175,000.

15. Employee benefit obligations

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Post-employment benefits

Wood Mountain First Nation does not provide extended health, dental and life insurance benefits and therefore has no obligations with regards to post employment benefits.

Pension plan

Wood Mountain First Nation does not provide a defined contribution plan and therefore has no obligations with regards to a pension plan.

16. Contractual Obligations

The nature of Wood Mountain First Nation's activities can result in some multi-year contracts whereby it will be obligated to make future payments when the goods or services are received. There are no significant contractual obligations that can be reasonably estimated.

Wood Mountain First Nation
Notes to Consolidated Financial Statements
March 31, 2016

17. Current year summary of surplus (deficit) by segment

| | Revenue | Expenditures | Transfers | Surplus (deficit) |
|------------------------------|-------------------|---------------------|-------------|----------------------|
| Claims and Indian Government | \$ 115,892 | \$ 128,246 | \$ 12,354 | \$ - |
| Community Development | 172,466 | 182,961 | (27,260) | (37,755) |
| Economic Development | 29,108 | 30,177 | - | (1,069) |
| Education | 67,793 | 67,793 | - | - |
| Indian Government Support | 133,594 | 175,052 | 40,000 | (1,458) |
| Land Management | 15,697 | 26,804 | 11,107 | - |
| Social Development | 31,908 | 34,412 | - | (2,504) |
| Health Programs | 83,993 | 90,600 | - | (6,607) |
| Band Programs | 313,631 | 236,485 | (71,241) | 5,905 |
| Amortization | - | 35,040 | 35,040 | - |
| | <u>\$ 964,082</u> | <u>\$ 1,007,570</u> | <u>\$ -</u> | <u>\$ (43,488)</u> |

18. INAC contributions

The following is a reconciliation of the funds received from INAC:

| | 2016 | 2015 |
|-------------------------------------|-------------------|-------------------|
| Balance per INAC confirmation | \$ 479,483 | \$ 460,579 |
| Prior period - payable (receivable) | | |
| Basic needs | - | 2,135 |
| Current year - receivable (payable) | | |
| In-Home care | (422) | - |
| Basic needs | (1,335) | (6,655) |
| Special needs | (1,142) | (1,175) |
| | <u>\$ 476,584</u> | <u>\$ 454,884</u> |

Wood Mountain First Nation
Notes to Consolidated Financial Statements
March 31, 2016

19. Government Transfers

| | 2016 | | |
|---|------------|-----------|------------|
| | Operating | Capital | Total |
| Federal government transfers | | | |
| INAC | \$ 420,142 | \$ 56,442 | \$ 476,584 |
| Health Canada | 83,993 | - | 83,993 |
| Canada Mortgage and Housing Corporation | 6,296 | - | 6,296 |
| Total | 510,431 | 56,442 | 566,873 |
| Provincial government transfers | - | - | - |
| Total | \$ 510,431 | \$ 56,442 | \$ 566,873 |
| | 2015 | | |
| | Operating | Capital | Total |
| Federal government transfers | | | |
| INAC | \$ 398,442 | \$ 56,442 | \$ 454,884 |
| Health Canada | 85,770 | - | 85,770 |
| Total | 484,212 | 56,442 | 540,654 |
| Provincial government transfers | - | - | - |
| Total | \$ 484,212 | \$ 56,442 | \$ 540,654 |

20. Historical access to accounting records and contingent liabilities

As reported in the March 31, 2007 audit, records were not available to complete a consolidated audit for the fiscal years ended March 31, 2004; March 31, 2005; and March 31, 2006. The March 31, 2003 audited financial statements reported cash assets of \$320,581; these assets were held in trust by the Merchant Law Group. In the 2009 fiscal year the funds being held were released and a total of \$262,350 was entered as other revenue into the program Other Band Programs.

The First Nation has not been able to gain access to the records for the three year period and therefore it has never been determined whether or not they received all the monies they may have been entitled to. The amount of revenue received during that three year period and how those monies were spent has not been reported on.

Wood Mountain First Nation
Notes to Consolidated Financial Statements
March 31, 2016

21. Economic dependence

Wood Mountain First Nation receives a significant portion of its revenue pursuant to a funding arrangement with Indigenous and Northern Affairs Canada.

22. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and have been derived from the estimates approved by the Wood Mountain First Nation.

23. Subsequent events

There are no subsequent events to report.

24. Segmented information

As previously discussed in note 2 (h) the First Nation conducts its business through reportable segments as follows:

1 - Indigenous and Northern Affairs Canada (INAC)

Claims and Indian Government: Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

Community Development: Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development: Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education: Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with INAC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indian Government Support: Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Land Management: Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

24. Segmented information, continued

Social Development: First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Indian Registration: Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the Indian Act.

Governance and Institutions of Government: Costs associated with Governance and Institution of Government activities.

2 - Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3 - Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth

4 - Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

Wood Mountain First Nation
Notes to Consolidated Financial Statements
March 31, 2016

25. Expenses by object

| | 2016 Budget | 2016 Actual | 2015 Actual |
|------------------------------|-------------------|---------------------|-------------------|
| Administration | \$ 7,199 | \$ 6,883 | \$ 6,778 |
| Amortization | - | 35,040 | 35,040 |
| Assistance | 29,952 | 14,420 | 22,122 |
| Assistance to band members | 18,000 | 25,004 | 20,356 |
| Child nutrition | 869 | 869 | - |
| Consultants and contractors | 102,915 | 183,738 | 76,486 |
| Cultural programs | 500 | 6,438 | 726 |
| First Nations Trust expenses | 107,131 | 163,130 | 123,981 |
| Honorariums | 101,913 | 104,788 | 90,061 |
| Insurance | 4,640 | 4,882 | 4,772 |
| Interest and bank charges | 1,600 | 1,255 | 1,520 |
| Janitorial services | 1,600 | 193 | 522 |
| Living allowance | 9,256 | 9,588 | 8,431 |
| Professional fees | 148,676 | 120,782 | 81,907 |
| Program expenses | 310 | - | - |
| Rent - office | 4,500 | 6,000 | 4,302 |
| Repairs and maintenance | 5,300 | 4,511 | 8,765 |
| Supplies | 83,385 | 80,363 | 81,315 |
| Telephone | 10,900 | 12,664 | 7,411 |
| Travel, meetings, per diems | 74,946 | 94,130 | 56,136 |
| Tuition | 48,000 | 51,217 | 52,334 |
| Utilities | 23,039 | 14,378 | 15,656 |
| Wages and benefits | 60,652 | 67,298 | 68,469 |
| | \$ 845,283 | \$ 1,007,571 | \$ 767,090 |

Schedule #1
Wood Mountain First Nation
Claims and Indian Government
Schedule of Operations
For the year ended March 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|---|----------------|----------------|----------------|
| Revenue | | | |
| INAC - set contribution | \$ 101,755 | \$ 105,286 | \$ 81,751 |
| Deferred revenue - prior year | - | 10,606 | 755 |
| Deferred revenue - current year | - | - | (10,606) |
| | 101,755 | 115,892 | 71,900 |
| Expenses | | | |
| Consultants and contractors | - | 24,000 | 8,000 |
| Honorariums | - | 2,907 | - |
| Professional fees | 101,755 | 101,339 | 63,900 |
| | 101,755 | 128,246 | 71,900 |
| Current deficit before transfers | - | (12,354) | - |
| Transfers | | | |
| Transfer - Band Programs | - | 12,354 | - |
| Current surplus | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of the financial statements

Schedule #2
Wood Mountain First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|----------------|----------------|----------------|
| Revenue | | | |
| INAC - fixed contribution | \$ 73,393 | \$ 73,647 | \$ 73,393 |
| INAC - flexible contribution | 56,442 | 56,442 | 56,442 |
| CMHC - RRAP | 6,296 | - | - |
| Deferred revenue - prior year | - | 39,244 | - |
| Deferred revenue - current year | - | (9,629) | (39,244) |
| Unexpended funds transferred - prior year | - | 12,762 | 36,682 |
| | 136,131 | 172,466 | 127,273 |
| Expenses | | | |
| Consultants and contractors | 32,500 | 77,659 | 12,847 |
| Honorariums | 500 | 740 | 500 |
| Insurance | 2,240 | 4,882 | 2,393 |
| Janitorial services | 1,600 | 193 | 522 |
| Professional fees | - | - | 1,546 |
| Program expenses | 310 | - | - |
| Repairs and maintenance | 5,300 | 4,511 | 8,765 |
| Supplies | 41,252 | 46,853 | 35,405 |
| Telephone | 2,400 | 3,737 | - |
| Travel, meetings, per diems | 381 | 58 | 1,500 |
| Utilities | 19,539 | 14,378 | 15,656 |
| Wages and benefits | 28,197 | 29,950 | 35,377 |
| | 134,219 | 182,961 | 114,511 |
| Current surplus (deficit) before unexpended transfers | 1,912 | (10,495) | 12,762 |
| Unexpended transfers | | | |
| Unexpended funds transferred to deferred revenue | - | - | (12,762) |
| Current deficit before transfers | 1,912 | (10,495) | - |
| Transfers | | | |
| Transfer - Band Programs | - | 7,780 | - |
| Transfer - Amortization | - | (35,040) | (35,040) |
| Current deficit | \$ - | \$ (37,755) | \$ (35,040) |

The accompanying notes are an integral part of the financial statements

Schedule #3
Wood Mountain First Nation
Economic Development
Schedule of Operations
For the year ended March 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|----------------------------------|----------------|----------------|----------------|
| Revenue | | | |
| FHQ Tribal Council | \$ 29,108 | \$ 29,108 | \$ 29,108 |
| Expenses | | | |
| Assistance to band members | 17,000 | 24,804 | 19,054 |
| Consultants and contractors | 10,000 | 4,950 | - |
| Honorariums | - | 200 | - |
| Supplies | 2,108 | 223 | - |
| | 29,108 | 30,177 | 19,054 |
| Current surplus (deficit) | \$ - | \$ (1,069) | \$ 10,054 |

The accompanying notes are an integral part of the financial statements

Schedule #4
Wood Mountain First Nation
Education
Schedule of Operations
For the year ended March 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|---------------------------|----------------|----------------|----------------|
| Revenue | | | |
| INAC - fixed contribution | \$ 67,793 | \$ 67,793 | \$ 67,793 |
| Expenses | | | |
| Living allowance | 9,256 | 9,588 | 8,431 |
| Supplies | 7,827 | 908 | 4,086 |
| Tuition | 48,000 | 51,217 | 52,334 |
| Wages and benefits | 2,710 | 6,080 | 2,942 |
| | 67,793 | 67,793 | 67,793 |
| Current surplus | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of the financial statements

Schedule #5
Wood Mountain First Nation
Indian Government Support
Schedule of Operations
For the year ended March 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|---|----------------|----------------|----------------|
| Revenue | | | |
| INAC - grant funding | \$ 113,811 | \$ 113,811 | \$ 113,811 |
| INAC - fixed contribution | 5,000 | 5,000 | 5,000 |
| INAC - set contribution | 7,000 | 7,000 | - |
| FHQ Tribal Council | 2,300 | 900 | - |
| Administration fees | - | 6,883 | 6,778 |
| | 128,111 | 133,594 | 125,589 |
| Expenses | | | |
| Consultants and contractors | 17,000 | 12,000 | 14,138 |
| Cultural programs | 500 | 1,790 | 726 |
| Honorariums | 101,000 | 100,941 | 89,561 |
| Insurance | 2,400 | - | 2,379 |
| Interest and bank charges | 1,600 | 1,255 | 1,520 |
| Professional fees | 17,000 | 19,278 | 16,461 |
| Supplies | 7,000 | 8,618 | 5,111 |
| Telephone | 8,500 | 8,927 | 7,411 |
| Travel, meetings, per diems | 22,000 | 22,243 | 8,784 |
| Utilities | 3,500 | - | - |
| | 180,500 | 175,052 | 146,091 |
| Current deficit before transfers | (52,389) | (41,458) | (20,502) |
| Transfers | | | |
| Transfer - Band Programs | - | 40,000 | 20,000 |
| Current deficit | \$ - | \$ (1,458) | \$ (502) |

The accompanying notes are an integral part of the financial statements

Schedule #6
Wood Mountain First Nation
Land Management
Schedule of Operations
For the year ended March 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|---|----------------|----------------|----------------|
| Revenue | | | |
| INAC - fixed contribution | \$ 15,697 | \$ 15,697 | \$ 16,096 |
| Expenses | | | |
| Consultants and contractors | 10,000 | 24,292 | 16,090 |
| Supplies | 2,072 | 2,512 | 2,426 |
| | 12,072 | 26,804 | 18,516 |
| Current deficit before transfers | 3,625 | (11,107) | (2,420) |
| Transfers | | | |
| Transfer - Band Programs | - | 11,107 | - |
| Current deficit | \$ - | \$ - | \$ (2,420) |

The accompanying notes are an integral part of the financial statements

Schedule #7
Wood Mountain First Nation
Social Development
Schedule of Operations
For the year ended March 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|----------------|----------------|----------------|
| Revenue | | | |
| INAC - fixed contribution | \$ 16,341 | \$ 16,341 | \$ 16,341 |
| INAC - set contribution | 31,521 | 18,466 | 29,952 |
| INAC - prior period revenue (recovery) | - | - | 2,135 |
| INAC - current year receivable (payable) | - | (2,899) | (7,830) |
| | 47,862 | 31,908 | 40,598 |
| Expenses | | | |
| Assistance | 29,952 | 14,420 | 22,122 |
| Child nutrition | 869 | 869 | - |
| Travel, meetings, per diems | 100 | 974 | 902 |
| Wages and benefits | 16,941 | 18,149 | 16,460 |
| | 47,862 | 34,412 | 39,484 |
| Current surplus (deficit) | \$ - | \$ (2,504) | \$ 1,114 |

The accompanying notes are an integral part of the financial statements

Schedule #8
Wood Mountain First Nation
Health Programs
Schedule of Operations
For the year ended March 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|-----------------------------|----------------|----------------|----------------|
| Revenue | | | |
| Health Canada | \$ 86,667 | \$ 87,111 | \$ 85,770 |
| Health Canada - recovered | - | (3,118) | - |
| | 86,667 | 83,993 | 85,770 |
| Expenses | | | |
| Administration | 7,199 | 6,883 | 6,778 |
| Assistance - elders | 1,000 | 200 | 1,302 |
| Consultants and contractors | 33,415 | 40,837 | 25,410 |
| Cultural programs | - | 2,148 | - |
| Honorariums | 413 | - | - |
| Professional fees | - | 165 | - |
| Rent - office | 4,500 | 6,000 | 4,302 |
| Supplies | 23,126 | 21,251 | 34,287 |
| Travel, meetings, per diems | 2,465 | - | - |
| Wages and benefits | 12,804 | 13,116 | 13,691 |
| | 84,922 | 90,600 | 85,770 |
| Current deficit | \$ 1,745 | \$ (6,607) | \$ - |

The accompanying notes are an integral part of the financial statements

Schedule #9
Wood Mountain First Nation
Band Programs
Schedule of Operations
For the year ended March 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|----------------|----------------|----------------|
| Revenue | | | |
| First Nations Trust | \$ 107,131 | \$ 107,131 | \$ 107,136 |
| FHQ Tribal Council | - | 3,600 | 3,750 |
| Tribal Council - CDC | 19,921 | 25,062 | 21,024 |
| Earned and held in Trust by federal government | - | 5,905 | 5,884 |
| Keseechiwan Holdings LP | 60,000 | 60,000 | 70,000 |
| CMHC | - | 6,296 | - |
| Other revenue | - | 17,403 | 12,294 |
| Deferred revenue - prior year | - | 194,502 | 169,230 |
| Deferred revenue - current year | - | (106,268) | (194,502) |
| | 187,052 | 313,631 | 194,816 |
| Expenses | | | |
| Cultural programs | - | 2,500 | - |
| First Nations Trust expenses | 107,131 | 163,130 | 123,981 |
| Professional fees | 29,921 | - | - |
| Travel, meetings, per diems | 50,000 | 70,855 | 44,951 |
| | 187,052 | 236,485 | 168,932 |
| Current surplus before transfers | - | 77,146 | 25,884 |
| Transfers | | | |
| Transfer - Community Development | - | (7,780) | - |
| Transfer - Indian Government Support | - | (40,000) | (20,000) |
| Transfer - Land Management | - | (11,107) | - |
| Transfer - Claims and Indian Government | - | (12,354) | - |
| Current surplus | \$ - | \$ 5,905 | \$ 5,884 |

The accompanying notes are an integral part of the financial statements

Schedule #10
Wood Mountain First Nation
Amortization
Schedule of Operations
For the year ended March 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|---|----------------|----------------|----------------|
| Revenue | \$ - | \$ - | \$ - |
| Expenses | | | |
| Roads | - | 4,636 | 4,636 |
| Sanitation | - | 550 | 550 |
| Water | - | 550 | 550 |
| Community buildings | - | 25,191 | 25,191 |
| Housing | - | 4,113 | 4,113 |
| | - | 35,040 | 35,040 |
| Current deficit before transfers | - | (35,040) | (35,040) |
| Transfers | | | |
| Transfer - Programs | - | 35,040 | 35,040 |
| Current surplus | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of the financial statements