

**WITCHEKAN LAKE FIRST NATION**

**Consolidated Financial Statements**

**For the Year Ended March 31, 2016**

**WITCHEKAN LAKE FIRST NATION**  
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**For the Year Ended March 31, 2016**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Witchehan Lake First Nation and all of the information in these financial statements are the responsibility of management and have been approved by the Chief and Council.

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

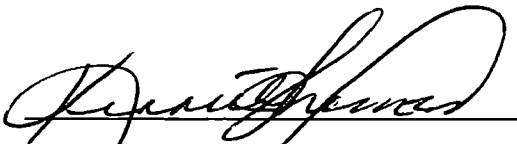
Witchehan Lake First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, and that Witchehan Lake First Nation assets are appropriately accounted for and adequately safeguarded.

Witchehan Lake First Nation is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The First Nation carries out this responsibility through the Chief and Council.

Chief and Council review Witchehan Lake First Nation consolidated financial statements and recommend their approval. Chief and Council meet periodically with management, as well as the external auditor, 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 to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by C.S. Skrupski CPA Professional Corporation in accordance with Canadian auditing standards on behalf of the members. C.S. Skrupski CPA Professional Corporation has full and free access to the Chief and Council, accountant and program directors. The report of the auditing firm is on the following page.

Chief



Councillor



Councillor



Date: August 4, 2016

*C.S. Skrupski*  
*CPA Professional Corporation*

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**INDEPENDENT AUDITOR'S REPORT**

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To the Chief and Council,  
Witchekan Lake First Nation:

I have audited the accompanying consolidated financial statements of Witchekan Lake First Nation, which are comprised of the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations, change in net financial assets (net debt), cash flows and accumulated surplus 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.

*Auditor's Responsibility*

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I 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 auditor's 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.

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

*Opinion*

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

Rosthern, Saskatchewan  
August 4, 2016

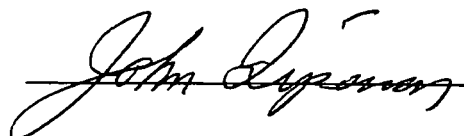
  
CPA Professional Corporation

**WITCHEKAN LAKE FIRST NATION**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2016**

		2016	2015
<b>Financial Assets</b>			
Cash and cash equivalents	(Note 2)	\$ 78,183	\$ 277,832
Accounts receivable	(Note 3)	377,975	242,444
Trust funds held by federal government	(Note 4)	465,863	322,431
Loans receivable	(Note 7)	3,584	3,584
Investments in government business enterprises	(Note 9)	(80,448)	166,426
		<u>845,157</u>	<u>1,012,717</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	(Note 10)	33,812	24,318
Deferred revenue	(Note 12)	94,348	267,764
Long-term debt	(Note 13)	1,913,190	2,037,837
		<u>2,041,350</u>	<u>2,329,919</u>
<b>Net financial assets (net debt)</b>		<u>(1,196,193)</u>	<u>(1,317,202)</u>
<b>Non-financial assets</b>			
Tangible capital assets	(Note 16)	17,813,666	18,194,763
<b>Accumulated surplus (deficit)</b>		<u><u>\$ 16,617,473</u></u>	<u><u>\$ 16,877,561</u></u>

Approved on behalf of Witchekan Lake First Nation

 , Chief

 , Councillor

**WITCHEKAN LAKE FIRST NATION**  
**Consolidated Statement of Operations**  
**For the Year Ended March 31, 2016**

		<i>Budget</i>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>				
Federal government transfers for operating	(Note 19)	\$ -	\$ 3,831,789	\$ 3,652,046
Federal government transfers for capital	(Note 19)	-	224,117	549,063
Provincial government transfers for operating	(Note 19)	-	265,755	265,248
Rent		-	145,278	144,720
Amounts earned and held in Trust by federal government (Note 4)		-	429,945	259,664
Income from investment in government business enterprises		-	8,183,886	8,523,737
Other		-	1,555,698	2,365,977
		-	<b>14,636,468</b>	<b>15,760,455</b>
<b>Expenditures</b>				
Education		-	1,562,201	1,615,138
Health		-	260,597	284,648
Housing		-	276,853	258,985
Community services		-	350,413	388,260
Social services		-	1,213,158	1,048,392
Band government		-	985,291	1,128,933
Public works		-	-	1,652
Other		-	9,653,584	9,753,352
Interest		-	37,364	45,538
Amortization		-	557,095	551,149
		-	<b>14,896,556</b>	<b>15,076,047</b>
<b>Annual surplus (deficit)</b>		-	<b>(260,088)</b>	<b>684,408</b>
<b>Accumulated surplus (deficit) at beginning of year</b>		-	<b>16,877,561</b>	<b>16,193,153</b>
<b>Accumulated surplus (deficit) at end of year</b>		\$ -	\$ <b>16,617,473</b>	\$ <b>16,877,561</b>

**WITCHEKAN LAKE FIRST NATION**  
**Consolidated Statement of Change in Net Financial Assets (Net Debt)**  
**For the Year Ended March 31, 2016**

	<i>Budget</i>	<b>2016</b>	<b>2015</b>
Annual surplus (deficit)	\$ -	\$ (260,088)	\$ 684,408
Tangible capital assets			
Acquisition of tangible capital assets	-	(175,998)	(1,288,513)
Amortization of tangible capital assets	-	557,095	551,149
	-	381,097	(737,364)
Change in net financial assets (net debt)	-	121,009	(52,956)
Net financial assets (net debt) at beginning of year	-	(1,317,202)	(1,264,246)
Net financial assets (net debt) at end of year	\$ -	\$ (1,196,193)	\$ (1,317,202)

**WITCHEKAN LAKE FIRST NATION**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended March 31, 2016**

	2016	2015
<b>Operating transactions</b>		
Annual surplus (deficit)	(260,088)	684,408
Items not affecting cash		
Amortization of tangible capital assets	557,095	551,149
Change in non-cash charges to operations		
Accounts receivable	(135,531)	85,499
Accounts payable and accrued liabilities	9,493	(170,675)
Deferred revenue	(173,416)	(777,821)
Cash provided by (applied to) operating transactions	(2,447)	372,560
<b>Capital transactions</b>		
Purchase of tangible capital assets	(175,998)	(1,288,513)
Cash provided by (applied to) capital transactions	(175,998)	(1,288,513)
<b>Investing transactions</b>		
Decrease (increase) in Band Trust Funds	(143,432)	8,813
Investments in government business enterprises	246,874	92,281
Cash provided by (applied to) investing transactions	103,442	101,094
<b>Financing transactions</b>		
Debt retirement	(124,646)	(218,668)
Cash provided by (applied to) financing transactions	(124,646)	(218,668)
<b>Increase (decrease) in cash and cash equivalents</b>	(199,649)	(1,033,527)
<b>Cash and cash equivalents at beginning of year</b>	277,832	1,311,359
<b>Cash and cash equivalents at end of year</b>	\$ 78,183	\$ 277,832



**WITCHEKAN LAKE FIRST NATION**  
**Consolidated Statement of Accumulated Surplus**  
**For the Year Ended March 31, 2016**

	2015	Changes	2016
<b>Unappropriated surplus (deficit)</b>	<b>\$ (372,519)</b>	<b>\$ 56,885</b>	<b>\$ (315,634)</b>
<b>Appropriated reserves</b>			
CMHC replacement reserve	402,345	45,104	<b>447,449</b>
CMHC operating reserve	201,951	(2,184)	<b>199,767</b>
Band trust funds	322,431	143,432	<b>465,863</b>
<b>Total appropriated reserves</b>	<b>926,727</b>	<b>186,352</b>	<b>1,113,079</b>
<b>Investment in band entities (Note 9)</b>			
A C Forestry	54,425	(115,667)	<b>(61,242)</b>
A C Realty Limited Partnership	(5,544)	5,544	-
A C Realty Ltd	191,872	10,699	<b>202,571</b>
Agency Chiefs Tribal Council	(47,142)	(228,797)	<b>(275,939)</b>
Moose Creek Feller Buncher	14,872	(14,872)	-
Spruce Creek Bison Ranch	(96,219)	96,219	-
Treaty Land Entitlement	54,162	-	<b>54,162</b>
<b>Total investment in band entities</b>	<b>166,426</b>	<b>(246,874)</b>	<b>(80,448)</b>
<b>Net investment in tangible capital assets</b>			
Tangible capital assets	18,194,763	(381,097)	<b>17,813,666</b>
Less related debt	(2,037,836)	124,646	<b>(1,913,190)</b>
<b>Total net investment in tangible capital assets</b>	<b>16,156,927</b>	<b>(256,451)</b>	<b>15,900,476</b>
<b>Total accumulated surplus (deficit)</b>	<b>\$ 16,877,561</b>	<b>\$ (260,088)</b>	<b>\$ 16,617,473</b>

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2016**

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**1. Summary of Significant Accounting Policies**

**a) Basis of accounting**

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

**b) Reporting Entity**

The Witchekan Lake First Nation reporting entity includes the Witchekan Lake First Nation government and all related entities that are controlled by the First Nation.

**c) 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 Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Witchekan Lake 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 Witchekan Lake First Nation.

Organizations consolidated in Witchekan Lake First Nation's financial statements include:

- A.C. Forestry
- A.C. Realty Ltd.
- Agency Chiefs Tribal Council
- Treaty Land Entitlement

**d) 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.

**e) Inventories for resale**

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value.

**f) Loans receivable**

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

**g) Portfolio investments**

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2016**

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**h) 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 Witchekan Lake First Nation's incremental cost of borrowing.

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

Buildings	2.5%
Housing	2.5%
Infrastructure	10.0%
Equipment	10.0%
Vehicles	20.0%

Tangible capital assets are written down when conditions indicate that they no longer contribute to Witchekan Lake 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.

**i) Inventories held for use**

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

**j) Employee benefit obligations**

No employee future benefits are applicable.

**k) Revenue recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2016**

**l) Foreign currency translation**

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. Gains and losses resulting from foreign currency transactions are included in the consolidated statement of operations.

**m) Measurement uncertainty**

In preparing the consolidated financial statements for Witchekan Lake First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

**2. Cash and Cash Equivalents**

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Witchekan Lake First Nation must set aside funds annually for the repair, maintenance, and replacement of worn-out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the CMHC Replacement and Reserve Fund. Cash and cash equivalents is comprised of the following:

	2016	2015
<b>Externally restricted</b>		
CMHC replacement and surplus reserve funds	\$ 397,902	\$ 294,579
<b>Internally restricted</b>		
Capital Planning	94,348	270,793
Economic and Social Development	(92,917)	(92,579)
	1,431	178,214
<b>Unrestricted</b>		
Operating	(336,778)	(190,589)
Social Housing	15,628	(4,372)
	(321,150)	(194,961)
<b>Total cash and cash equivalents</b>	<b>\$ 78,183</b>	<b>\$ 277,832</b>

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2016**

**3. Accounts Receivable**

	2016	2015
Due from members:		
Social Housing	\$ 30,941	\$ 24,370
Due from others:		
Aboriginal Affairs and Northern Development Canada	-	630
Band trust funds - section 66	126,550	82,553
Other	228,318	142,725
	354,868	225,908
	385,809	250,278
Less: Allowance for doubtful accounts	(7,834)	(7,834)
Total Accounts Receivable	\$ 377,975	\$ 242,444

**4. Trust Funds Held by Federal Government**

	March 31, 2015	Additions 2016	Withdrawals 2016	March 31, 2016
Revenue	\$ 322,126	\$ 429,945	\$ (286,513)	\$ 465,558
Capital	305	-	-	305
End balances	\$ 322,431	\$ 429,945	\$ (286,513)	\$ 465,863

The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

**5. Inventories for Resale**

The First Nation has no inventories for resale.

**6. Due from Government and Other Government Organizations**

The First Nation has no funds due from government or other government organizations.

**7. Loans Receivable**

	2016	2015
Agency Chiefs Tribal Council	\$ 3,584	\$ 3,584

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2016**

**8. Portfolio Investments**

The First Nation has no portfolio investments.

**9. Investments in Government Business Enterprises**

Witchekan Lake First Nation owns 33.3% of A.C. Forestry, 33.3% of A.C. Realty Ltd., 33.3% of Agency Chiefs Tribal Council, and equity in Treaty Land Entitlement.

Witchekan Lake First Nation's investments in government business enterprises consist of the following:

	2016	2015
A.C. Forestry	\$ (61,242)	\$ 54,425
A.C. Realty Limited Partnership	-	(5,544)
A.C. Realty Ltd.	202,571	191,872
Agency Chiefs Tribal Council	(275,939)	(47,142)
Moose Creek Feller Buncher	-	14,872
Spruce Creek Bison Ranch	-	(96,219)
Treaty Land Entitlement	54,162	54,162
	<b>\$ (80,448)</b>	<b>\$ 166,426</b>

The following table presents condensed financial information for these commercial enterprises:

	A.C. Forestry	A.C. Realty Ltd.	Agency Chiefs Tribal Council	2016 Total	2015 Total
Cash	\$ -	\$ 18,125	\$ -	\$ 18,125	\$ 91,799
Accounts Receivable	136,841	-	285,380	422,221	1,223,812
Inventory	136,430	-	-	136,430	553,938
Tangible Capital Assets	909,734	242,442	5,072	1,157,248	963,568
Other Assets	100,850	197,540	190,942	489,332	531,792
<b>Total Assets</b>	<b>\$ 1,283,855</b>	<b>\$ 458,107</b>	<b>\$ 481,394</b>	<b>\$ 2,223,356</b>	<b>\$ 3,364,909</b>
Accounts Payable	\$ 170,334	\$ 7,319	\$ 372,967	\$ 550,620	\$ 1,322,075
Long-term Debt	469,047	242,537	153,961	865,545	1,048,838
Other Liabilities	705,716	5,680	230,405	941,801	881,682
<b>Total Liabilities</b>	<b>1,345,097</b>	<b>255,536</b>	<b>757,333</b>	<b>2,357,966</b>	<b>3,252,595</b>
Equity	(61,242)	202,571	(275,939)	(134,610)	112,264
<b>Total Liabilities and Equity</b>	<b>\$ 1,283,855</b>	<b>\$ 458,107</b>	<b>\$ 481,394</b>	<b>\$ 2,223,356</b>	<b>\$ 3,364,859</b>
<b>Revenues</b>	<b>\$ 3,110,587</b>	<b>\$ 84,121</b>	<b>\$ 4,989,178</b>	<b>\$ 8,183,886</b>	<b>\$ 8,523,737</b>
<b>Expenditures</b>	<b>3,220,556</b>	<b>67,194</b>	<b>5,265,038</b>	<b>8,552,788</b>	<b>8,506,136</b>
<b>Net Income (loss)</b>	<b>\$ (109,969)</b>	<b>\$ 16,927</b>	<b>\$ (275,860)</b>	<b>\$ (368,902)</b>	<b>\$ 17,601</b>

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2016**

**10. Accounts Payable and Accrued Liabilities**

	2016	2015
Trade payables	\$ 10,828	\$ 14,919
Accrued salaries and benefits payable	9,399	9,399
Other accrued liabilities	13,585	-
	<b>\$ 33,812</b>	<b>\$ 24,318</b>

**11. Due to Government and Other Government Organizations**

The First Nation has no funds due to government and other government organizations.

**12. Deferred Revenue**

	Balance March 31, 2015	Funding Received 2016	Revenue Recognized 2016	Balance March 31, 2016
<b><u>Federal Government</u></b>				
Lagoon Feasibility	\$ 107,656	\$ -	\$ (13,308)	\$ 94,348
School Renovations	25,146	-	(25,146)	-
Water Treatment Plant	134,962	-	(134,962)	-
	<b>\$ 267,764</b>	<b>\$ -</b>	<b>\$ (173,416)</b>	<b>\$ 94,348</b>

Deferred revenue represents the amount of funds received by the First Nation which must be spent on certain projects. As these projects had not been completed as of the year end, the revenue has been deferred until such time as the projects are carried out.

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2016**

**13. Long-Term Debt and Obligations under Capital Leases**

	2016	2015
<u>Long-term debt financing tangible capital assets</u>		
CMHC mortgage #001 bearing interest at 0.94%, repayable in monthly blended instalments of \$1,102. Mortgage is secured by ministerial guarantee on Section 95, 4-unit housing project, CMHC, Band BCR, and AANDC.	<b>114,087</b>	125,633
CMHC mortgage #002 bearing interest at 1.64%, repayable in monthly blended instalments of \$2,458. Mortgage is secured by ministerial guarantee on Section 95, 9-unit housing project, CMHC, Band BCR, and AANDC.	<b>291,997</b>	316,497
CMHC mortgage #003 bearing interest at 1.67%, repayable in monthly blended instalments of \$268. Mortgage is secured by ministerial guarantee on Section 95, 1-unit housing project, CMHC, Band BCR, and AANDC.	<b>35,147</b>	37,750
CMHC mortgage #004 bearing interest at 1.82%, repayable in monthly blended instalments of \$793. Mortgage is secured by ministerial guarantee on Section 95, 3-unit housing project, CMHC, Band BCR, and AANDC.	<b>112,587</b>	119,980
CMHC mortgage #005 bearing interest at 1.11%, repayable in monthly blended instalments of \$682. Mortgage is secured by ministerial guarantee on Section 95, 2-unit housing project, CMHC, Band BCR, and AANDC.	<b>74,903</b>	81,647
CMHC mortgage #006 bearing interest at 1.65%, repayable in monthly blended instalments of \$1,617. Mortgage is secured by ministerial guarantee on Section 95, 4-unit housing project, CMHC, Band BCR, and AANDC.	<b>197,800</b>	213,799
CMHC mortgage #007 bearing interest at 1.82%, repayable in monthly blended instalments of \$1,303. Mortgage is secured by ministerial guarantee on Section 95, 4-unit housing project, CMHC, Band BCR, and AANDC.	<b>242,731</b>	253,842
CMHC mortgage #008 bearing interest at 1.11%, repayable in monthly blended instalments of \$1,425. Mortgage is secured by ministerial guarantee on Section 95, 4-unit housing project, CMHC, Band BCR, and AANDC.	<b>298,552</b>	310,209



**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2016**

**13. Long-Term Debt and Obligations under Capital Leases** *(continued)*

CMHC mortgage #009 bearing interest at 1.68%, repayable in monthly blended instalments of \$3,073. Mortgage is secured by ministerial guarantee on Section 95, 5-unit housing project, CMHC, Band BCR, and AANDC.

**545,386**                      572,867

Canadian Imperial Bank of Commerce loan bearing interest at 3.00%, repayable in blended monthly instalments of \$600. Loan is secured by ministerial guarantee on RCMP rental housing project, an irrevocable letter of direction instructing the RCMP to forward rental payments directly to the CIBC, Band BCR, and AANDC.

-                                      5,613

**Total long-term debt**

**\$ 1,913,190    \$ 2,037,837**

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2017	119,917
2018	122,371
2019	124,877
2020	128,322
2021	132,984
Thereafter	1,284,719

**2016**                      2015

Interest expense for the year on long-term debt

**\$ 37,364    \$ 45,538**

**Obligations under capital leases**

The First Nation has no obligations under capital leases.

**14. Risk Management**

The First Nation has no formalized risk management policy.

**15. Employee Benefit Obligations**

The First Nation does not have any employee benefit obligations.

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2016**

**16. Tangible Capital Assets**

Cost					Accumulated Amortization				Net Book Value	
Opening Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Other Adjustments	Closing Balance	Total 2016	Total 2015
\$ 4,980,969	\$ -	\$ -	\$ -	\$ 4,980,969	\$ -	\$ -	\$ -	\$ -	\$ 4,980,969	\$ 4,980,969
6,588,345	25,146	-	525,554	7,139,045	(2,230,550)	(164,708)	-	(2,395,258)	4,743,787	4,357,795
887,077	-	-	-	887,077	(322,912)	(22,177)	-	(345,089)	541,988	564,164
2,996,233	-	-	-	2,996,233	(720,529)	(119,413)	-	(839,942)	2,156,291	2,275,704
2,630,053	150,852	-	4,993,454	7,774,359	(2,547,105)	(181,044)	-	(2,728,149)	5,046,210	82,948
542,555	-	-	-	542,555	(335,310)	(26,994)	-	(362,304)	180,251	207,246
202,756	-	-	-	202,756	(140,790)	(35,178)	-	(175,968)	26,788	61,966
479,107	-	-	-	479,107	(334,144)	(7,581)	-	(341,725)	137,382	144,963
19,307,095	175,998	-	5,519,008	25,002,101	(6,631,340)	(557,095)	-	(7,188,435)	17,813,666	12,675,755
4,993,454	-	-	(4,993,454)	-	-	-	-	-	-	4,993,454
525,554	-	-	(525,554)	-	-	-	-	-	-	525,554
5,519,008	-	-	(5,519,008)	-	-	-	-	-	-	5,519,008
-	-	-	-	-	-	-	-	-	-	-
\$ 24,826,103	\$ 175,998	\$ -	\$ -	\$ 25,002,101	\$ (6,631,340)	\$ (557,095)	\$ -	\$ (7,188,435)	\$ 17,813,666	\$ 18,194,763

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2016**

**17. Contractual Obligations**

The First Nation does not have any contractual obligations.

**18. Contingent Liabilities**

Witchekan Lake 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, Witchekan Lake First Nation becomes 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 Witchekan Lake First Nation's financial statements.

**19. Government Transfers**

	2016			2015		
	Operating	Capital	Total	Operating	Capital	Total
<b>Federal government transfers:</b>						
Aboriginal Affairs and Northern Development Canada	\$ 3,446,299	\$ 182,126	\$ 3,628,425	\$ 3,219,886	\$ 535,728	\$ 3,755,614
Health Canada	249,547	-	249,547	285,451	-	285,451
Canada Mortgage and Housing Corporation	135,943	41,991	177,934	146,709	13,335	160,044
<b>Total</b>	<b>3,831,789</b>	<b>224,117</b>	<b>4,055,906</b>	<b>3,652,046</b>	<b>549,063</b>	<b>4,201,109</b>
<b>Provincial government transfers</b>	<b>265,755</b>	<b>-</b>	<b>265,755</b>	<b>265,248</b>	<b>-</b>	<b>265,248</b>
	<b>\$ 4,097,544</b>	<b>\$ 224,117</b>	<b>\$ 4,321,661</b>	<b>\$ 3,917,294</b>	<b>\$ 549,063</b>	<b>\$ 4,466,357</b>

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2016**

**20. Segment Disclosure**

Witchekan Lake First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported on a segmented basis by function of related revenues and expenses. For each segment separately reported, the segment revenues and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the period are as follows:

	Education			Health			Economic Development			Housing		
	<i>Budget 2016</i>	2016	2015	<i>Budget 2016</i>	2016	2015	<i>Budget 2016</i>	2016	2015	<i>Budget 2016</i>	2016	2015
<b>Revenues:</b>												
Federal government operating transfers	\$ -	\$ 1,396,342	\$ 1,327,751	\$ -	\$ 248,853	\$ 285,451	\$ -	\$ -	-	\$ -	\$ -	-
Federal government capital transfers	-	-	-	-	-	-	-	-	-	-	224,117	98,363
Other revenue	-	27,565	1,790	-	1,615	212	-	-	-	-	16,657	86,931
<b>Total Revenues</b>	-	1,423,907	1,329,541	-	250,468	285,663	-	-	-	-	240,774	185,294
<b>Expenditures:</b>												
Salaries and benefits	-	1,177,631	1,110,842	-	148,631	141,592	-	-	-	-	36,891	24,111
Debt Servicing	-	-	-	-	-	-	-	-	-	-	106	444
Amortization	-	-	-	-	7,411	7,411	-	-	-	-	173,176	173,176
Other Expenses	-	384,570	504,296	-	111,966	143,056	-	-	-	-	239,962	234,874
<b>Total Expenditures</b>	-	1,562,201	1,615,138	-	268,008	292,059	-	-	-	-	450,135	432,605
<b>Annual Surplus (Deficit)</b>	\$ -	\$ (138,294)	\$ (285,597)	\$ -	\$ (17,540)	\$ (6,396)	\$ -	\$ -	-	\$ -	\$ (209,361)	\$ (247,311)

**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2016**

**20. Segment Disclosure (continued)**

	<b>Social Services</b>			<b>Band Government</b>			<b>Community Services</b>			<b>Capital</b>		
	<i>Budget 2016</i>	2016	2015	<i>Budget 2016</i>	2016	2015	<i>Budget 2016</i>	2016	2015	<i>Budget 2016</i>	2016	2015
<b>Revenues:</b>												
Federal government operating transfers	\$ -	\$ 1,157,051	\$ 980,427	\$ -	\$ 496,152	\$ 469,615	\$ -	\$ 396,754	\$ 442,093	\$ -	\$ -	-
Federal government capital transfers	-	-	-	-	-	-	-	-	-	-	-	450,700
Other revenue	-	-	400	-	895,284	876,075	-	6,938	17,750	-	173,416	789,536
<b>Total Revenues</b>	-	1,157,051	980,827	-	1,391,436	1,345,690	-	403,692	459,843	-	173,416	1,240,236
<b>Expenditures:</b>												
Salaries and benefits	-	118,375	148,527	-	485,878	453,540	-	141,923	141,903	-	-	-
Debt Servicing	-	-	-	-	9	1,049	-	-	-	-	-	-
Amortization	-	-	-	-	43,090	43,090	-	206,105	206,105	-	-	-
Other Expenses	-	1,094,783	899,865	-	499,413	675,393	-	208,490	246,357	-	-	1,652
<b>Total Expenditures</b>	-	1,213,158	1,048,392	-	1,028,390	1,173,072	-	556,518	594,365	-	-	1,652
<b>Annual Surplus (Deficit)</b>	\$ -	\$ (56,107)	\$ (67,565)	\$ -	\$ 363,046	\$ 172,618	\$ -	\$ (152,826)	\$ (134,522)	\$ -	\$ 173,416	\$ 1,238,584

## 20. Segment Disclosure (continued)

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**WITCHEKAN LAKE FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended March 31, 2016**

**21. Expenditures by Object**

The following is a summary of expenditures by object:

	2016	2015
Salaries and wages	\$ 2,370,026	\$ 2,273,699
Staff development	413,413	489,495
Supplies and services	359,985	410,442
Interest	37,364	45,538
Professional services	52,984	37,255
Rental expenditures	-	144,720
Fees and contract services	129,430	184,323
Other	10,976,259	10,939,426
Amortization	557,095	551,149
	<b>\$ 14,896,556</b>	<b>\$ 15,076,047</b>

**22. Trusts Under Administration**

The First Nation does not administer any trusts.

**23. Subsequent Events**

The First Nation does not have any subsequent events.

**24. Budgeted Figures**

The budget figures are provided for information purposes only and were not covered by the scope of the external audit. Budget figures were not available for all programs.

**WITCHEKAN LAKE FIRST NATION**  
**Schedule of Revenues, Expenditures and Unexpended Equity by Program**  
**For the Year Ended March 31, 2016**

		REVENUE			EXPENDITURES		SURPLUS			
		AANDC	Other	Total		Current	2015	Adjustments	Prior	Cumulative
<b>Band Support</b>										
Administration	25	329,938	607,099	937,037	643,619	293,418	71,848	21,405	(96,298)	290,373
Lands	26	134,807	1,672	136,479	130,856	5,623	18,272		103,919	127,814
Indian Registry	27	5,512	-	5,512	5,775	(263)	(722)		9,428	8,443
Band Funds	28	-	286,513	286,513	220,947	65,566	83,220	5,795	5,288	159,869
Summer Work										
Experience	29	10,539	-	10,539	10,542	(3)	-		2,270	2,267
Skills Development	30	15,356	-	15,356	16,651	(1,295)	-		(1,490)	(2,785)
Election Act		-	-	-	-	-	-		(23,206)	(23,206)
Community Plan		-	-	-	-	-	-		(13,319)	(13,319)
Capacity Development		-	-	-	-	-	-		(3,791)	(3,791)
		496,152	895,284	1,391,436	1,028,390	363,046	172,618	27,200	(17,199)	545,665
<b>Education</b>										
Education	31	565,244	6,219	571,463	738,542	(167,079)	(196,528)		58,307	(305,300)
Books and Supplies		-	-	-	-	-	-		(93)	(93)
Comprehensive										
Education Support	32	71,609	-	71,609	71,707	(98)	3,323		1,259	4,484
Enhanced Teacher	33	20,493	-	20,493	22,628	(2,135)	(3,642)		(11,176)	(16,953)
Literacy Program	34	-	-	-	-	-	(3,531)		5,969	2,438
Special Education										
- Band Operated	35	170,891	-	170,891	170,939	(48)	(45)		118,737	118,644
- Low Cost	36	49,500	-	49,500	50,287	(787)	(186)		3,594	2,621
Employee Benefits										
- Flexible	37	21,463	-	21,463	25,814	(4,351)	(1,175)		76,531	71,005
- Contribution	38	54,983	-	54,983	55,900	(917)	-		(5,423)	(6,340)
Bussing	39	176,252	-	176,252	139,363	36,889	20,845		312,788	370,522
Post Secondary	40	256,173	21,346	277,519	277,519	-	(104,856)		(51,703)	(156,559)
Transportation		-	-	-	-	-	-		(310)	(310)
Ancillary Support	41	9,734	-	9,734	9,502	232	198		-	430
Capital Assets		-	-	-	-	-	-		6,980	6,980
		1,396,342	27,565	1,423,907	1,562,201	(138,294)	(285,597)	-	515,460	91,569
<b>Social Programs</b>										
Service Delivery	42	49,022	-	49,022	49,022	-	-		(85,999)	(85,999)
Home Care	43	24,445	-	24,445	28,449	(4,004)	(3,802)		(8,123)	(15,929)
Social Assistance	44	941,127	-	941,127	974,271	(33,144)	-		(81,039)	(114,183)
Child Benefit	45	142,457	-	142,457	160,542	(18,085)	(63,763)		(18,601)	(100,449)
Family Violence		-	-	-	-	-	-		(8,751)	(8,751)
Liaison Worker	46	-	-	-	874	(874)	-		-	(874)
		1,157,051	-	1,157,051	1,213,158	(56,107)	(67,565)		(202,513)	(326,185)



**WITCHEKAN LAKE FIRST NATION**  
**Schedule of Revenues, Expenditures and Unexpended Equity by Program**  
**For the Year Ended March 31, 2016**

		REVENUE		EXPENDITURES		SURPLUS			
		AANDC	Other	Total	Current	2015	Adjustments	Prior	Cumulative
<b>Community Infrastructure</b>									
Fire Protection	47	22,959	-	22,959	29,847	(6,888)	-	6,800	108,496
Roads	48	23,754	-	23,754	15,482	8,272	71,607	3,492	(467)
Waste Water	49	18,082	-	18,082	46,313	(28,231)	(28,890)	25,879	(28,051)
Water Systems	50	124,453	-	124,453	87,261	37,192	(32,454)	1,854	(197,374)
Water O&M	51	19,400	6,938	26,338	26,345	(7)	(46,556)	(25,027)	(71,590)
Community Buildings	52	31,883	-	31,883	191,640	(159,757)	(163,424)	164,709	195,559
O&M Schools	53	153,823	-	153,823	153,823	-	(9,221)	176,300	167,079
Preparedness		-	-	-	-	-	-	(9)	(9)
Other Protection		-	-	-	-	-	-	(262)	(262)
Electrical Systems	54	2,400	-	2,400	2,436	(36)	88	(19)	33
Drainage Project	55	-	-	-	3,371	(3,371)	74,328	3,371	74,328
Other								26,633	26,633
		396,754	6,938	403,692	556,518	(152,826)	(134,522)	206,105	259,150
									146,803
<b>Capital</b>									
Housing	56	182,126	51,148	233,274	427,962	(194,688)	(228,837)	164,631	(119,223)
Section 10	57	-	7,500	7,500	14,290	(6,790)	(18,474)	8,545	6,569
New Construction									
Phase 10	58	-	-	-	7,883	(7,883)	-	-	(7,883)
Section 95 Capital		-	-	-	-	-	-	(122,755)	(122,755)
CEAP		-	-	-	-	-	-	11,914	11,914
Band Office Project		-	-	-	-	-	-	36,082	36,082
Water Treatment plant									
Upgrade	59	-	134,962	134,962	-	134,962	780,757	(134,962)	(780,757)
New Band Office		-	-	-	-	-	-	(98,625)	(98,625)
School Renovations	60	-	25,146	25,146	-	25,146	457,827	(25,146)	(457,827)
Lagoon Feasibility	61	-	13,308	13,308	-	13,308	-	-	13,308
		182,126	232,064	414,190	450,135	(35,945)	991,273	13,068	(1,524,622)
									(556,226)

**WITCHEKAN LAKE FIRST NATION**  
**Schedule of Revenues, Expenditures and Unexpended Equity by Program**  
**For the Year Ended March 31, 2016**

		REVENUE		EXPENDITURES		SURPLUS				
AANDC		Other	Total		Current	2015	Adjustments	Prior	Cumulative	
OTHER FUNDED PROGRAMS										
National Health	62	-	250,468	250,468	268,008	(17,540)	(6,396)	7,411	(24,523)	(41,048)
Brighter Futures	63	-	10,000	10,000	16,760	(6,760)	24,644		(85,318)	(67,434)
Home/Community	64	-	23,716	23,716	24,900	(1,184)	(11,271)		10,548	(1,907)
Child Care	65	-	33,217	33,217	34,251	(1,034)	1,051		(16,485)	(16,468)
Head Start	66	-	96,500	96,500	106,540	(10,040)	(2,213)		83,801	71,548
Youth Pow Wow	67	-	-	-	248	(248)	(606)		7,487	6,633
Recreation/Gaming	68	-	330,878	330,878	300,179	30,699	(13,746)		148,999	165,952
Bapaume Pasture	69	-	89,000	89,000	64,545	24,455	(15,816)		46,323	54,962
Section 95 Rent	70	-	281,915	281,915	302,785	(20,870)	(2,485)	119,412	123,155	219,212
Youth Worker	71	-	20,000	20,000	27,065	(7,065)	(6,220)	-	6,915	(6,370)
Fire Suppression	72	-	53,747	53,747	93,991	(40,244)	9,916	320	(60,694)	(90,702)
CEAP		-	-	-	-	-	-		8,900	8,900
Slow Pitch	73	-	-	-	-	-	(10,592)		18,337	7,745
Store	74	-	-	-	7,581	(7,581)	(7,581)	7,581	(114,202)	(121,783)
Economic Develop.		-	-	-	-	-	-		2,433	2,433
CMHC Housing		-	-	-	-	-	-		(32,291)	(32,291)
TLE		-	-	-	-	-	-		22,109	22,109
Feller Buncher		-	-	-	-	-	-		54,229	54,229
Other									(280)	(280)
INVESTMENTS										
Band Trust Funds		-	429,945	429,945	286,513	143,432	(8,813)	(143,432)	8,813	-
CMHC Reserves		-	42,920	42,920	-	42,920	40,728	(42,920)	(40,728)	-
Investments		-	8,183,886	8,183,886	8,552,788	(368,902)	17,601	368,902	(223,627)	(206,026)
		-	9,846,192	9,846,192	10,086,154	(239,962)	8,201	317,274	(56,099)	29,414
		3,628,425	11,008,043	14,636,468	14,896,556	(260,088)	684,408	563,647	(1,025,823)	(68,960)