

WOODLAND CREE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 31, 2016

WOODLAND CREE FIRST NATION
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

- Page 1 Management's Responsibility for Financial Reporting
- Page 2 Auditors' Report
- Page 3 Consolidated Statement of Financial Position
- Page 4 Consolidated Statement of Operations and Accumulated Surplus
- Page 5 Consolidated Statement of Change in Net Financial Assets
- Page 6 Consolidated Statement of Cash Flows
- Page 7 Schedule of Total Expenses by Object
- Pages 8 to 19 Notes to the Financial Statement

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INDEPENDENT AUDITORS' REPORT

To the Chief and Council:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Woodland Cree First Nation, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows 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 in necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors's 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 auditor's judgment including the assessment of the risks of material misstatement on the consolidated 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 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 on 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 consolidated financial statements.

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

Basis for Qualified Opinion

The financial information for some of the government business enterprises and long term investments were not audited or complete. Since the earnings (losses) of these entities enters into the determination of the results from operations and valuations of investments shown in the financial statements of the Cree Nation, we were unable to determine whether adjustments might be necessary to investments in the nations business entities, earnings (loss) from investments in Cree Nation business entities, statements of revenue and expenses and surplus (deficit), and change in equity.

Qualified Opinion

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

Two Hills, Alberta
November 7, 2016

 John M. Beale, CPA, CMA

**WOODLAND CREE FIRST NATION
MARCH 31, 2016**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Woodland Cree First Nation and all the information in the annual report are the responsibility of management and have been approved by the Chief and Tribal Administrator on behalf of Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgements of management.

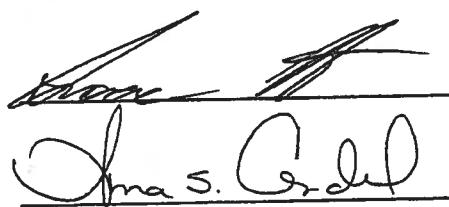
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Chief and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls and are ultimately responsible for reviewing and approving the consolidated financial statements.

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 to review the consolidated financial statements and the external auditors report.

The external auditor, John M. Beale, CPA, CMA, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Woodland Cree First Nation and meet when required.

On behalf of Woodland Cree First Nation:

A handwritten signature in black ink, appearing to read "Anna S. Grind", is written over a horizontal line. The signature is fluid and cursive, with "Anna S." on the top line and "Grind" on the bottom line.

November 7, 2016

WOODLAND CREE FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31, 2016

ASSETS

		<u>2016</u>	<u>2015</u>
Financial Assets			
Cash and cash equivalents (Note 2)	\$ 44,357	\$ 129,075	
Accounts receivable (Note 3)	1,025,633	953,492	
Investment in government business enterprises (Note 4)	2,274,218	2,562,439	
Long term investments (Note 5)	3,443,553	3,041,132	
Restricted cash and Investments (Note 6)	26,094,707	25,456,653	
Capital trust funds (Note 7)	24,916	24,916	
Revenue trust funds (Note 7)	<u>55,245</u>	<u>92,495</u>	
 Total financial assets	 <u>32,962,629</u>	 <u>32,260,202</u>	
 Liabilities			
Bank Indebtedness (Note 8)	1,067,105	1,345,645	
Accounts payable (Note 9)	2,807,083	2,819,139	
Deferred trust funds (Note 7)	80,161	117,411	
Contributions carried forward (Note 10)	401,613	623,129	
Long term debt (Note 11)	<u>7,473,007</u>	<u>3,520,145</u>	
 Total liabilities	 <u>11,828,969</u>	 <u>8,425,469</u>	
 Net financial assets	 <u>21,133,660</u>	 <u>23,834,733</u>	
 Non-financial assets			
Tangible capital assets (Note 13)	36,181,151	34,841,783	
Deposits and prepaid expenses	<u>270,945</u>	<u>333,478</u>	
 Total non-financial assets	 <u>36,452,096</u>	 <u>35,175,261</u>	
 Accumulated surplus	 <u>\$ 57,585,756</u>	 <u>\$ 59,009,994</u>	

(See accompanying notes)

APPROVED BY CHIEF AND COUNCIL:

APPROVED BY CHIEF AND COUNCIL.
George M. Walker, President
Faculty of the Law
John L. Johnson

WOODLAND CREE FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2016

Page 4

	<u>Budget</u> <u>2016</u>	<u>Actual</u> <u>2016</u>	<u>Actual</u> <u>2015</u>
Revenues			
KTC - Block	\$ 6,693,972	\$ 6,922,577	\$ 6,797,971
KTC - Fixed Contribution	-	658,398	115,030
KTC - Set Contribution	73,030	317,423	959,232
KTC - Flex Contribution	-	290,000	-
KTC - HRD	397,984	291,493	285,752
KTC - Treaty 8	-	39,148	39,969
Health Canada (FNIHB)	1,150,704	1,219,134	1,277,490
First Nation Development Fund	-	545,386	557,474
Province of Alberta	229,560	256,519	361,623
Canada Mortgage & Housing Corporation	220,000	101,003	181,584
Revenue Trust Funds	-	71,616	-
Rental Income	122,696	60,857	53,616
Lapsed Funding	-	(50,000)	-
Interest Income	-	1,371,951	1,052,099
Other Income	2,290,252	1,353,834	4,141,941
Insurance proceeds	-	-	136,009
Contributions carried forward from prior year	-	623,129	655,410
Contributions carried forward to next year	-	(401,614)	(623,129)
	<u>11,178,198</u>	<u>13,670,854</u>	<u>15,992,071</u>
Expenses			
Public Works	1,210,279	2,194,584	2,219,159
Housing	1,180,634	1,779,695	1,689,312
Health Services	1,230,812	1,410,826	1,456,805
Home Care	-	144,770	124,511
Human Resource Development	286,189	307,692	156,020
Education	3,265,784	4,279,698	3,740,276
Early Intervention	-	75,001	75,000
Social Assistance	1,689,140	1,095,255	1,312,756
Day Care	241,000	266,774	259,181
Administration	1,586,600	3,171,923	4,494,131
Economic Development	81,200	99,212	184,651
Lands Department	254,560	508,701	243,459
First Nation Development Fund	-	134,136	51
	<u>11,026,198</u>	<u>15,468,267</u>	<u>15,955,312</u>
Surplus (Deficit) from operations	152,000	(1,797,413)	36,759
Other income (expense)			
Income distribution from Woodland Cree First Nation Community Trust	-	676,081	553,373
Earnings (loss) from investments	-	402,421	(3,629)
Earnings (loss) from government business enterprises	-	(705,327)	(442)
Surplus (Deficit)	152,000	(1,424,238)	586,061
Accumulated surplus, beginning of year		59,009,994	58,423,933
Accumulated surplus, end of year		\$ 57,585,756	\$ 59,009,994

WOODLAND CREE FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2016

Page 5

	<u>Actual</u> <u>2016</u>	<u>Actual</u> <u>2015</u>
Surplus of revenue over expenses	\$ (1,424,238)	\$ 586,061
Acquisition of tangible capital assets	(2,651,694)	(3,838,834)
Amortization of tangible capital assets	<u>1,312,326</u>	<u>1,186,477</u>
	(2,763,606)	(2,066,296)
Change in deposits and prepaid expense	<u>62,533</u>	<u>(267,988)</u>
Change in net Financial Assets	(2,701,073)	(2,334,284)
Net financial assets at beginning of year	<u>23,834,733</u>	<u>26,169,017</u>
Net financial assets at end of year	\$ 21,133,660	\$ 23,834,733

WOODLAND CREE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

Page 6

	<u>Actual</u> <u>2016</u>	<u>Actual</u> <u>2015</u>
Operating activities		
Surplus of revenues over expenses	\$ (1,424,238)	\$ 586,061
Add items not affecting cash and cash equivalents		
Amortization of tangible capital assets	<u>1,312,326</u>	<u>1,186,477</u>
	(111,912)	1,772,538
Changes in non cash working capital		
(Increase) decrease in accounts receivable	(72,141)	1,173,248
(Increase) decrease in prepaid expenses	62,533	(267,988)
Increase (decrease) in accounts payable	(12,056)	52,468
Increase (Decrease) in contributions carried forward	<u>(221,516)</u>	<u>(32,281)</u>
Cash provided by (used in) operating activities	<u>(355,092)</u>	<u>2,697,985</u>
Financing activities		
Long term debt obtained	6,670,942	-
Reduction of Long Term Debt	<u>(2,718,080)</u>	<u>(896,742)</u>
	<u>3,952,862</u>	<u>(896,742)</u>
Capital activities		
Additions to tangible capital assets	<u>(2,651,694)</u>	<u>(3,838,834)</u>
Investing activities		
Decrease (Increase) in government business enterprises	288,221	(368,607)
Decrease (Increase) in long term investments	(402,421)	3,629
Decrease (Increase) in restricted investments	<u>(638,054)</u>	<u>(309,975)</u>
	<u>(752,254)</u>	<u>(674,953)</u>
Increase (decrease) in cash and cash equivalents	(193,822)	(2,712,544)
Cash and cash equivalents, beginning on year	<u>(1,216,570)</u>	<u>1,495,974</u>
Cash and cash equivalents, end of year	<u>\$ (1,022,748)</u>	<u>\$ (1,216,570)</u>

WOODLAND CREE FIRST NATION
SCHEDULE OF TOTAL EXPENSES BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2016

Page 7

	<u>Budget</u> <u>2016</u>	<u>Actual</u> <u>2016</u>	<u>Actual</u> <u>2015</u>
Salaries and benefits	\$ 5,020,189	\$ 6,032,066	\$ 6,281,786
Travel	222,869	851,203	873,337
Advertising	92,500	207,831	217,614
Automotive	32,100	13,490	6,784
Bad Debts	-	24,200	804,967
Consultants	85,000	281,910	99,960
Donations and sponsorship	157,500	328,641	478,864
Honorariums	-	-	60,300
Insurance	147,600	102,748	108,571
Interest and bank charges	129,796	428,295	275,868
Office and general	100,948	95,016	99,779
Professional fees	110,068	384,492	116,623
Rentals	78,560	117,525	238,374
Repair and maintenance	306,900	382,152	390,385
Subcontracts	921,500	1,275,267	1,381,639
Supplies and materials	680,361	544,547	444,668
Telephone and utilities	570,340	818,240	848,465
Workshops and training	293,241	399,566	334,565
Freight and delivery	-	3,000	1,905
Amortization	-	1,312,327	1,186,477
Direct program costs	<u>2,076,726</u>	<u>1,865,751</u>	<u>1,704,381</u>
	<u>\$ 11,026,198</u>	<u>\$ 15,468,267</u>	<u>\$ 15,955,312</u>

WOODLAND CREE FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

Nature of Operations

Woodland Cree First Nation is committed to developing an effective government structure to enhance the community services, culture, education, wellness and economic prosperity while retaining the Treaty Rights of the Woodland Cree First Nation members.

1. Significant Accounting Policies

Basis of accounting

The consolidated financial statements of the Woodland Cree First Nation have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Woodland Lake First Nation are as follows:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Woodland Cree First Nation reporting entity, and all related entities that are accountable to the Woodland Cree First Nation and are either owned or controlled by the Woodland Cree First Nation.

Woodland Cree First Nation business entities, owned or controlled by the Cree Nation but are not dependent on the Cree Nation for their continuing operations, are included in the financial statements using the modified equity method.

The modified equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

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

Government Business Enterprises consist of:

Woodland Cree Industries Ltd.

1024044 Alberta Ltd.

Woodland Cree Exploration Inc.

Woodland Cree Energy Inc.

(continued)

WOODLAND CREE FIRST NATIONNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 2016Cash and cash equivalents

Cash and cash equivalents consist of cash, cash account balances with financial institutions, and short term investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value. These short term investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short term cash commitments rather than for investing.

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.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributed to acquisition, construction, development or betterment of the asset. 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 payments discounted at the lower of the interest rate inherent in the lease contracts and the Woodland Cree First Nation's incremental cost of borrowing.

The cost less residual value, of the tangible capital asset is amortized on a straight line basis over the estimate useful life as follows:

Buildings	25-50 years
Automotive	10 years
Land Improvements	15-25 years
Engineering structures	30-75 years
Machinery and Equipment	3-20 years

One half the amortization is charged in the year of acquisition.

Assets under construction are not amortized until the asset is available for productive use.

(continued)

WOODLAND CREE FIRST NATIONNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2016

Tangible capital assets are written down when conditions indicate that they no longer contribute to Woodland Cree 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 revenue 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.

Employee benefit obligations

The Woodland Cree First Nation provides a defined contribution pension plan to all eligible members of its staff. Members are required to contribute 5% of their salary to November, 2015, and 2.5% commencing in December, 2015. Woodland Cree First Nation contributes a matching amount to the members contribution account. The amount of retirement benefit to be received by the employee will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. Woodland Cree First Nation contributed \$ 80,039 (2015 - \$53,273) during the year for retirement benefits. Woodland Cree First Nation does not have any other obligations with regards to the pension plan.

Revenue recognition

Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. 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 statements 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 recognize when the fee is earned or service performed.

(continued)

WOODLAND CREE FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2016

Trust Funds

First Nation trust funds are included as revenue in these statements only to the extent they have been received from the First Nations trust funds.

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 operation.

Measurement uncertainty

In preparing the consolidated financial statements for Woodland Cree 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.

Financial instruments

Woodland Cree First Nations's financial instruments consist of cash resources, investments, accounts receivable, trust funds, accounts payable, and long term debt. It is managements opinion that Woodland Cree First Nation is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values.

Segments

During 2016, the Woodland Cree First Nation had reportable segments in the form of departments as listed on the consolidated statement of revenue and expenses. These segments are differentiated by service lines and accountability and control relationships. Additional information on segment revenue and expenses can be found in Note 14.

2. Cash and cash equivalents

Cash and cash equivalents consist of current account balances with financial institutions.

(continued)

WOODLAND CREE FIRST NATIONNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
3. Accounts receivable		
Accounts receivable consist of:		
Kee Tas Kee Now Tribal Council	\$ 463,574	\$ 228,938
Other	1,902,447	2,118,559
First Nation Development Fund	217,751	137,195
Government of Canada	42,851	85,493
Canada Mortgage and Housing	140,181	62,778
Province of Alberta	<u>16,649</u>	<u>54,149</u>
	2,783,453	2,687,112
Allowance for Uncollectible	<u>(1,757,820)</u>	<u>(1,733,620)</u>
	<u>\$ 1,025,633</u>	<u>\$ 953,492</u>
4. Investment in Woodland Cree First Nation Owned enterprises		
	<u>2016</u>	<u>2015</u>
Woodland Cree Industries Ltd. - 100%		
Investment in Shares	\$ 1,265,100	\$ 1,265,100
Advances to (from)	3,648,984	3,244,630
Accumulated net Income (Loss)	<u>(2,975,966)</u>	<u>(2,059,289)</u>
	<u>1,938,118</u>	<u>2,450,441</u>
1024044 Alberta Ltd. - 100%		
Investment in Shares	\$ 100	\$ 100
Advances to (from)	336,870	111,570
Accumulated net Income (Loss)	<u>(1,724)</u>	<u>(301)</u>
	<u>335,246</u>	<u>111,369</u>
Woodland Cree Exploration Inc. - 100%		
Investment in Shares	\$ 500	\$ 500
Advances to (from)	225	-
Accumulated net Income (Loss)	<u>(221)</u>	<u>(221)</u>
	<u>504</u>	<u>279</u>
Woodland Cree Energy Inc. - 100%		
Investment in Shares	\$ 500	\$ 500
Accumulated net Income (Loss)	<u>(150)</u>	<u>(150)</u>
	<u>350</u>	<u>350</u>
	<u>\$ 2,274,218</u>	<u>\$ 2,562,439</u>

(continued)

WOODLAND CREE FIRST NATIONNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 20165. Long Term Investments

	<u>2016</u>	<u>2015</u>
Peace River Logging - 50%	\$ 3,443,553	\$ 3,101,098
Tuff Oilfield Services Ltd. - 50%	- \$ 3,443,553	(59,966) \$ 3,041,132

6. Restricted cash and investments

Restricted cash and investments is valued at cost. Market value at March 31, 2016 is \$27,834,758

Cash and investments maintained in the Investment fund, have the following restrictions placed on them:

- a) No funds shall be withdrawn from the Capital Account except in accordance with the procedures specified in the banking agreement,
- b) Funds may be invested in any type of investment specified in the banking agreement and detailed in schedule 1 of that agreement,
- c) No funds may either directly or indirectly be used for a per capita distribution for Band members,
- d) Thirty five percent (35%) of the interest or income earned from the investment of the Capital account as of December 31 of each calendar year shall be retained in the Capital Account.
- e) Thirty three and one third percent (33 1/3%) of the funds in the Capital Account at any time may be expended or invested for any other purpose on the condition that such expenditures or investment be approved by eighty percent (80%) of the members of the band who are eligible to vote in a referendum as set out in the banking agreement. Only one (1) such referendum may be held in any calendar year.

7. Trust funds

Trust fund accounts arise from money 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 Section 63 to 69 of the Indian Act.

(continued)

WOODLAND CREE FIRST NATIONNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 2016CAPITAL ACCOUNT

	<u>2016</u>	<u>2015</u>
BALANCE, beginning of year	\$ 24,916	\$ 24,916
Receipts during the year	-	-
Payments to the Cree Nation during the year	-	-
BALANCE, end of year	\$ 24,916	\$ 24,916

REVENUE ACCOUNT

BALANCE, beginning of year	\$ 92,495	\$ 59,423
Receipts during the year	34,366	33,072
Payments to the Band during the year	(71,616)	-
BALANCE, end of year	\$ 55,245	\$ 92,495

BALANCE, end of year is comprised of:

Capital account	\$ 24,916	\$ 24,916
Revenue account	55,245	92,495
	<u>\$ 80,161</u>	<u>\$ 117,411</u>

8. Bank indebtedness

The Woodland Cree First Nation has an authorized line of credit of \$400,000 carrying an interest rate of prime plus 2%. (Currently 5.75%). Amounts over the line of credit limit carry an interest rate of 24%. A bank loan for \$5,500,000 was approved before the year end, but only \$3,670,942 was disbursed to the First Nation before the year end. (Note 11)

9. Accounts payable

Accounts payable consists of:

Trade payable	\$ 1,976,957	\$ 1,750,653
Government of Canada	550,617	719,841
Accrued salaries and benefits	223,719	213,910
Interest	48,612	28,192
Pension Plan	7,178	106,545
	<u>\$ 2,807,083</u>	<u>\$ 2,819,141</u>

(continued)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED MARCH 31, 2016**10. Contributions carried forward**

Contributions carried forward represents monies received for projects to be completed in the future for the following:

	Balance March 31 2015	Funding Received 2016	Revenue Recognized 2016	Balance March 31 2016
First nation Development Fund	\$ 401,930	\$ 545,386	\$ 947,316	\$ -
Canada Mortgage and Housing	36,008	-	-	136,008
KTC - Targeted				
FNWWAP - Wastewater	-	290,000	24,395	265,605
Energy Efficiency Init	50,000	(50,000)	-	-
Water O&M	20,191	417,767	437,958	-
Wastewater	15,000	45,854	60,854	-
	\$ 623,129	\$ 1,249,007	\$ 1,470,523	\$ 401,613

11. Long term debt2016 2015

Long Term Debt payable consist of the following:

CMHC mortgage bearing interest at 0.94% per annum, repayable at \$893.60 per month including interest, renewable September 2020, secured by a ministerial guarantee, for the purpose of housing. Due May 1, 2025.

\$ 94,151 \$ 103,508

CMHC mortgage bearing interest at 1.80% per annum, repayable at \$911.73 per month including interest, renewable October 2016, secured by a ministerial guarantee, for the purpose of housing. Due July 1, 2026.

103,127 112,126

CMHC mortgage bearing interest at 1.92% per annum, repayable at \$849.24 per month including interest, renewable April, 2019, secured by a ministerial guarantee, for the purpose of housing. Due March 1, 2029.

118,067 125,079

CMHC mortgage bearing interest at 1.71% per annum, repayable at \$1,437.59 per month including interest, renewable September, 2017, secured by a ministerial guarantee, for the purpose of housing. Due August 1, 2032.

246,897 259,811

(continued)

WOODLAND CREE FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2016

CMHC mortgage bearing interest at 1.71% per annum, repayable at \$5,333.25 per month including interest, renewable September, 2017, secured by a ministerial guarantee, for the purpose of housing. Due August 1, 2027. 663,514 715,696

PHT commercial loan bearing interest at 4.75% per annum, repayable at \$335,907 annually including interest due 2018. Secured by income earned on investments of funds held by Woodland Cree First Nation Development Trust

PHT commercial loan bearing interest at 6.00% per annum, repayable at \$538,992 annually including interest due in 2022 Secured by income earned on restricted investments.

2-576-309

PHT commercial loan bearing interest at 4.25% per annum, repayable at \$501,652.28 annually including interest due 2030. Secured by income earned by Woodland Cree First Nation Community Development Trust. This loan for \$5,500,000, but only \$3,670,942 was disbursed to the First Nation by March 31, 2016.

3,670,942

\$ 7,473,007 \$ 3,520,145

Future payments on principle:

2017	744,673
2018	780,405
2019	817,980
2020	857,508
2021	899,172

Interest expense for the year 248,902 193,193

12. Economic dependence

The Woodland Cree First Nation receives a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

(continued)

WOODLAND CREE FIRST NATION
NOTE 13 - TANGIBLE CAPITAL ASSETS
For the Year Ended March 31, 2016

Page 17

	Buildings	Land	Engineering Structures	Machinery Equipment	Vehicles	Under Construction	2016	2016
COST:								
BALANCE, Beginning of Year	42,634,035	433,560	7,170,446	276,064	414,594	3,127,500	54,056,199	50,217,365
Acquisition of tangible capital assets	27,231	-	-	867,000	121,692	1,635,771	2,651,694	3,838,834
Transfers	3,724,540	-	-	-	-	(3,724,540)	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-	-
BALANCE, End of Year	46,395,806	433,560	7,170,446	1,143,064	536,286	1,038,731	56,707,893	54,056,199
ACCUMULATED AMORTIZATION:								
BALANCE, Beginning of Year	15,799,141	180,562	2,612,464	276,064	346,185	-	19,214,416	18,027,939
Annual Amortization	927,110	28,903	278,541	43,350	34,422	-	1,312,326	1,186,477
Write Off	-	-	-	-	-	-	-	-
Accumulated Amortization on disposals	-	-	-	-	-	-	-	-
BALANCE, End of Year	16,776,251	209,465	2,891,005	319,414	380,607	-	20,526,742	19,214,416
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	29,699,555	224,095	4,279,441	823,650	155,679	1,038,731	36,181,151	34,841,783
2015 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS (restated)	26,834,894	257,998	4,557,982	-	68,409	3,127,500	-	34,841,783

WOODLAND CREE FIRST NATION
Note 14 - SEGMENTED INFORMATION
FOR THE YEAR ENDED MARCH 31, 2015

Page 18

Program	KTC Revenue	Carryforward from prior/ Funds to next year	Trust Funds	Other	Total Revenue	Total Expenses	Transfers	Current Year Surplus (Deficit)	Current Year Budget	Prior Year Surplus (Deficit)
Public Works	1,414,234	-	(180,414)	23,302	1,257,122	2,194,584	274,638	(662,824)	-	(104,481)
Housing	420,165	-	25,994	446,159	1,737,344	274,638	(1,016,547)	-	-	(983)
CMHC Housing	-	83,616	93,616	-	42,351	-	51,285	152,000	152,000	53,422
	1,834,399	-	(180,414)	142,912	1,798,887	3,974,276	549,276	(1,628,108)	152,000	(52,052)
Health Centre	-	-	1,227,283	1,227,283	1,410,826	-	-	(183,533)	-	(100,353)
Home Care	126,794	-	731	127,525	144,770	-	(17,246)	-	-	-
	126,794	-	1,228,024	1,354,818	1,535,588	-	(206,773)	-	-	(100,353)
Human Resources Development	-	-	393,745	393,745	307,682	(121,572)	(121,572)	(36,519)	-	(980)
	-	-	393,745	393,745	307,682	(121,572)	(121,572)	(36,519)	-	(980)
Education	3,275,854	-	-	76,799	3,351,653	3,790,679	-	(439,026)	-	290,645
Post Secondary	370,113	-	-	62,518	432,631	489,019	-	(56,388)	-	9,387
Early Intervention	3,645,987	-	-	-	-	78,001	29,749	(45,252)	-	-
	3,645,987	-	-	138,317	3,784,284	4,354,699	29,749	(54,088)	-	300,012
Social Assistance	1,735,128	-	-	4,337	1,739,485	1,095,255	(645,508)	(1,298)	-	6,338
Day Care	1,735,128	-	-	11,854	11,854	288,774	217,804	(37,118)	-	(31,325)
	1,735,128	-	-	16,191	1,751,319	1,382,029	(427,704)	(38,414)	-	(24,987)
Administration	706,539	71,616	-	1,372,855	2,151,010	1,527,781	(623,229)	-	-	(375,221)
Governance	-	-	-	-	-	888,014	868,014	-	-	-
Special Services	706,539	71,616	-	1,050,682	1,050,682	776,128	(274,534)	-	-	(375,221)
	706,539	71,616	-	2,423,317	3,201,672	3,171,923	(28,749)	-	-	(375,221)
Economic Development	86,184	-	-	-	86,184	88,212	-	(13,028)	-	-
Lands Department	53,387	-	-	-	364,588	508,701	-	(154,105)	-	-
FNDF	-	-	401,930	545,409	947,339	134,126	-	813,203	290,020	-
	139,571	-	401,930	848,818	1,388,119	742,046	-	846,070	290,020	-
Total	8,188,398	71,616	221,516	5,188,324	13,670,854	15,469,287	-	(1,797,413)	152,000	38,759

WOODLAND CREE FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2016

15. Financial Instruments

Woodland Cree First Nations's financial instruments consist of cash resources, investments, accounts receivable, trust funds, accounts payable, and long term debt. It is managements opinion that Woodland Cree First Nation is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values.

16. Contingent liabilities

Four statements of claim have been filed against the First Nation for breach of contract. At present, the outcome is not determinable. The amount of an future settlement would be accounted for as a current transaction in the year of the settlement.

The first nation has filed two claims for breach of contract. At present, the outcome is not determinable. The amount of an future settlement would be accounted for as a current transaction in the year of the settlement.

The first nation has filed a claim for damages of an environmental nature. At present, the outcome is not determinable. The amount of an future settlement would be accounted for as a current transaction in the year of the settlement.

17. Canada Mortgage and Housing Corporation

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the Woodland Cree 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 replacement reserve fund. The balance of funds to be set aside as of March 31, 2016 amount to \$238,149. Subsequent to the year end the reconstruction of three CMHC units was commenced.

18. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approve by management.

19. Comparative figures

Some of the comparative figures have been reclassified to compare with the current financial statement presentation.

20. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and Management.

