

West Moberly First Nations
Consolidated Financial Statements
March 31, 2016

West Moberly First Nations

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the West Moberly First Nations are the responsibility of management and have been approved by the Chief and Council.

The 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 judgement. 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.

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

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

The financial statements have been audited by Doyle & Company in accordance with Canadian auditing standards on behalf of the members. Doyle & Company have full and free access to the Council.

Original Signed By: Chief

Original Signed By: Councillor

Original Signed By: Councillor

Original Signed By: Councillor

Allan J. Grykuliak, C.A.*
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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 the **West Moberly First Nations**, which comprise the statement of financial position as at March 31, 2016 and the statements of financial activities, change in net financial assets, statement of cash flows, tangible capital assets and statement of expenditures by object 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor'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 auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 entity's preparations 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 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.

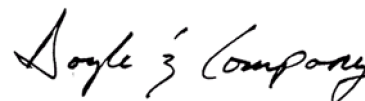
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the West Moberly First Nations as at March 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

August 17, 2016

Edmonton, Alberta



Chartered Accountants

West Moberly First Nations
Consolidated Statement of Financial Position
As at March 31, 2016

	2016	2015 (Restated)
	\$	\$
FINANCIAL ASSETS		
Cash	2,886,598	2,520,084
Restricted cash (Note 3)	384,017	394,927
Investments (Note 4)	2,405,359	2,388,043
Accounts receivable (Note 5)	1,202,170	1,563,712
Promissory note (Note 6)	119,868	100,000
Investment in First Nation Controlled Entities (Note 7)	4,544,949	3,237,618
	11,542,961	10,204,384
LIABILITIES		
Accounts payable (Note 8)	700,315	629,549
Deferred revenue (Note 9)	2,287,453	3,364,058
Treaty loan payable (Note 10)	3,244,310	3,244,310
Long-term liabilities (Note 11)	3,469,129	3,708,138
Obligations under capital lease (Note 12)	407,094	346,500
Replacement reserve (Note 13)	555,888	527,387
	10,664,189	11,819,942
NET FINANCIAL ASSETS (DEBT)	878,772	(1,615,558)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	9,781,418	7,445,055
Inventory for consumption	39,979	37,454
Prepaid expenses	12,810	29,033
	9,834,207	7,511,542
ACCUMULATED SURPLUS (Schedule 1 and Note 18)	10,712,979	5,895,984

Approved by the First Nations:

Original Signed By: Chief

Original Signed By: Councillor

Original Signed By: Councillor

Original Signed By: Councillor

The accompanying notes form part of these financial statements.

West Moberly First Nations
Consolidated Statement of Financial Activities
For the year ended March 31, 2016

	2016 Budgets	2016 Actual	2015 Actual (Restated)
	\$	\$	\$
REVENUE			
Indigenous and Northern Affairs Canada	4,178,964	1,018,614	1,142,365
Health Canada	333,308	339,506	504,548
Canada Mortgage and Housing Corporation	-	94,491	96,922
Treaty 8 Heritage Trust	400,000	400,000	400,000
Oil and Gas Commission	720,000	1,020,813	545,826
Industrial contacts	756,951	4,119,263	4,601,652
Interest income	-	94,411	112,299
Other revenue	1,143,749	3,649,444	2,728,897
Revenue deferred from previous period	-	3,364,058	2,604,022
Revenue deferred to subsequent period	-	(2,287,453)	(3,364,058)
	7,532,972	11,813,147	9,372,473
EXPENDITURES			
Administration	1,091,691	1,096,002	1,160,327
Capital Projects	38,000	66,313	28,967
Chief and Council	2,010,000	2,056,569	1,723,048
Community Operations	370,475	338,627	434,170
Culture	159,105	69,676	10,641
Dakki Centre	185,500	228,226	230,548
Dunne-za Lodge	56,950	41,881	52,259
Economic Development	445,811	409,246	201,871
Education	360,980	347,647	288,328
Health - FNHA	299,837	350,427	330,203
Health - Other	-	141,509	93,078
Housing	418,692	162,142	276,450
Lands	2,829,500	3,095,982	2,510,966
Social Development	206,717	134,712	168,514
Specific Claims	-	199,088	394,380
Specific Claims - Western Boundary	-	109,284	52,345
0944996 BC Ltd - Golf Course	-	428,334	188,094
West Moberly First Nation Holdings Inc.	-	1,027,959	553,370
	8,473,258	10,303,624	8,697,559
EXCESS OF REVENUE OVER EXPENDITURES			
Before Other Revenue (Expenditures)	(940,286)	1,509,523	674,914
OTHER REVENUE (EXPENDITURES)			
Capital funding			
Indigenous and Northern Affairs Canada	-	2,870,000	-
Amortization	-	(413,738)	(321,001)
	-	2,456,262	(321,001)
EXCESS OF REVENUE OVER EXPENDITURES	(940,286)	3,965,785	353,913

The accompanying notes form part of these financial statements.

West Moberly First Nations
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2016

	2016	2015 (Restated)
	\$	\$
EXCESS OF REVENUES OVER EXPENDITURES	4,816,995	220,600
Acquisition of tangible capital assets	(2,750,101)	(371,874)
Amortization of tangible capital assets	413,738	321,001
Advances to controlled entities	-	172,192
	(2,336,363)	121,319
Acquisition of supplies inventories	(39,979)	37,454
Acquisition of prepaid assets	(12,810)	(29,033)
Use of supplies inventories	37,454	35,693
Use of prepaid assets	29,033	4,057
	13,698	48,171
INCREASE IN NET FINANCIAL ASSETS	2,494,330	390,090
NET FINANCIAL DEBT, BEGINNING OF YEAR	(1,615,558)	(2,005,648)
NET FINANCIAL ASSETS (DEBT), END OF YEAR	878,772	(1,615,558)

The accompanying notes form part of these financial statements.

West Moberly First Nations
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015 (Restated)
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and other income	13,968,084	10,138,401
Cash paid to suppliers and employees	(10,166,120)	(7,805,861)
	3,801,964	2,332,540
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to business entities	(459,477)	(1,032,153)
Increase in investments	(17,316)	(25,595)
Increase in replacement reserve	28,501	-
Increase in trust funds	10,910	-
Issuance of promissory note	(19,868)	(100,000)
Purchase of capital assets	(2,750,101)	(371,874)
	(3,207,351)	(1,529,622)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of capital lease obligation	(60,594)	(58,701)
Proceeds from treaty loans payable	-	321,000
Long-term liabilities repaid	(178,415)	(212,342)
	(239,009)	49,957
INCREASE IN CASH DURING THE YEAR	355,604	852,875
CASH, Beginning of Year	2,915,011	2,062,136
CASH, End of Year	3,270,615	2,915,011
Cash is represented by:		
Cash	2,886,598	2,520,084
Restricted cash (Note 3)	384,017	394,927
	3,270,615	2,915,011

The accompanying notes form part of these financial statements.

West Moberly First Nations
Schedule of Changes in Accumulated Surplus - Schedule 1
For the year ended March 31, 2016

	Unrestricted Surplus \$	Equity in Tangible Capital Assets \$	Equity in Enterprise Fund \$	Equity in Trust Funds \$	2016 \$	2015 (Restated) \$
BALANCE, Beginning of Year	(736,921)	3,354,393	3,237,619	40,893	5,895,984	5,675,384
Excess of revenue over expenditures	3,965,785	-	847,853	3,357	4,816,995	220,600
Current years funds advanced to subsidiaries	(459,476)	-	459,476	-	-	-
Current years funds used for tangible capital assets	(2,750,101)	2,750,101	-	-	-	-
Annual amortization expense	413,738	(413,738)	-	-	-	-
Long-term liabilities obtained	178,364	(178,364)	-	-	-	-
Long-term liabilities repaid	(358,524)	358,524	-	-	-	-
Equity transfer	(34,279)	34,279	-	-	-	-
Change in accumulated surplus	955,507	2,550,802	1,307,329	3,357	4,816,995	220,600
BALANCE, End of Year	218,586	5,905,195	4,544,948	44,250	10,712,979	5,895,984

The accompanying notes form part of these financial statements.

West Moberly First Nations
Consolidated Statement of Tangible Capital Assets - Schedule 2
For the year ended March 31, 2016

	Land	Capital Lease	Automotive	Buildings	Computers	Equipment	2016 \$	2015 \$
COST:								
Balance, Beginning of Year	1,741,894	613,811	427,866	6,852,975	88,030	953,619	10,678,195	10,306,320
Acquisition of tangible capital assets	-	178,364	67,500	2,449,027	14,996	40,214	2,750,101	371,875
Balance, End of Year	1,741,894	792,175	495,366	9,302,002	103,026	993,833	13,428,296	10,678,195
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	62,683	323,151	2,191,135	87,922	568,249	3,233,140	2,912,139
Annual amortization	-	54,998	29,965	229,934	8,251	90,590	413,738	321,001
Balance, End of Year	-	117,681	353,116	2,421,069	96,173	658,839	3,646,878	3,233,140
NET BOOK VALUE	1,741,894	674,494	142,250	6,880,933	6,853	334,994	9,781,418	7,445,055

The accompanying notes form part of these financial statements.

West Moberly First Nations
Consolidated Statement of Financial Activities by Program - Schedule 3
For the year ended March 31, 2016

	INAC	Other	2016		2015
	Revenue	Revenue	Total	Total	Surplus
	\$	\$	Revenue	Expenditures	(Deficit)
			\$	\$	\$
Administration	273,444	451,845	725,289	1,096,002	(370,713)
0944996 BC Ltd - Golf Course	-	140,364	140,364	428,334	(287,970)
West Moberly First Nation Holdings Inc.	-	531,651	531,651	1,027,959	(496,308)
Capital Projects	2,936,313	(420,973)	2,515,340	66,313	2,449,027
Chief and Council	-	3,539,147	3,539,147	2,056,569	1,482,578
Community Operations	307,763	15,629	323,392	338,627	(15,235)
Culture	-	18,487	18,487	69,676	(51,189)
Dakii Centre	-	184,323	184,323	228,226	(43,903)
Dunne-za Lodge	-	77,280	77,280	41,881	35,399
Economic Development	142,311	299,041	441,352	409,246	32,106
Education	130,733	187,748	318,481	347,647	(29,166)
Health - FNHA	-	312,881	312,881	350,427	(37,546)
Health - Other	-	125,516	125,516	141,509	(15,993)
Housing	-	344,467	344,467	162,142	182,325
Lands	-	4,886,542	4,886,542	3,095,982	1,790,560
Social Development	98,050	585	98,635	134,712	(36,077)
Specific Claims - Treaty Land Entitlement	-	-	-	148,932	(148,932)
Specific Claims - Agriculture	-	-	-	37,605	(37,605)
Specific Claims - Trapline	-	-	-	12,551	(12,551)
Specific Claims - Western Boundary	-	100,000	100,000	109,284	(9,284)
	3,888,614	10,794,533	14,683,147	10,303,624	4,379,523
					774,914

The accompanying notes form part of these financial statements.

West Moberly First Nations

Consolidated Statement of Expenditures by Object - Schedule 4

For the year ended March 31, 2016

	2016	2015
	\$	\$
EXPENDITURES		
Advertising	12,550	12,314
Bad debts	326,343	76,461
Bank charges and penalties	162,088	12,786
Concession purchases	49,918	65,714
Christmas	145,625	121,082
Donations	8,855	12,995
Freight	6,718	68,811
Honorarium	291,629	272,643
Insurance	126,268	112,335
Meetings	11,513	44,112
Office	288,260	247,294
Professional and contract fees	3,672,565	3,339,177
Program costs	543,835	-
Property taxes	10,847	-
Rental	154,903	81,490
Repairs and maintenance	225,703	195,264
Supplies	181,858	310,190
Training	63,614	21,138
Travel	276,587	342,497
Utilities	107,408	106,985
Vehicle	297,190	181,944
Wages and employee benefits	3,339,347	3,072,327
TOTAL EXPENDITURES	10,303,624	8,697,559

The accompanying notes form part of these financial statements.

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2016

NATURE OF OPERATIONS

West Moberly First Nations provides local government, education and social development services to its members and was established under the Indian Act (Canada)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements include the assets, liabilities, and results of operations of West Moberly First Nations (the "First Nation") and all related entities and organizations subject to control by Chief and Council. No inclusion has been made of assets, liabilities, revenues or expenses of First Nations members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of Chief and Council.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government, as established by the Public Sector Accounting and Audit Boards ("PSAB"), which encompasses the following principles:

(a) Fund Accounting

The West Moberly First Nations uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the financial statements. Details of the operations of each fund are set out in the supplementary schedules. The West Moberly First Nations maintains the following funds:

- The Operating Fund which reports the general activities of the First Nations Administration.
- The Capital Asset Fund which reports the capital assets of the First Nations, together with their related financing.
- The Enterprise Fund which reports the investment made in controlled entities.
- The Trust Fund which reports on trust funds owned by the First Nations and held by third parties.

(b) Reporting Entity and Principles of Financial Reporting

The West Moberly First Nations reporting entity includes the West Moberly First Nations government and all related entities which are accountable to the First Nations and are either owned, controlled or have significant influence by the First Nations and which are not dependent on the First Nations for their continuing operations are included in the summary financial statements using the modified equity method. These include:

- Dunne-za Economic Development Corporation
- Dunne-za Ventures Limited Partnership
- West Moberly First Nations Holdings Inc.
- West Moberly First Nations Investments Inc.
- West Moberly Indigiinet Internet Service Inc.
- 5 Star Energy Services Inc.
- Black Diamond Cygnus Limited Partnership
- Three Nations Ventures
- Six Nations Ventures

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

(b) Reporting Entity and Principles of Financial Reporting - continued

Two other Government Organizations, which are controlled by the First Nation, are included in the financial statements using the consolidation method. Under the consolidation method, the assets, liabilities, revenue and expenses of the those organizations have been consolidated and all inter-company balances have been eliminated on consolidation. Those Organizations are:

- West Moberly First Nation Holdings Inc.
- 0924958 B.C. Ltd.

(c) Revenue Recognition

Government transfers and grant revenue are recognized as the First Nations becomes entitled to the funding under the terms of applicable funding agreements and are recorded in the period in which the recourses are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

Other revenue, including rent and lease revenue, sales of goods and provision of services are recognized in the period the goods or services are provided and the related proceeds are received or receivable.

(d) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

(e) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a declining balance basis over the estimated useful life as follows:

	Years
Automotive	3-10
Buildings	25-50
Computers	3-5
Equipment	5-20

Annual amortization is charged in the year of acquisition and not in the year of disposal.

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

(f) Investments

Investments are recorded at the lower of cost and fair market value.

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

(g) Inventory Valuation

Inventories are valued at the lower of cost and net realizable value on a first-in first-out basis.

(h) Trust Funds

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

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

(i) Financial Instruments

The Nation's financial instruments consist of cash, accounts receivable, investments, trust funds, accounts payable, deferred revenue and long-term liabilities. Unless otherwise noted, it is management's opinion that the Nation is not exposed to significant market or currency risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Credit Risk

The Nation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations.

Interest Rate Risk

The Nation is exposed to risk that the fair value of financial instruments or future cash flows associated with the instrument will fluctuate due to changes in market interest rates.

(j) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. ECONOMIC DEPENDENCE

The West Moberly First Nations receives a major portion of its revenues pursuant to a funding arrangement with Indigenous and Northern Affairs Canada.

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2016

3. RESTRICTED CASH

	2016 \$	2015 \$
Trust Funds		
Band Capital	2,789	2,789
Band Revenue	38,946	38,104
Canada Mortgage and Housing Corporation	342,282	354,034
	384,017	394,927

4. INVESTMENTS

	2016 \$	2015 \$
Guaranteed investment certificate #1	1,501,794	2,388,043
Guaranteed investment certificate #2	903,565	-
	2,405,359	2,388,043

Guaranteed investment certificate #1 matures on April 21, 2016 and earns interest at 0.59%.

Guaranteed investment certificate #2 matures on January 20, 2017 and earns interest at 0.63%.

5. ACCOUNTS RECEIVABLE

	2016 \$	2015 \$
Indigenous and Northern Affairs Canada	6,631	17,185
Canada Mortgage and Housing Corporation	-	48,461
Industrial Agreements	389,216	991,447
Members	283,803	230,569
GST	203,910	166,670
Other	318,610	109,380
	1,202,170	1,563,712

6. PROMISSORY NOTE

A promissory note of \$119,868 was issued to a company owned by a member of West Moberly First Nations. The promissory note is secured by a mortgage over property owned by the member, bearing interest at 5.0%. There are no fixed terms of repayment.

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2016

7. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES

	2016 \$	2015 \$
Dunne-za Economic Development Corporation - 100% interest		
Shares	100	100
Accumulated deficit in earnings	(100)	(100)
	-	-
Dunne-za Ventures Limited Partnership - 99.9% interest		
Units	999	999
Advances	891,178	816,178
Accumulated deficit in earnings	(142,137)	(817,177)
	750,040	-
Black Diamond Cygnus Limited Partnership - 50% interest		
Units	500	500
Advances	(500)	(500)
Accumulated surplus in earnings	1,356,000	996,606
	1,356,000	996,606
West Moberly First Nations Investments Inc. - 100% interest		
Shares	100	100
Advances	1,093,578	819,426
Accumulated deficit in earnings	(133,261)	(19,516)
	960,417	800,010
West Moberly Indigiinet Internet Service Inc. - 50% interest		
Shares	10	10
Advances	248,997	248,997
Accumulated deficit in earnings	(113,669)	(98,570)
	135,338	150,437
EBA Developments Limited Partnership - 33% interest		
Investment in shares - cost	266,667	266,667
Advances	(53,247)	(19,585)
	213,420	247,082
5 Star Energy Services Inc. - 50% interest		
Investment in shares - cost	50	50
Accumulated surplus in earnings	(50)	(50)
	-	-

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2016

7. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES - continued

Three Nations Ventures Limited Partnership - 33.3% interest

Accumulated surplus in earnings	203,687	131,596
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Six Nations Ventures Limited Partnership - 16.67% interest

Accumulated equity in earnings	401,189	367,590
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Twin Sisters Native Plants Nursery Limited Partnership - 49.9% interest

Units	10	10
Advances	287,681	287,681
Accumulated equity in earnings	237,167	256,606

	524,858	544,297
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Total investment in controlled entities	4,544,949	3,237,618
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Financial information for each of the entities for their respective 2015/2016 year-ends are as follows:

	Assets	Liabilities	Revenues	Net Earnings (Loss)
	\$	\$	\$	\$
Dunne-za Ventures LP (99.9%)	1,445,483	1,586,499	2,612,801	1,710,216
Black Diamond West Moberly LP (50%)	1,671,000	312,500	13,492,000	362,000
West Moberly Holdings Inc. (100%)	2,437,594	6,965,222	531,651	(578,630)
West Moberly Investment (100%)	2,775,802	2,908,963	420,424	(113,744)
0944996 BC Ltd. (100%)	68,262	1,016,250	140,364	(289,882)
WM Indigiinet Internet Service Inc. (50%)	72,030	32,438	25,827	(15,099)
Three Nations Ventures (33%)	209,207	5,520	668,776	73,551
Six Nations Ventures Inc. (16%)	415,950	14,761	82,311	8,130
EBA Developments Limited Partnership (33%)	213,520	-	6,691	(6,644)
Twin Sisters Native Plants Nursery GP(49.9%)	508,838	195,212	296,834	56,576

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016 \$	2015 \$
Trade	691,336	619,882
Canada Revenue Agency - source deductions	8,979	9,667
	700,315	629,549

West Moberly First Nations
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9. DEFERRED REVENUE

	2016	2015
	\$	\$
Indigenous and Northern Affairs Canada	480,732	59,759
First Nations Health Authority	660,490	639,315
Province of British Columbia	60,146	-
Treaty 8 Tribal Association	-	94,986
Other - Industrial Agreements	1,086,085	2,569,998
	2,287,453	3,364,058

10. TREATY LOAN PAYABLE - INDIGENOUS AND NORTHERN AFFAIRS CANADA

The promissory note due to Indigenous and Northern Affairs Canada is \$3,244,310 (2015 -\$3,244,310) and is repayable on the earlier of March 31, 2018 or the date on which the claim is settled. The promissory note is interest free unless the First Nation defaults or the loan reaches maturity.

11. LONG-TERM LIABILITIES

	2016	2015
	\$	\$
CIBC Mortgage, secured by buildings and ministerial guarantee of the Minister of Indigenous and Northern Affairs Canada, repayable in monthly instalments of \$495 including interest charged at 6.7%.	41,759	43,906
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous and Northern Affairs Canada, repayable in monthly instalments of \$1,825 including interest charged at 1.67%.	184,767	203,448
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous and Northern Affairs Canada, repayable in monthly instalments of \$1,995 including interest charged at 1.67%.	160,107	181,222
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous and Northern Affairs Canada, repayable in monthly instalments of \$1,419 including interest charged at 2.63%.	153,286	166,149
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous and Northern Affairs Canada, repayable in monthly instalments of \$1,182 plus interest charged at 1.12%.	241,091	252,524
All Nations Trust Company loan, secured by buildings and ministerial guarantee of the Minister of Indigenous and Northern Affairs Canada, repayable in monthly instalments of \$3,944 including interest charged at 1.82%.	812,765	845,078

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11. LONG-TERM LIABILITIES - continued

Bank of Nova Scotia loan, secured by buildings and ministerial guarantee of the Minister of Indigenous and Northern Affairs Canada, repayable in monthly instalments of \$1,819 including interest charged at 3.39%.	204,703	219,377
Bank of Nova Scotia loan, secured by buildings and ministerial guarantee of the Minister of Aboriginal Affairs and Northern Development Canada, repayable in monthly instalments of \$1,403 including interest charged at 3.39%.	158,228	169,922
Bank of Nova Scotia loan, secured by buildings and ministerial guarantee of the Minister of Indigenous and Northern Affairs Canada, repayable in monthly instalments of \$345 including interest charged at 3.39%.	41,939	44,698
Bank of Nova Scotia loan, secured by equipment, with a net book value of \$98,934, repayable in monthly instalments of \$5,833 including interest charged at 1.25%.	23,333	93,333
Bank of Nova Scotia loan, buildings and ministerial guarantee of the Minister of Indigenous and Northern Affairs Canada, repayable in monthly instalments of \$1,802 including interest charged at 4.34%.	305,381	313,656
Farm Credit Canada, loans secured by first mortgage over property with a net book value of \$1,729,500, repayable in annual installments of \$102,876 including interest of 3.7% maturing 2028 to 2032.	1,141,770	1,174,825
	3,469,129	3,708,138
Less current portion of long-term liabilities	222,563	295,978
	3,246,566	3,412,160

Future principal repayments on long-term liabilities are estimated as follows:

	\$
2017	222,563
2018	205,040
2019	211,048
2020	217,262
Thereafter	2,613,216
	3,469,129

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12. CAPITAL LEASES

	2016			2015	
	Total	Deferred Finance	Current Portion	Long-Term Portion	Long-Term Portion
	\$	\$	\$	\$	\$
John Deere Credit Inc. #1	140,969	12,373	24,038	104,558	-
John Deere Credit Inc. #2	47,373	4,344	9,293	33,736	-
Roynat Inc.	216,843	11,762	109,173	95,908	205,084
DLL Financial Services	31,350	962	30,388	-	30,945
	436,535	29,441	172,892	234,202	236,029

John Deere Credit Inc. #1, secured by equipment, with a net book value of \$109,307, repayable only between May to October in six instalments of \$4,699 including interest charged at 3.34% maturing November 10, 2020.

John Deere Credit Inc. #2, secured by equipment, with a net book value of \$42,302, repayable only between May to October in six instalments of \$1,822 including interest charged at 3.95% maturing July 10, 2020.

Roynat Inc., secured by equipment, with a net book value of \$491,891, repayable in monthly instalments of \$9,864 including interest charged at 5.91% maturing December 31, 2017.

DLL Financial Services, secured by equipment, with a net book value of \$30,993, repayable only between April and September in six instalments of \$1,620 including interest charged at 3.36% maturing September 1, 2016.

Future repayments on capital leases are estimated as follows:

	\$
2017	188,844
2018	137,601
2019	39,126
2020	39,126
2021	31,838
	436,535

13. REPLACEMENT RESERVE

Under the terms of the agreement with CMHC, the First Nations is required to make annual deposits equal to required contributions to a replacement reserve account. These funds, along with accumulating interest, are to be held in a separate bank account. The funds in this account may only be used as approved by CMHC. Withdraws are credited to accumulated interest first and then principal.

Under agreements with CMHC, the First Nations may also establish an operating reserve to fund the ongoing operating costs of the rental housing project financed by CMHC. Required contributions to the operating reserve are equal to the amount by which revenues for the year from the CMHC rental housing project exceed all costs and expenditures incurred during the year related to the CMHC housing project.

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14. EQUITY IN TANGIBLE CAPITAL ASSETS

	2016 \$	2015 \$
Tangible capital assets (Schedule 2)	13,428,296	10,678,195
Accumulated amortization (Schedule 2)	(3,646,878)	(3,233,140)
Long-term liabilities (Note 11)	(3,469,129)	(3,708,138)
Capital lease obligations (Note 12)	(407,094)	(346,500)
	5,905,195	3,390,417

15. EQUITY IN ENTERPRISE FUND

	2016 \$	2015 \$
Balance, beginning of year	3,237,619	3,342,810
Net advances to controlled entities	459,476	-
Earnings (loss) from controlled entities	847,853	(105,191)
Balance, end of year	4,544,948	3,237,619

16. EQUITY IN TRUST FUND

	Revenue \$	Capital \$	Total \$
Balance, beginning of year	40,893	-	40,893
Earnings	3,357	-	3,357
Balance, end of year	44,250	-	44,250

17. ACCUMULATED SURPLUS

	2016 \$	2015 \$
Unrestricted surplus	218,586	(736,921)
Equity in tangible capital assets	5,905,195	3,354,393
Equity in enterprise fund	4,544,948	3,237,619
Equity in trust funds	44,250	40,893
	10,712,979	5,895,984

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18. COMPARATIVE INFORMATION

The financial statements were previously audited by another firm of accountants.

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.