

West Moberly First Nations
Consolidated Financial Statements
March 31, 2017

West Moberly First Nations

CONTENTS

	<u>Page</u>
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	
INDEPENDENT AUDITORS' REPORT	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Financial Activities	3
Consolidated Statement of Change in Net Financial Assets	4
Consolidated Statement of Cash Flows	5
Consolidated Statement of Changes in Accumulated Surplus - Schedule 1	6
Consolidated Statement of Tangible Capital Assets - Schedule 2	7
Consolidated Statement of Financial Activities by Program - Schedule 3	8
Consolidated Statement of Expenditures by Object - Schedule 4	9
Notes to the Consolidated Financial Statements	10 - 19

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.

As signed on original Chief

As signed on original Councillor

As signed on original Councillor

As signed on original Councillor

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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, 2017 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.

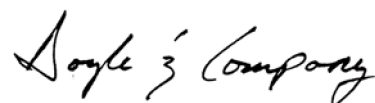
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, 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, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

August 9, 2017
Edmonton, Alberta



Chartered Professional Accountants

West Moberly First Nations
Consolidated Statement of Financial Position
As at March 31, 2017

	2017 \$	2016 \$
FINANCIAL ASSETS		
Cash	3,902,117	2,886,598
Restricted cash (Note 3)	378,948	384,017
Investments (Note 4)	1,512,039	2,405,359
Accounts receivable (Note 5)	1,233,798	1,202,170
Promissory note	-	119,868
Investment in First Nation Controlled Entities (Note 6)	4,294,108	4,544,949
	11,321,010	11,542,961
LIABILITIES		
Accounts payable (Note 7)	646,495	700,315
Deferred contributions (Note 8)	3,115,701	2,287,453
Treaty loan payable (Note 9)	3,440,310	3,244,310
Long-term liabilities (Note 10)	3,331,774	3,469,129
Obligations under capital lease (Note 11)	255,831	407,094
Replacement reserve (Note 12)	511,088	555,888
	11,301,199	10,664,189
NET FINANCIAL ASSETS	19,811	878,772
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	10,174,885	9,781,418
Inventory for consumption	39,473	39,979
Prepaid expenses	21,135	12,810
	10,235,493	9,834,207
ACCUMULATED SURPLUS (Schedule 1 and Note 16)	10,255,304	10,712,979

Approved by the First Nations:

As signed on original Chief

As signed on original Councillor

As signed on original Councillor

As signed on original 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, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
REVENUE			
Indigenous and Northern Affairs Canada	-	1,821,174	1,018,614
Health Canada	349,391	349,391	339,506
Canada Mortgage and Housing Corporation	-	93,182	94,491
Treaty 8 Heritage Trust	-	400,000	400,000
Oil and Gas Commission	-	600,000	1,020,813
Industrial contacts	-	2,406,516	4,119,263
Interest income	-	23,414	94,411
Other revenue	-	4,025,766	3,649,444
Revenue deferred from previous period	-	2,287,453	3,364,058
Revenue deferred to subsequent period	-	(3,115,701)	(2,287,453)
	349,391	8,891,195	11,813,147
EXPENDITURES			
Administration	-	659,398	1,096,002
Capital Projects	-	443,404	66,313
Chief and Council	-	1,871,341	2,056,569
Community Operations	-	319,910	338,627
Culture	-	56,932	69,676
Dakki Centre	-	213,170	228,226
Dunne-za Lodge	-	39,777	41,881
Economic Development	-	273,484	409,246
Education	-	467,541	347,647
Health - FNHA	349,391	348,857	350,427
Health - Other	-	114,854	141,509
Housing	-	187,695	162,142
Lands	-	1,679,068	3,095,982
Social Development	-	156,018	134,712
Specific Claims	-	294,355	199,088
Specific Claims - Western Boundary	-	1,268	109,284
0944996 BC Ltd - Golf Course	-	376,352	428,334
West Moberly First Nation Holdings Inc.	-	950,620	1,027,959
	349,391	8,454,044	10,303,624
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER REVENUE (EXPENDITURES)	-	437,151	1,509,523
OTHER REVENUE (EXPENDITURES)			
Capital funding - Indigenous and Northern Affairs Canada	-	-	2,870,000
Amortization	-	(494,172)	(413,738)
	-	(494,172)	2,456,262
EXCESS OF REVENUE OVER EXPENDITURES	-	(57,021)	3,965,785

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, 2017

	2017 \$	2016 \$
EXCESS OF REVENUES OVER EXPENDITURES	(482,761)	4,817,005
Acquisition of tangible capital assets	(887,639)	(2,750,101)
Amortization of tangible capital assets	494,172	413,738
Advances to controlled entities	25,087	-
	(368,380)	(2,336,363)
Acquisition of supplies inventories	(39,474)	(39,979)
Acquisition of prepaid assets	(21,135)	(12,810)
Use of supplies inventories	39,979	37,454
Use of prepaid assets	12,810	29,033
	(7,820)	13,698
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(858,961)	2,494,340
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	878,772	(1,615,568)
NET FINANCIAL ASSETS, END OF YEAR	19,811	878,772

The accompanying notes form part of these financial statements.

West Moberly First Nations
Consolidated Statement of Cash Flows
For the year ended March 31, 2017

	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and other income	9,687,815	13,968,084
Cash paid to suppliers and employees	(8,694,652)	(10,166,120)
	993,163	3,801,964
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances from (to) business entities	25,087	(459,477)
Increase (decrease) in investments	893,320	(17,316)
Increase (decrease) in replacement reserve	(44,800)	28,501
Increase in trust funds	5,069	10,910
Repayment (issuance) of promissory note	119,868	(19,868)
Purchase of capital assets	(887,639)	(2,750,101)
	110,905	(3,207,351)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of capital lease obligation	(151,263)	(60,594)
Increase in treaty loans payable	196,000	-
Long-term liabilities repaid	(298,355)	(178,415)
Increase in long-term liabilities	160,000	-
	(93,618)	(239,009)
INCREASE IN CASH DURING THE YEAR	1,010,450	355,604
CASH, Beginning of Year	3,270,615	2,915,011
CASH, End of Year	4,281,065	3,270,615
Cash is represented by:		
Cash	3,902,117	2,886,598
Restricted cash (Note 3)	378,948	384,017
	4,281,065	3,270,615

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, 2017

	Unrestricted Surplus \$	Equity in Tangible Capital Assets \$	Equity in Enterprise Fund \$	Equity in Trust Funds \$	2017 \$	2016 \$
BALANCE, Beginning of Year	218,586	5,905,195	4,544,948	44,250	10,712,979	5,895,974
Excess of revenue over expenditures	(57,021)	-	(424,021)	(1,719)	(482,761)	4,817,005
Current years funds advanced to subsidiaries	-	-	25,087	-	25,087	-
Current years funds used for tangible capital assets	(887,639)	887,639	-	-	-	-
Annual amortization expense	494,172	(494,172)	-	-	-	-
Long-term liabilities obtained	22,785	(22,785)	-	-	-	-
Long-term liabilities repaid	(311,403)	311,403	-	-	-	-
Change in accumulated surplus	(739,106)	682,085	(398,934)	(1,719)	(457,674)	4,817,005
BALANCE, End of Year	(520,520)	6,587,280	4,146,014	42,531	10,255,305	10,712,979

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, 2017

	Land	Capital Lease	Automotive	Buildings	Computers	Equipment	2017 \$	2016 \$
COST:								
Balance, Beginning of Year	1,741,894	792,175	495,366	9,302,002	103,026	993,833	13,428,296	10,678,195
Acquisition of tangible capital assets	-	-	238,851	633,861	-	14,927	887,639	2,750,101
Balance, End of Year	1,741,894	792,175	734,217	9,935,863	103,026	1,008,760	14,315,935	13,428,296
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	117,681	353,116	2,421,069	96,173	658,839	3,646,878	3,233,140
Annual amortization	-	71,357	80,430	274,560	2,305	65,520	494,172	413,738
Balance, End of Year	-	189,038	433,546	2,695,629	98,478	724,359	4,141,050	3,646,878
NET BOOK VALUE	1,741,894	603,137	300,671	7,240,234	4,548	284,401	10,174,885	9,781,418

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, 2017

	INAC	Other	2017		2016
	Revenue	Revenue	Total	Total	Surplus
	\$	\$	Revenue	Expenditures	(Deficit)
			\$	\$	\$
Administration	320,851	411,615	732,466	659,398	73,068
Capital Projects	726,161	(285,935)	440,226	443,404	(3,178)
Chief and Council	-	2,751,189	2,751,189	1,871,341	879,848
Community Operations	426,115	8,765	434,880	319,910	114,970
Culture	-	33,180	33,180	56,932	(23,752)
Dakii Centre	-	119,634	119,634	213,170	(93,536)
Dunne-za Lodge	-	38,887	38,887	39,777	(890)
Economic Development	22,495	294,318	316,813	273,484	43,329
Education	152,243	471,019	623,262	467,541	155,721
Health - FNHA	-	335,863	335,863	348,857	(12,994)
Health - Other	-	283,804	283,804	114,854	168,950
Housing	-	397,657	397,657	187,695	209,962
Lands	-	1,822,083	1,822,083	1,679,068	143,015
Social Development	173,309	3,443	176,752	156,018	20,734
Specific Claims - Agriculture	-	-	-	106,768	(106,768)
Specific Claims - Trapline	-	-	-	-	-
Specific Claims - Treaty Land Entitlement	-	-	-	187,587	(187,587)
Specific Claims - Western Boundary	-	-	-	1,268	(1,268)
0944996 BC Ltd - Golf Course	-	141,555	141,555	376,352	(234,797)
West Moberly First Nation Holdings Inc.	-	242,947	242,947	950,620	(707,673)
	1,821,174	7,070,024	8,891,198	8,454,044	437,154
					4,379,523

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, 2017

	2017	2016
	\$	\$
EXPENDITURES		
Advertising	6,525	13,422
Bad debts	16,662	326,343
Bank charges and penalties	134,941	162,088
Concession purchases	57,877	49,918
Christmas	91,150	145,625
Donations	130,579	8,855
Freight	4,909	6,718
Honorarium	461,267	291,629
Insurance	107,544	126,268
Meetings	10,462	11,513
Office	286,090	287,389
Professional and contract fees	2,276,842	3,672,217
Program costs	730,208	543,835
Property taxes	10,121	10,847
Rental	219,640	154,903
Repairs and maintenance	243,598	225,703
Supplies	212,295	181,858
Training	68,800	63,614
Travel	221,655	276,934
Utilities	104,115	107,408
Vehicle	202,962	297,190
Wages and employee benefits	2,855,802	3,339,347
TOTAL EXPENDITURES	8,454,044	10,303,624

The accompanying notes form part of these financial statements.

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2017

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, 2017

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) Cash

Cash and cash equivalents consist of bank accounts and temporary investments with maturities of three months or less.

(d) 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.

(e) 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.

(f) 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.

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2017

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

(g) Investments

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

(h) Inventory Valuation

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

(i) 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.

(j) 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.

(k) 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, 2017

3. RESTRICTED CASH

	2017 \$	2016 \$
Trust Funds		
Band Capital	2,789	2,789
Band Revenue	39,742	38,946
Canada Mortgage and Housing Corporation	336,417	342,282
	378,948	384,017

4. INVESTMENTS

	2017 \$	2016 \$
Guaranteed investment certificate #1	1,512,039	1,501,794
Guaranteed investment certificate #2	-	903,565
	1,512,039	2,405,359

Guaranteed investment certificate #1 matures on April 21, 2017 and earns interest at 0.59%.

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

5. ACCOUNTS RECEIVABLE

	2017 \$	2016 \$
Indigenous and Northern Affairs Canada	130,049	6,631
Industrial Agreements	435,451	389,216
Members	324,811	283,803
GST	100,991	203,910
Other	242,496	318,610
	1,233,798	1,202,170

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2017

6. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES

	2017 \$	2016 \$
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	891,628	891,178
Accumulated deficit in earnings	(427,537)	(142,137)
	465,090	750,040
Black Diamond Cygnus Limited Partnership - 50% interest		
Units	500	500
Advances	(500)	(500)
Accumulated surplus in earnings	1,484,000	1,356,000
	1,484,000	1,356,000
West Moberly First Nations Investments Inc. - 100% interest		
Shares	100	100
Advances	1,113,633	1,093,578
Accumulated deficit in earnings	(194,242)	(133,261)
	919,491	960,417
West Moberly Indigiinet Internet Service Inc. - 50% interest		
Shares	10	10
Advances	253,580	248,997
Accumulated deficit in earnings	(111,182)	(113,669)
	142,408	135,338
EBA Developments Limited Partnership - 33% interest		
Investment in shares - cost	266,667	266,667
Advances	(36,883)	(53,247)
	229,784	213,420
5 Star Energy Services Inc. - 50% interest		
Investment in shares - cost	-	50
Accumulated deficit in earnings	-	(50)
	-	-

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2017

6. INVESTMENTS IN FIRST NATIONS CONTROLLED ENTITIES - continued

Three Nations Ventures Limited Partnership - 33.3% interest

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

Shares	10	10
Accumulated equity in earnings	404,436	401,179

	404,446	401,189
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Twin Sisters Native Plants Nursery Limited Partnership - 49.9% interest

Units	10	10
Advances	287,709	287,681
Accumulated equity in earnings	361,170	237,167

	648,889	524,858
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Total investment in controlled entities	4,294,108	4,544,949
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Financial information for each of the entities for their respective 2016/2017 year-ends are as follows:

	Assets	Liabilities	Revenues	Net Earnings (Loss)
	\$	\$	\$	\$
Dunne-za Ventures LP (99.9%)	844,583	1,274,023	270,720	(288,283)
Black Diamond West Moberly LP (50%)	4,040,000	1,055,000	19,580,000	(35,000)
West Moberly Holdings Inc. (100%)	2,589,268	7,673,931	368,201	(774,695)
West Moberly Investment (100%)	2,720,116	2,914,258	393,359	(60,981)
0944996 BC Ltd. (100%)	105,188	1,290,281	171,267	(237,109)
WM Indigiinet Internet Service Inc. (50%)	110,540	21,799	53,348	5,024
Three Nations Ventures (33%)	153,599	-	7,022	(119,341)
Six Nations Ventures Inc. (16%)	2,496,642	79,698	1,923,321	161,458
EBA Developments Limited Partnership (33%)	692,150	2,501	12,160	(19,988)
Twin Sisters Native Plants Nursery (49.9%)	1,185,868	463,529	815,191	266,015

7. ACCOUNTS PAYABLE

	2017 \$	2016 \$
Trade	611,235	691,336
Canada Revenue Agency - source deductions	35,258	8,979
	646,493	700,315

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2017

8. DEFERRED CONTRIBUTIONS

	2017 \$	2016 \$
Indigenous and Northern Affairs Canada	766,667	480,732
First Nations Health Authority	496,052	660,490
Province of British Columbia	-	60,146
Other - Industrial Agreements	1,852,982	1,086,085
	3,115,701	2,287,453

9. TREATY LOAN PAYABLE - INDIGENOUS AND NORTHERN AFFAIRS CANADA

The promissory note due to Indigenous and Northern Affairs Canada is \$3,440,310 (2016 -\$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.

10. LONG-TERM LIABILITIES

	2017 \$	2016 \$
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%.	37,508	41,759
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 1.43%.	165,761	184,767
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%.	138,627	160,107
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 \$1,320 including interest charged at 1.143%.	139,171	153,286
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%.	229,518	241,091
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%.	779,093	812,765

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2017

10. 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 bi-weekly instalments of \$875 including interest charged at 3.39%.	188,563	204,703
Bank of Nova Scotia loan, secured by buildings and ministerial guarantee of the Minister of Aboriginal Affairs and Northern Development Canada, repayable in bi-weekly instalments of \$1,403 including interest charged at 3.39%.	145,438	158,228
Bank of Nova Scotia loan, secured by buildings and ministerial guarantee of the Minister of Indigenous and Northern Affairs Canada, repayable in monthly bi-weekly of \$169 including interest charged at 3.37%.	38,908	41,939
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
Bank of Nova Scotia loan, secured by equipment, with a net book value of \$195,722, repayable in monthly instalments of \$4,477 including interest charged at prime plus 1.25%.	147,751	-
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%.	296,733	305,381
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.	1,024,703	1,141,770
	3,331,774	3,469,129
Less current portion of long-term liabilities	260,934	222,563
	3,070,840	3,246,566

Interest paid on long-term liabilities amounted to \$100,608 (2016 - \$101,068) during the year.

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

	\$
2018	260,934
2019	268,475
2020	271,738
2021	229,413
2022	235,536
Thereafter	2,065,678
	3,331,774

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2017

11. CAPITAL LEASES

	2017			2016	
	Total	Deferred Finance	Current Portion	Long-Term Portion	Long-Term Portion
	\$	\$	\$	\$	\$
John Deere Credit Inc. #1	113,775	9,218	25,689	78,868	104,558
John Deere Credit Inc. #2	36,440	2,704	9,666	24,070	33,736
Roynat Inc.	98,475	2,567	95,908	-	95,908
DLL Financial Services	22,785	1,155	9,720	11,910	-
	271,475	15,644	140,983	114,848	234,202

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, 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, 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, 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 May, 2019.

Future repayments on capital leases are estimated as follows:

	\$
2018	147,321
2019	48,846
2020	42,406
2021	32,902
	271,475

12. 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.

West Moberly First Nations
Notes to the Consolidated Financial Statements
March 31, 2017

13. EQUITY IN TANGIBLE CAPITAL ASSETS

	2017 \$	2016 \$
Tangible capital assets (Schedule 2)	14,315,935	13,428,296
Accumulated amortization (Schedule 2)	(4,141,050)	(3,646,878)
Long-term liabilities (Note 10)	(3,331,774)	(3,469,129)
Capital lease obligations (Note 11)	(255,831)	(407,094)
	6,587,280	5,905,195

14. EQUITY IN ENTERPRISE FUND

	2017 \$	2016 \$
Balance, beginning of year	4,544,948	3,237,619
Net advances to controlled entities	25,087	459,476
Earnings (loss) from controlled entities	(424,021)	847,853
Balance, end of year	4,146,014	4,544,948

15. EQUITY IN TRUST FUND

	Revenue \$	Capital \$	Total \$
Balance, beginning of year	44,250	-	44,250
Earnings	(4,508)	2,789	(1,719)
Balance, end of year	39,742	2,789	42,531

16. ACCUMULATED SURPLUS

	2017 \$	2016 \$
Unrestricted surplus	(520,521)	218,586
Equity in tangible capital assets	6,587,280	5,905,195
Equity in enterprise fund	4,146,014	4,544,948
Equity in trust funds	42,531	44,250
	10,255,304	10,712,979