LENNOX ISLAND FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

LENEHAN McCAIN & Associates

CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Chief and Council and Members of
Lennox Island First Nation

We have audited the accompanying consolidated financial statements of Lennox Island First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations, change in net debt 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 is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
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 of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the First Nation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Lennox Island First Nation as at March 31, 2017, and the consolidated results of its operations, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Lenehan McCain & Associates
Chartered Professional Accountants

Woodstock, New Brunswick
July 28, 2017

LENNOX ISLAND FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31, 2017

	2017	2016
Financial Assets		
Cash (Note 7)	$ 1,468,291	$ 324,105
Accounts receivable (Note 4)	1,000,072	548,785
Due from Minigoo Fisheries	1,036,139	787,389
Trust funds held by federal government (Note 5)	73,911	65,074
Investment in Minigoo Fisheries Inc. (Note 3)	(1,214,329)	(809,983)
Long-term investments (Note 6)	139,343	139,343
	2,503,427	1,054,713
Liabilities		
Accounts payable (Note 8)	982,848	411,279
Deferred revenue (Note 9)	1,160,883	125,000
Funding repayable to INAC (Note 10)	44,781	44,781
Long-term debt (Note 11)	4,996,448	5,056,017
	7,184,960	5,637,077
Net debt	(4,681,533)	(4,582,364)
Non-financial Assets		
Tangible capital assets (Note 12)	21,945,209	22,304,128
Prepaid expenses (Note 13)	77,985	17,826
	22,023,194	22,321,954
Accumulated Surplus	$ 17,341,661	$ 17,739,590

Approved on behalf of the Lennox Island First Nation

M Lemydat, **Chief**

, **Councillor**

, **Councillor**

Mary Moore, **Councillor**

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Surplus/(Deficit)	$ (571,150)	$ (397,929)	$ 127,389
Acquisition of tangible capital assets	-	(625,733)	(963,656)
Amortization of tangible capital assets	963,227	984,653	963,227
	963,227	358,920	(429)
(Increase) decrease in prepaid expenses	-	(60,160)	(2,786)
Increase/(decrease) in net financial assets	392,077	(99,169)	124,174
Net debt at beginning of year	(4,582,364)	(4,582,364)	(4,706,538)
Net debt at end of year	$ (4,190,287)	$ (4,681,533)	$ (4,582,364)

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Indigenous and Northern Affairs Canada	$ 5,992,809	$ 6,353,220	$ 4,753,795
Health Canada	1,320,774	1,320,774	1,164,897
Other	419,046	985,797	1,008,349
Economic Development	761,151	945,518	641,848
Department of Fisheries and Oceans	150,000	419,600	355,034
Canada Mortgage and Housing Corporation	177,727	244,877	71,489
Commercial fisheries	1,595,000	1,313,400	1,927,720
Deferred revenue - closing	-	(1,057,563)	-
	10,415,707	10,525,623	9,923,132
Expenditures			
Social development	1,224,944	1,324,451	1,231,115
Education	1,647,342	1,592,058	1,514,765
Economic development	807,226	1,098,084	925,511
Band management	770,925	789,137	676,985
Capital	243,374	712,314	169,389
Capital facilities operating and maintenance	2,201,035	1,199,686	739,926
Membership	16,224	16,476	16,902
Health	1,421,566	1,425,418	1,374,983
Fisheries	1,594,580	1,265,272	1,662,255
Cultural program	36,624	52,631	86,389
Rental program	59,790	59,026	114,225
	10,023,630	9,534,553	8,512,445
Surplus before other income	392,077	991,070	1,410,687
Other income			
Equity (loss) of Minigoo Fisheries Inc.	-	(404,346)	(320,071)
Amortization	(963,227)	(984,653)	(963,227)
	(963,227)	(1,388,999)	(1,283,298)
Surplus (deficit)	(571,150)	(397,929)	127,389
Accumulated surplus at beginning of year	17,739,590	17,739,590	17,612,201
Accumulated surplus at end of year	$ 17,168,440	$ 17,341,661	$ 17,739,590

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
Cash flows from		
Operating activities		
Surplus (deficit)	$ (397,929)	$ 127,389
Items not affecting cash		
Amortization	984,653	963,227
	586,724	1,090,616
Change in non-cash operating working capital		
Accounts receivable	(451,287)	239,657
Prepaid expenses	(60,159)	(2,786)
Trust funds held by federal government	(8,837)	(15,822)
Investment in Minigoo Fisheries Inc.	404,346	320,071
Accounts payable	571,567	(629,100)
Deferred revenue	1,035,883	(16,445)
	2,078,237	986,191
Capital activities		
Acquisition of tangible capital assets	(625,733)	(965,182)
Adjustment to tangible capital asset	-	1,528
	(625,733)	(963,654)
Financing activities		
Advances to Minigoo Fisheries Inc.	(248,750)	(384,909)
Repayment of long-term debt	(405,774)	(511,810)
Proceeds of long-term debt	346,206	600,000
	(308,318)	(296,719)
Increase (decrease) in cash and cash equivalents	1,144,186	(274,182)
Cash and cash equivalents, beginning of year	324,105	598,287
Cash and cash equivalents, end of year	$ 1,468,291	$ 324,105

The accompanying notes are an integral part of the financial statements

1. Reporting entity

The consolidated financial statements of Lennox Island First Nation reflect the assets, liabilities, revenues, expenditures, changes in net debt and accumulated surplus of the reporting entity. The reporting entity is comprised of the organizations accountable for the administration of their affairs and resources to the Chief and Council or controlled by the band. Inter-fund and inter-corporate balances and transactions have been eliminated. The entities included in the consolidated financial statements are as follows:

Fisherman's Pride Inc.
Lennox Island Development Corporation
Keskudek Limited Partnership
Minigoo Fisheries Inc.

2. Basis of Presentation and Significant Accounting Policies

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

(a) Cash and cash equivalents

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

(b) Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for Minigoo Fisheries Inc. which meets the definition of government business enterprise. This enterprise is included in the consolidated financial statements on a modified equity basis.

Consolidation Method

This method combines the accounts of distinct organizations. It requires uniform accounting policies for the organizations. Inter-organizational balances and transactions are eliminated under this method. This method reports the organizations as if they were one organization.

Modified Equity Method

This method is used for commercial enterprises which meet the definition of government business enterprises. The modified equity method reports a commercial enterprise's net assets as an investment on the Consolidated Statement of Financial Position. The net income of the commercial enterprises is reported as equity earnings (loss) on the Consolidated Statement of Operations. Inter-organizational transactions and balances are not eliminated. All gains or losses arising from inter-organizational transactions between commercial enterprises or other First Nation organizations are eliminated.

2. Basis of Presentation and Significant Accounting Policies (continued)

(c) Net Debt

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

(d) Tangible Capital Assets

Tangible capital assets (TCAs) are items that can be physically touched, are used to provide First Nation services, are used for First Nation administration purposes or are used for the construction and/or maintenance of other TCAs owned by the First Nation, will be useful for a period greater than one year and will be used by the First Nation on a regular basis.

Tangible Capital Assets are recorded at cost, which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset, and are amortized on the straight line method over their estimated useful lives. The First Nation has determined a capitalization threshold of $2,500. Any item purchased under this threshold will be recorded as an expense in the year the item is acquired. Amortization begins in the year acquired. Current descriptions and useful lives are as follows:

Housing & buildings	40 years
Vehicles	5 years
Computer equipment	5 years
Furniture & fixtures	5 years
Equipment	10 years
Water & sewer	40 years
Roads/paving	75 years
Fishing boats	10 years
Motor equipment	20 years

2. Basis of Presentation and Significant Accounting Policies (continued)

(e) Revenue Recognition

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

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

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

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

(f) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(g) Asset classification

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

(h) Segment disclosure

The financial statements of Lennox Island First Nation provide supporting schedules which are established by program based on government funding provided. The various programs have been amalgamated for the purpose of presentation in the consolidated financial statements. Details of the operations of each program are set out in the supplementary schedules for management information purposes.

2. Basis of Presentation and Significant Accounting Policies (continued)

(i) Financial Instruments

The First Nation's financial instruments consist of cash, accounts receivable, bank indebtedness, accounts payable and long-term debt.

The First Nation's exposure to interest rate fluctuations is with respect to the portion of its long term debt and operating line of credit which bear interest at floating rates. The floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates. Management is of the opinion that the First Nation is not exposed to currency risk or credit risk. Credit risk exists to the extent that the First Nation would be unable to enforce collection of any accounts receivable.

(j) Intangible assets

The First Nation owns fishing licences which have been acquired without financial consideration and therefore are not recorded as assets in these financial statements.

3. Investment in Government Business Enterprises

Lennox Island First Nation's investment in government business enterprises consist of the following:

- Minigoo Fisheries Inc.

	2017 Total
Cash	$ (476,070)
Accounts receivable	7,653
Inventory	73,517
Tangible capital assets	301,946
Total assets	$ (92,954)
Accounts payable	$ 4,502
Long-term debt	80,634
Due to Lennox Island First Nation	1,036,139
Total liabilities	1,121,275
Equity	(1,214,229)
Total liabilities and equity	$ (92,954)

	2017 Total
Revenue	$ 1,879,645
Cost of goods sold	1,772,296
Expenses	145,029
Debt servicing	36,189
Amortization	70,373
Wages and benefits	260,104
Total expenses	2,283,991
Net income	$ (404,346)

4. Accounts receivable

	2017	2016
Indigenous and Northern Affairs Canada	$ 40,849	$ 31,122
Other	99,987	24,085
Province of Prince Edward Island	133,373	23,784
Department of Fisheries & Oceans	367,908	133,855
Fisherman's Pride receivables	22,325	33,607
Band members rental program	293,572	274,621
Dept. of Canadian Heritage	-	7,375
Lennox Island Development receivables	42,058	5,947
CMHC	-	14,389
	$ 1,000,072	$ 548,785

5. Trust funds held by Federal Government

	March 31, 2016	Additions (interest and permit fees)	Withdrawals	March 31, 2017
Revenue	$ 62,530	$ 8,837	$ -	$ 71,367
Capital	2,544	-	-	2,544
	$ 65,074	$ 8,837	$ -	$ 73,911

6. Long-term investments

	2017	2016
Apartment building	$ 45,000	$ 45,000
Ellerslie biological station	94,343	94,343
	$ 139,343	$ 139,343

7. Cash

Two demand operating loans have been authorized by the Royal Bank of Canada to a maximum of $1,150,000. Each of the operating lines bears interest at prime plus 1.25%, and are secured by a general security agreement.

	2017	2016
CMHC replacement reserve (restricted)	$ 197,523	$ 197,523
Term deposit	500,000	500,000
Net bank balance	1,030,768	(148,418)
Operating lines of credit	(260,000)	(225,000)
	$ 1,468,291	$ 324,105

8. Accounts Payable

	2017	2016
Funding repayable to Health Canada	$ 6,795	$ -
Trade	576,915	178,454
English Language School Board	29,716	54,521
Pension plan remittance	20,841	39,954
Fisheries programs	246,868	118,632
Health programs	49,266	18,257
Lennox Island Dev Corp payables	46,831	1,461
Payroll remittance	5,616	-
	$ 982,848	$ 411,279

Remittances for band employee benefits are current as of March 31, 2017.

9. Deferred revenue

	2017	2016
Bridge repairs	$ 1,026,333	$ -
Province of PEI - Ec.dev.funding	100,000	100,000
Heritage Canada grant	-	25,000
Health Canada Capital investments	31,230	-
Fisherman's Pride	3,320	-
	$ 1,160,883	$ 125,000

These amounts represent unexpended funds under contribution agreements and therefore may be subject to repayment to the funding source if not used in accordance with the funding terms and conditions.

10. Funding repayable to INAC

	2017	2016
12/13 tuition contribution funding	$ 44,781	$ 44,781
	$ 44,781	$ 44,781

11. Long-term debt

	2017	2016
Canada Mortgage and Housing Corporation 1.05% loan, payable $497 monthly including interest, due April 1, 2020, one house	$ 97,791	$ 102,704
Canada Mortgage and Housing Corporation 1.12% loan, payable $896 monthly including interest, due February 1, 2020, two houses	174,625	183,385
Canada Mortgage and Housing Corporation 2.04% loan, payable $1,022 monthly including interest, due March 1, 2019, two houses	176,452	185,062
Canada Mortgage and Housing Corporation 2.04% loan, payable $511 monthly including interest, due March 1, 2019, one house	88,212	92,517

11. Long-term debt, continued

	2017	2016
Canada Mortgage and Housing Corporation 1.62% loan, payable $975 monthly including interest, due March 1, 2018, two houses	**165,096**	174,073
Canada Mortgage and Housing Corporation 1.53% loan, payable $1,235 monthly including interest, due December 1, 2017, four houses	**207,568**	219,147
Canada Mortgage and Housing Corporation 1.65% loan, payable $965 monthly including interest, due June 1, 2017, three houses	**154,810**	163,786
Canada Mortgage and Housing Corporation 1.03% loan, payable $596 monthly including interest, due October 1, 2021, two houses	**96,848**	102,827
Canada Mortgage and Housing Corporation 1.01% loan, payable $284 monthly including interest, due February 1, 2021, one house	**44,083**	47,039
Canada Mortgage and Housing Corporation 1.12% loan, payable $280 monthly including interest, due February 1, 2020, one house	**40,453**	43,350
Canada Mortgage and Housing Corporation 2.11% loan, payable $301 monthly including interest, due on January 1, 2019, one house	**37,685**	40,485
Canada Mortgage and Housing Corporation 1.67% loan, payable $287 monthly including interest, due on June 1, 2018, one house	**35,384**	38,222
Canada Mortgage and Housing Corporation 1.43% loan, payable $269 monthly including interest, due on April 1, 2022, one house	**29,902**	32,653
Canada Mortgage and Housing Corporation Partial advance on duplex loan, balance of loan proceeds and repayments to begin during 2017-18 year	**36,456**	-
Ulnooweg Development Group Inc. 8% loan, payable $9,080 per month (May, June, August, September, October only) including interest, due October 2020	**155,555**	187,845

11. Long-term debt, continued

	2017	2016
Royal Bank 6.79% demand loan, payable $378 monthly including interest, due December 2016, secured by a building	-	1,882
Ulnooweg Development Group Inc. 8.25% loan, payable interest only annually, due August 2021	332,047	-
Bank of Montreal 3.51% demand loan, payable $12,151 monthly including interest, due March 2016, amortized until March 2032	1,698,026	1,786,650
Bank of Montreal Prime plus 2% loan, due on demand, payable $5,349 monthly including interest	713,113	743,091
Canada Mortgage and Housing Corporation 1.11% loan, payable $496 monthly including interest, due April 1, 2021, one house	102,410	107,282
Canada Mortgage and Housing Corporation 1.11% loan, payable $990 monthly including interest, due April 1, 2021, two houses	204,420	214,146
Evangeline Credit Union Prime plus 3% demand loan, payable $20,990 annually plus interest, due November 2019, secured by vessels	63,029	84,004
Royal Bank 4.1% loan, $1,126 monthly plus interest, due February 2018, secured by school bus	12,134	24,862
Ulnooweg 8% loan, $2,168 monthly interest only, advanced to Minigoo Fisheries Inc., due April 2017	330,349	481,005
	$ 4,996,448	$ 5,056,017

All of the Canada Mortgage and Housing Corporation loans listed above are amortized over twenty five years and have been guaranteed by Indigenous and Northern Affairs Canada.

11. Long-term debt, continued

Principal portion of long-term debt due within the next five years:

2018	$ 276,700
2019	273,600
2020	282,800
2021	271,200
2022 and thereafter	3,892,148
	$ 4,996,448

12. Tangible Capital Assets

	Cost	Additions	Accumulated amortization	2017 Net book value
Housing and buildings	$ 14,390,721	$ 409,961	$ 5,428,986	$ 9,371,696
Vehicles	227,893	-	162,777	65,116
Computer equipment	75,824	-	77,350	(1,526)
Furniture and fixtures	127,865	687	128,003	550
Equipment	1,663,006	140,085	1,060,944	742,147
Water and sewer	7,085,425	-	2,193,171	4,892,254
Roads and paving	9,065,476	-	2,837,022	6,228,453
Fishing boats	1,620,085	75,000	1,315,395	379,690
Motor equipment	580,053	-	352,711	227,342
School bus	46,455	-	6,968	39,487
	$ 34,882,803	$ 625,733	$ 13,563,327	$ 21,945,209

	Cost	Additions	Accumulated amortization	2016 Net book value
Housing and buildings	$ 14,298,876	$ 91,845	$ 5,064,174	$ 9,326,547
Vehicles	119,368	108,525	139,842	88,051
Computer equipment	77,350	(1,526)	77,350	(1,526)
Furniture and fixtures	127,865	-	127,865	-
Equipment	1,386,422	276,584	883,465	779,541
Water and sewer	7,085,425	-	2,016,035	5,069,389
Roads and paving	8,577,247	488,228	2,716,149	6,349,326
Fishing boats	1,620,085	-	1,220,640	399,445
Motor equipment	580,053	-	328,508	251,545
School bus	46,455	-	4,646	41,810
	$ 33,919,146	$ 963,656	$ 12,578,674	$ 22,304,128

13. Prepaid expenses

	2017	2016
Post secondary living allowances	$ 14,390	$ -
Fisheries program	63,595	13,290
Worker's compensation	-	4,536
	$ 77,985	$ 17,826

14. Expenses by object

	2017	2016
Wages and benefits	$ 3,808,048	$ 3,645,421
Women's shelter operating costs	148,523	138,086
Social program payments	469,560	484,556
Programs and activities	770,729	690,914
Transfers to other programs	72,263	71,573
Tuition and post secondary costs	526,502	537,632
Supplies and services	140,488	167,406
Interest and bank charges	165,698	266,739
Professional services	214,360	143,378
Contractor services	952,500	247,083
Other	1,599,718	1,092,900
Amortization	984,653	963,227
Commercial fisheries	666,164	1,026,757
	$ 10,519,206	$ 9,475,672

15. Economic Dependence

Lennox Island First Nation receives a significant portion of its revenue pursuant to a funding agreement with Indigenous and Northern Affairs Canada.

16. Contingent Liabilities

Lennox Island First Nation (LIFN) has provided guarantees for certain loans made to individual fishermen by Evangeline Credit Union for fishing vessels and gear. Should an individual fisherman default on the terms of the loan, LIFN would be required to honor the liability with the lender and would acquire ownership of the particular vessel and gear.

Additionally, LIFN has provided guarantees on behalf of Minigoo Fisheries Inc. One guarantee is in the amount of $500,000 to Evangeline Credit Union for an operating line of credit issued to Minigoo. This amount has been invested at the Credit Union in a GIC owned by LIFN and is included in the term deposit line in Note 7. The other guarantee is 45% of two outstanding loans that Minigoo has with Business Development Bank of Canada (BDC). The combined balance of the two loans at March 31, 2017 was $80,634, therefore the guarantee was for $36,285 at that date.

Lennox Island First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements. The likelihood of compliance reviews and any potential findings are not determinable as at the date on the auditor's report.

17. Financial Instruments Risks and Uncertainties

The First Nation is exposed to the following risks in respect of certain of the financial instruments held:

Credit risk

The financial instruments that potentially subject the First Nation to a significant concentration of credit risk consist primarily of cash and accounts receivable.

The First Nation maintains cash balances with Canadian chartered banks which is insured by the Canada Deposit Insurance Corporation up to CDN $100,000. From time to time, these balances exceed the federally insured limits and expose the First Nation to credit risk from concentration of cash. The First Nation limits this risk by transacting with reputable financial institutions.

The First Nation does have credit risk in accounts receivable $2,036,211 (2016 - $1,336,174). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The First Nation reduces its exposure to credit risk by performing valuations on a regular basis and creating an allowance for bad debts when applicable. The First Nation derives substantially all of its revenues and therefore, accounts receivable, from government sources. In the opinion of management, the credit risk exposure to the First Nation is low and is not material.

Liquidity risk

The First Nation does have a liquidity risk in the accounts payable and accrued liabilities of $966,437 (2016 - $411,279). Liquidity risk is the risk that the First Nation cannot repay its obligations when they become due to its creditors. The First Nation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due: maintains an adequate line of credit to repay trade creditors and maintains a responsible cash position. In the opinion of management, the liquidity risk exposure to the First Nation is low and is not material.

Interest rate risk

The First Nation is exposed to interest rate risk. This risk exists due to interest rate exposure on its bank indebtedness, which is variable based on the bank's prime rates. This exposure may have an effect on its interest expenses in future periods. The First Nation reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. There are some loans payable that are at fixed term rates and therefore, do not affect interest rate risk. The First Nation does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the First Nation is low and is not material.

18. Budgeted figures

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Chief and Council.

19. Comparative Amounts

Certain comparative amounts have been reclassified to conform with the presentation adopted in the current period. There is no impact to the accumulated surplus balance.

20. Annual surplus net of capital related revenues and amortization

	2017	2016
Annual surplus (deficit)	$ (397,929)	$ 127,389
Deduct: Federal government transfers for capital	(177,460)	(400,000)
Deduct: Provincial government transfers for capital	-	(100,000)
Add: Amortization expense included in annual surplus	984,653	963,227
Annual surplus net of capital related revenues and amortization	$ 409,264	$ 590,616

LENNOX ISLAND FIRST NATION

CONSOLIDATED SUMMARY SCHEDULE OF OPERATIONS BY PROGRAM

FOR THE YEAR ENDED MARCH 31, 2017

	Page	INAC Funds	Other Revenue	Total Revenue	Total Expenditures	Other Items	Surplus (Deficit)
Social development	22	$ 1,264,944	$ 102,433	$ 1,367,377	$ 1,324,451	$ -	$ 42,926
Education	23	1,717,498	48,967	1,766,465	1,592,058	-	174,407
Economic development	24	82,167	1,045,518	1,127,685	1,098,084	-	29,601
Band management	25	520,675	191,125	711,800	789,137	-	(77,337)
Capital	26	567,178	275,388	842,566	712,314	-	130,252
Capital facilities operating and maintenance	27	2,189,966	(1,026,333)	1,163,633	1,199,686	-	(36,053)
Membership	28	10,792	5,000	15,792	16,476	-	(684)
Health	29	-	1,463,266	1,463,266	1,425,418	-	37,848
Fisheries	30	-	1,733,000	1,733,000	1,265,272	-	467,728
Cultural program	31	-	62,970	62,970	52,631	-	10,339
Rental program	32	-	271,069	271,069	59,026	-	212,043
Totals		**$ 6,353,220**	**$ 4,172,403**	**$ 10,525,623**	**$ 9,534,553**	**$ (1,388,999)**	**$ (397,929)**

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION

SOCIAL DEVELOPMENT
CONSOLIDATED SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Indigenous and Northern Affairs Canada	$ 612,733	$ 612,733	$ 606,883
INAC - Shelter operations	514,115	514,115	438,076
Enhanced service delivery/active measures	-	102,433	97,714
INAC - Assisted living	98,096	98,096	71,573
INAC - Prevention projects	-	40,000	12,000
	1,224,944	1,367,377	1,226,246
Expenditures			
Women's shelter operating costs	514,115	486,128	416,583
Basic needs	349,500	446,545	455,884
Wages and benefits	158,000	196,673	140,942
Transfer to Health program - assisted living	98,096	72,263	71,573
Enhanced service delivery/active measures	77,233	54,846	103,189
Prevention projects	-	40,080	13,308
Special needs	26,000	23,015	28,672
Assisted living - other	-	3,696	-
Travel	2,000	1,205	964
	1,224,944	1,324,451	1,231,115
Surplus (deficit)	$ -	$ 42,926	$ (4,869)

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION

EDUCATION
CONSOLIDATED SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Indigenous and Northern Affairs Canada	$ 892,946	$ 892,946	$ 888,096
INAC - band operated school, direct services	365,000	365,000	250,000
INAC - post secondary	287,514	287,514	284,769
INAC - school repairs/design	58,127	73,127	50,040
Other income - off reserve reinvestment	38,000	38,000	2,152
INAC - language and culture	32,834	32,834	-
INAC - summer work experience	24,000	24,000	24,000
INAC - parental and community engagement	11,959	11,959	4,115
INAC - teacher recruitment and retention	11,959	11,959	3,468
INAC - school effectiveness	11,958	11,958	27,171
Other income	-	10,967	-
INAC - enhanced teacher salaries	6,201	6,201	5,633
	1,740,498	1,766,465	1,539,444
Expenditures			
Wages and benefits	827,384	806,633	797,753
Provincial schools - tuition and meals	289,217	291,567	269,319
Post secondary tuition and living allowances	287,514	234,935	268,313
School repairs/design	124,127	75,428	48,447
New paths	49,300	46,554	22,404
Travel and supplies	27,000	41,369	36,541
Summer student wages	-	35,267	27,771
Student transportation - operating costs	18,000	30,119	15,703
Bus transportation wages	20,200	22,648	20,700
Supplies and allowances	800	3,516	2,748
Milk program	3,800	3,238	3,773
Interest on bus loan	-	784	1,293
	1,647,342	1,592,058	1,514,765
Surplus	$ 93,156	$ 174,407	$ 24,679

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION

ECONOMIC DEVELOPMENT
CONSOLIDATED SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Indigenous and Northern Affairs Canada	$ 56,777	$ 56,777	$ 56,235
LIDC revenue	195,707	388,640	102,685
Tobacco rebates	373,444	366,053	356,782
Gas rebates	114,000	106,825	104,381
Ec. dev. funding - MCPEI	-	100,000	-
Rent revenue	78,000	84,000	78,000
INAC - land use planning	25,390	25,390	-
Ec.dev. funding Prov PEI - biological renos	-	-	100,000
	843,318	1,127,685	798,083
Expenditures			
Tobacco rebates paid out	289,529	274,102	244,100
Biological station renovations	30,572	267,350	100,362
Supplies and operating costs	50,806	136,720	60,857
Wages and benefits and contracted services	149,743	129,245	152,958
Interest and bank charges	121,242	117,130	210,378
Gas rebates paid out	107,153	161,880	97,087
Land use planning	-	31,942	-
Property taxes	15,128	15,187	15,128
Donations	11,000	11,000	12,000
Professional services	25,390	7,864	24,750
Travel	4,357	5,664	4,418
Loan interest Summerside building	2,306	-	3,473
	807,226	1,098,084	925,511
Surplus (deficit)	$ 36,092	$ 29,601	$ (127,428)

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION

BAND MANAGEMENT
CONSOLIDATED SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Indigenous and Northern Affairs Canada	$ 428,204	$ 428,204	$ 424,116
Miscellaneous	6,000	130,804	64,707
INAC - Community planning	68,593	70,593	-
MCPEI funding	46,401	46,171	42,059
INAC - Land use initiative	-	21,878	-
Rent	7,200	14,150	-
INAC - Gov. capacity development	-	-	62,792
	556,398	711,800	593,674
Expenditures			
Wages and benefits	367,007	338,798	300,654
Honoraria	79,000	79,000	76,700
Community planning	68,593	57,651	-
Youth	46,401	56,228	43,660
Band activities and supplies	55,342	45,197	42,554
Communities at risk	-	39,162	-
Professional fees	33,144	38,421	53,177
Pension plan	30,000	33,242	30,132
Interest and bank charges	19,184	22,977	19,281
Travel	24,727	22,877	32,039
Subdivision survey prof. services	-	21,878	-
New horizons for seniors	-	15,243	100
Sport fees	9,000	9,730	7,900
Election	5,035	5,036	6,729
Governance	33,492	2,755	63,851
Training	-	942	208
	770,925	789,137	676,985
Deficit	$ (214,527)	$ (77,337)	$ (83,311)

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION

CAPITAL
CONSOLIDATED SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Indigenous and Northern Affairs Canada	$ 306,609	$ 306,609	$ 303,682
CMHC RRAP and retrofitting	108,000	175,619	-
INAC - Renovations and additions	-	150,000	-
INAC - Capacity development	-	110,000	-
Province of PEI - roads capital transfer	-	99,769	100,000
INAC - Major renovations and repairs	-	569	-
INAC - roads capital transfer	-	-	400,000
	414,609	842,566	803,682
Expenditures			
Housing and RRAP repairs	176,142	438,500	103,435
Capacity development	-	110,000	-
Road repairs	-	99,768	-
Wages and benefits	67,232	64,046	65,954
	243,374	712,314	169,389
Surplus	$ 171,235	$ 130,252	$ 634,293

Expenditures related to road construction, amounting to $0 have been capitalized in Note 12. During the previous year, $488,228 was capitalized.

LENNOX ISLAND FIRST NATION

CAPITAL FACILITIES OPERATING AND MAINTENANCE CONSOLIDATED SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
INAC - bridge repair	$ 1,443,750	$ 1,443,750	$ -
INAC - facilities O&M	695,673	695,673	689,032
INAC - water O & M/preparedness	-	50,543	46,500
INAC - response funding	28,779	-	94,925
Deferred revenue - closing bridge repair	-	(1,026,333)	-
	2,168,202	1,163,633	830,457
Expenditures			
Bridge inspection and repair	1,443,750	417,417	(23,629)
Community buildings	264,359	245,630	232,907
Wages and benefits	206,023	201,478	205,410
Insurance	94,682	93,245	85,872
Garbage contract	52,349	52,350	52,350
Senior's utilities	40,779	48,952	40,680
Generators/preparedness	-	42,159	-
Water and sewer maintenance	47,550	41,861	67,409
Fire protection	40,251	31,328	47,772
Mosquito control	-	15,000	-
Vehicle maintenance and lease payments	5,477	6,918	19,881
Road maintenance	5,815	3,598	7,931
Response program	-	(250)	3,343
	2,201,035	1,199,686	739,926
Surplus (deficit)	$ (32,833)	$ (36,053)	$ 90,531

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION

MEMBERSHIP
CONSOLIDATED SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Indigenous and Northern Affairs Canada	$ 10,792	$ 10,792	$ 10,689
Province of PEI - GST rebate administration	5,000	5,000	5,000
	15,792	15,792	15,689
Expenditures			
Wages and benefits	16,224	16,224	16,536
Supplies	-	252	366
	16,224	16,476	16,902
Deficit	$ (432)	$ (684)	$ (1,213)

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION

HEALTH
CONSOLIDATED SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Health Canada	$ 1,320,774	$ 1,320,774	$ 1,164,897
Daycare fees	34,432	77,784	48,662
Transfer from Social development	72,263	72,263	71,573
Other funding	-	30,470	182,668
Repayable to Health Canada	-	(6,795)	-
Deferred revenue - closing	-	(31,230)	-
	1,427,469	1,463,266	1,467,800
Expenditures			
Health planning and management and MAR	288,903	393,295	299,668
Community health promotion	202,991	164,904	198,274
NADAP	160,409	134,600	155,294
Home and community care	170,866	133,919	159,572
Childcare	63,679	102,318	112,706
Non-insured health benefits	111,833	96,007	80,038
Headstart	54,074	61,287	69,737
Operations and maintenance	48,290	60,952	58,337
Building healthy communities	48,489	48,340	47,350
Aboriginal diabetes initiative	43,395	45,689	44,091
Brighter futures	40,029	39,978	39,747
IRS	109,715	38,636	-
Stream fund FV	-	37,030	-
Maternal child health	29,600	25,223	28,800
HIV/ETC/CDC/TB programs	19,350	19,139	10,542
Prenatal	11,029	11,036	11,179
Drinking water safety	6,770	6,770	6,770
NAYSPS	5,683	5,724	5,683
COHI dental	6,461	571	7,825
Care facilitation project - APC	-	-	26,293
FNIHIS	-	-	10,000
Communicable disease emergencies	-	-	3,077
	1,421,566	1,425,418	1,374,983
Surplus	$ 5,903	$ 37,848	$ 92,817

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION

FISHERIES
CONSOLIDATED SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Commercial fisheries	$ 1,595,000	$ 1,313,400	$ 1,927,720
Department of Fisheries and Oceans - AICFI	-	269,600	205,034
Department of Fisheries and Oceans - AFS	150,000	150,000	150,000
	1,745,000	1,733,000	2,282,754
Expenditures			
Commercial fisheries and AICFI program expenses	944,580	581,064	954,469
Commercial fisheries wages and benefits	500,000	520,792	545,498
Aboriginal fishing strategy	150,000	163,416	162,288
	1,594,580	1,265,272	1,662,255
Surplus	$ 150,420	$ 467,728	$ 620,499

LENNOX ISLAND FIRST NATION

CULTURAL PROGRAM
CONSOLIDATED SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Other revenue	$ 15,000	$ 44,996	$ 15,454
Dept. of Canadian Heritage	14,750	11,685	14,750
Garden project	-	6,289	48,645
	29,750	62,970	78,849
Expenditures			
Wages and benefits	29,900	38,428	34,292
Garden project	-	9,007	44,824
Operating costs	6,724	5,196	7,273
	36,624	52,631	86,389
Surplus (deficit)	$ (6,874)	$ 10,339	$ (7,540)

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION

RENTAL PROGRAM
CONSOLIDATED SCHEDULE OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Housing rent	$ 180,000	$ 201,811	$ 214,965
Canada Mortgage and Housing Corporation subsidies	69,727	69,258	71,489
	249,727	271,069	286,454
Expenditures			
Interest on house mortgages	30,000	24,807	32,314
Repairs and maintenance	10,564	19,104	64,526
Utilities	17,726	13,615	15,885
Professional fees	1,500	1,500	1,500
	59,790	59,026	114,225
Surplus	$ 189,937	$ 212,043	$ 172,229

Note: Principal payments on CMHC housing projects are estimated to be $90,000 per year. These payments are not reflected in the expenditure total above.

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS
GOVERNMENT TRANSFERS
YEAR ENDED MARCH 31, 2017

	2017 Operating	2017 Capital	2017 Total
Federal government transfers:			
Indigenous and Northern Affairs Canada	6,353,220	-	6,353,220
Health Canada	1,320,774	-	1,320,774
Canada Mortgage and Housing Corp.	244,877	-	244,877
Department of Fisheries and Oceans	242,140	177,460	419,600
ACOA	151,943	-	151,943
Department of Canadian Heritage	11,685	-	11,685
Federal government transfer total	$ 8,324,639	$ 177,460	$ 8,502,099
Provincial government transfers:	$ 615,647	$ -	$ 615,647

The accompanying notes are an integral part of the financial statements

LENNOX ISLAND FIRST NATION
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS
HEALTH CANADA BLOCK, FLEXIBLE & SET FUNDING
YEAR ENDED MARCH 31, 2017
(UNAUDITED)

Type/Description	Funding	Wages and benefits	Insurance, utilities, maintenance	Professional services	Supplies and resource materials	Admin/rental	Programs, workshops and activities	Training and travel	Medical transportation	Total Expenses	Surplus (deficit)
Block											
AHSOR	$ 54,074	47,404	-	-	1,263	5,407	-	-	-	54,074	$ -
Prenatal Nutrition	$ 11,029	5,350	-	-	4,583	1,103	-	-	-	11,036	$ (7)
Maternal Child Health	$ 29,600	24,688	-	-	1,073	2,960	-	1,150	-	29,871	$ (271)
Brighter Futures	$ 40,029	17,947	-	-	7,691	4,003	6,920	3,417	-	39,978	$ 51
BHC - Mental Health	$ 40,178	33,260	-	1,089	847	4,982	-	-	-	40,178	$ -
BHC - Solvent Abuse	$ 8,311	-	-	8,311	-	-	-	-	-	8,311	$ -
NNADAP	$ 160,409	125,808	-	-	3,491	16,041	4,791	10,350	-	160,481	$ (72)
ADI	$ 43,395	14,236	-	1,805	-	14,480	12,510	369	-	43,400	$ (5)
CHPI/IP	$ 202,991	163,192	-	-	11,025	20,299	1,799	3,803	-	200,118	$ 2,873
CDC	$ 6,150	-	-	-	-	-	5,915	-	-	5,915	$ 235
HIV/AIDS	$ 9,000	-	-	-	-	-	9,002	-	-	9,002	$ (2)
TB	$ 1,500	-	-	-	-	-	1,522	-	-	1,522	$ (22)
CDE	$ 2,700	-	-	-	-	-	2,700	-	-	2,700	$ -
HPM	$ 281,295	231,026	10,121	3,842	18,666	-	7,800	24,190	-	295,645	$ (14,350)
MAR	$ 7,608	-	-	-	14,166	-	-	-	-	14,166	$ (6,558)
O&M	$ 48,290	31,074	25,610	3,213	1,055	-	-	-	-	60,952	$ (12,662)
Block total	$ 946,559	$ 693,985	$ 35,731	$ 18,260	$ 63,860	$ 69,275	$ 52,959	$ 43,279	$ -	$ 977,349	$ (30,790)
Flexible											
COHI	$ 6,461	5,493	-	-	-	646	571	-	-	6,710	$ (249)
Drinking Water Safety	$ 6,770	6,770								6,770	$ -
Capital Investments	$ 31,230	-	-	-	-	-	-	-	-	-	$ 31,230
Flexible total	$ 44,461	$ 12,263	$ -	$ -	$ -	$ 646	$ 571	$ -	$ -	$ 13,480	$ 30,981
Set											
NAYSPS	$ 5,683	-	-	5,724	-	-	-	-	-	5,724	$ (41)
IRS	$ 109,715	49,180	-	-	28,171	9,974	2,514	6,651	-	96,490	$ 13,225
FNIHCC	$ 98,603	80,647	-	-	5,290	9,974	-	2,710	-	98,621	$ (18)
JP-SD	$ 3,920	-	-	-	-	-	3,920	-	-	3,920	$ -
Medical transportation	$ 111,833	-	-	-	-	-	-	-	96,007	96,007	$ 15,826
Set total	$ 329,754	$ 129,827	$ -	$ 5,724	$ 33,461	$ 19,948	$ 6,434	$ 9,361	$ 96,007	300,762	$ 28,992
TOTAL	$ 1,320,774	$ 836,075	$ 35,731	$ 23,984	$ 97,321	$ 89,869	$ 59,964	$ 52,640	$ 96,007	$ 1,291,591	$ 58,366

LENNOX ISLAND FIRST NATION
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS
INAC BLOCK, FIXED AND SET FUNDING
YEAR ENDED MARCH 31, 2017

Expense type	Funding amount	Wages and benefits	Supplies	Travel and training	Tangible capital assets	Shelter operations	Admin/Other	Tuition and allowances	Repairs and utilities	Insurance	Basic and special needs	Other O&M costs	Prof services	Band activities	Honoraria	Total expenses	Surplus (deficit)	Transfer to educ.programs	Transfer to band admin
Funding description																			
Indian government support (block), sch.4	428,204	372,040		33,819			32,707						38,421	106,461	79,000	652,448	(224,244)		166,986
Membership (block), sch.7	10,792	16,224	252													16,476	(5,684)		
Elementary/secondary (block), sch.2	879,850	472,523	6,754				784	291,567	41,369			30,119				843,116	36,734		-36,734
Post secondary (block), sch.2	287,514							234,935								234,935	52,579		
Income assistance (block), sch.1	612,733	196,673		1,205			-				421,973					619,851	(7,118)		
Assisted living (block), sch.1	72,263	59,683	3,504	1,963			7,113									72,263	(0)		
Economic dev. (block),sch.3	56,777	54,000	4,000	5,664												63,664	(6,887)		
Capital (block), sch.5	306,609	64,046							112,311							176,357	130,252		(130,252)
Facilities O&M (block),sch.6	695,673	201,478							245,630	93,245		199,757				740,110	(44,437)		
Block subtotal	3,350,415	1,436,667	14,510	32,651	-	-	40,604	526,502	399,310	93,245	421,973	229,876	38,421	106,461	79,000	3,419,221	(68,806)	-	-
Instructional services (fixed), sch.2	11,097	419												10,678		11,097	-		
Emergency shelters (fixed), sch.1	514,115	343,071	19,380	38,616		26,991	51,412					24,245		10,400		514,115	-		-
Band operated school (fixed), sch.2	365,000	326,572														326,572	38,428		
Ec.dev. planning (fixed), sch.3	25,390												31,942			31,942	(6,552)		
Land use initiative (fixed), sch.4	21,878												21,878			21,878	-		
Major renovations and repairs (fixed), sch.5	569								569							569	-		
Fixed subtotal	938,049	670,062	19,380	38,616	-	26,991	51,412	-	569	-	-	24,245	53,820	21,078	-	906,173	31,876	-	-
Instructional services (set), sch.2	1,999	1,999														1,999	-		
School effectiveness (set), sch.2	11,958													11,958		11,958	-		
Parental & Comm engagement (set), sch.2	11,959													11,959		11,959	-		
Teacher recruitment/retention (set), sch.2	11,959													11,959		11,959	-		
Summer work experience (set), sch.2	24,000	24,000														24,000	-		
Language and culture (set), sch.2	32,834	32,834														32,834	-		
Prevention projects (set), sch.1	40,000	30,005	2,095	80			7,900									40,080	(80)		
Assisted living (set), sch.1	25,833											3,696				3,696	22,137		
Preparedness (set), sch.6	50,543											50,543							
Enhanced teacher salary (set), sch.2	6,201	6,201														6,201	-		
Set subtotal	217,286	95,039	2,095	80	-	-	7,900	-	-	-	-	54,239	-	35,876	-	195,229	22,057	-	-
School design/construction (flex), sch.2	73,127												75,428			75,428	(2,301)		
Renovations and additions (flex), sch.5	150,000								150,000							150,000	-		
Capacity development (flex), sch.5	110,000												110,000			110,000	-		
Community based funding (flex), sch.4	70,593	26,458	8,671	1,654									20,868			57,651	12,942		
Roads and bridges (flex), sch.6	1,443,750								417,417							417,417	1,026,333		
Flexible subtotal	1,847,470	26,458	8,671	1,654	-	-	-	-	567,417	-	-	-	206,296	-	-	810,496	1,036,974	-	-
Total funding	6,353,220	2,228,226	44,656	73,001	-	26,991	99,916	526,502	957,296	93,245	421,973	308,360	298,537	163,415	79,000	5,331,119	1,022,101	-	-

LENNOX ISLAND FIRST NATION
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2017

	Social development			Education			Economic development		
	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual
Revenues									
Federal Government	1,224,944	1,264,944	1,128,532	1,702,498	1,717,498	1,537,292	82,167	82,167	56,235
Provincial Government	-	-	-	-	-	-	487,444	572,878	561,163
Economic Activities	-	-	-	-	-	-	273,707	472,640	180,685
Other revenue	-	102,433	97,714	38,000	48,967	2,152	-		-
Total revenue	1,224,944	1,367,377	1,226,246	1,740,498	1,766,465	1,539,444	843,318	1,127,685	798,083
Expenses									
Salaries and benefits	483,000	534,278	419,440	847,584	864,548	846,224	149,743	129,245	152,958
Amortization	-	-	-	-	-	-	-	-	-
Debt servicing	-	-	-	-	784	1,293	123,548	117,130	213,851
Government enterprise loss	-	-	-	-	-	-	-	-	-
Other expenses	741,944	790,173	811,675	799,758	726,726	667,248	533,935	851,709	558,702
Total expenses	1,224,944	1,324,451	1,231,115	1,647,342	1,592,058	1,514,765	807,226	1,098,084	925,511
Annual surplus (deficit)	-	42,926	(4,869)	93,156	174,407	24,679	36,092	29,601	(127,428)

	Band management			Capital			Capital facilities operating and maintenance		
	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual
Revenues									
Federal Government	496,797	520,675	486,908	414,609	742,797	703,682	2,168,202	1,163,633	830,457
Provincial Government	-	-	-	-	99,769	100,000	-	-	-
Economic Activities	-	-	-	-	-	-	-	-	-
Other revenue	59,601	191,125	106,766	-	-	-	-	-	-
Total revenue	556,398	711,800	593,674	414,609	842,566	803,682	2,168,202	1,163,633	830,457
Expenses									
Salaries and benefits	367,007	338,798	300,654	67,232	64,046	65,954	206,023	201,478	205,410
Amortization	-	-	-	-	-	-	-	-	-
Debt servicing	19,184	22,977	19,281	-	-	-	-	-	-
Government enterprise loss	-	-	-	-	-	-	-	-	-
Other expenses	384,734	427,362	357,050	176,142	648,268	103,435	1,995,012	998,208	534,516
Total expenses	770,925	789,137	676,985	243,374	712,314	169,389	2,201,035	1,199,686	739,926
Annual surplus (deficit)	(214,527)	(77,337)	(83,311)	171,235	130,252	634,293	(32,833)	(36,053)	90,531

LENNOX ISLAND FIRST NATION
SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2017

	Membership			Health			Fisheries			Cultural program			Rental program			Consolidated totals		
	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual
Revenues																		
Federal Government	10,792	10,792	10,689	1,320,774	1,320,774	1,164,897	150,000	419,600	355,034	14,750	11,685	14,750	69,727	69,258	71,489	7,655,260	7,323,823	6,359,965
Provincial Government	5,000	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	492,444	677,647	666,163
Economic Activities	-	-	-	-	-	-	1,595,000	1,313,400	1,927,720	-	-	-	180,000	201,811	214,965	2,048,707	1,987,851	2,323,370
Other revenue	-	-	-	106,695	142,492	302,903	-	-	-	15,000	51,285	64,099	-	-	-	219,296	536,302	573,634
Total revenue	15,792	15,792	15,689	1,427,469	1,463,266	1,467,800	1,745,000	1,733,000	2,282,754	29,750	62,970	78,849	249,727	271,069	286,454	10,415,707	10,525,623	9,923,132
Expenses																		
Salaries and benefits	16,224	16,224	16,536	1,025,000	1,021,895	968,455	575,000	599,108	635,498	29,900	38,428	34,292	-	-	-	3,766,713	3,808,048	3,645,421
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	963,227	984,653	963,227
Debt servicing	-	-	-	-	-	-	-	-	-	-	-	-	30,000	24,807	32,314	172,732	165,698	266,739
Government enterprise loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	404,346	320,071
Other expenses	-	252	366	396,566	403,523	406,528	1,019,580	666,164	1,026,757	6,724	14,203	52,097	29,790	34,219	81,911	6,084,185	5,560,807	4,600,285
Total expenses	16,224	16,476	16,902	1,421,566	1,425,418	1,374,983	1,594,580	1,265,272	1,662,255	36,624	52,631	86,389	59,790	59,026	114,225	10,986,857	10,923,552	9,795,743
Annual surplus (deficit)	(432)	(684)	(1,213)	5,903	37,848	92,817	150,420	467,728	620,499	(6,874)	10,339	(7,540)	189,937	212,043	172,229	(571,150)	(397,929)	127,389

The accompanying notes are an integral part of the financial statements