

FOX LAKE CREE NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

FOX LAKE CREE NATION  
MARCH 31, 2016

COUNCIL

Chief	Walter Spence
Former Councillor	Francis Neepin
Councillor	Shawna Arthurson
Councillor	Martin Nicholas

FIRST NATION ADMINISTRATION

First Nation Administrator	Clara McLeod - current
First Nation Administrator	Victoria Henderson - former
Director of Finance	Jennifer Neepin
Health Director	Marie Henderson
Social Service Administrator	Gordon Anderson

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FOR THE YEAR ENDED MARCH 31, 2016

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FOX LAKE CREE NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2016

**MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS**

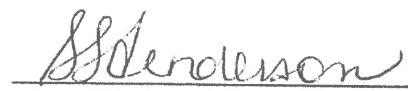
The consolidated financial statements of the Fox Lake Cree Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the integrity and objectivity of the consolidated financial statements. Estimates are necessary in the preparation of these consolidated financial statements and, based on careful judgments, have been properly reflected. Management has established systems of internal control, which are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for the preparation of financial information.

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

The consolidated financial statements have been audited by Holukoff Chiarella in accordance with Canadian generally accepted auditing standards on behalf of the members. Holukoff Chiarella have full and free access to Council.

  
COUNCILLOR

  
COUNCILLOR

# Holukoff Chiarella

CHARTERED ACCOUNTANTS

## EXHIBIT "A"

Kevin Massé, B.Comm. (Hons), C.A.  
(Practising as Kevin Massé Chartered Accountant Ltd.)  
Ralph Orr, B.Comm. (Hons), C.A.  
(Practising as Ralph Orr Chartered Accountant Ltd.)

101 - 1180 Pembina Highway  
Winnipeg, Manitoba R3T 2A4  
Telephone (204) 452-6449  
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## INDEPENDENT AUDITORS' REPORT

To the Chief, Councillors and Members of  
Fox Lake Cree Nation

We have audited the accompanying financial statements of Fox Lake Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of accumulated surplus, operations, revenue and expenses, changes 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 Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditors' Responsibility**

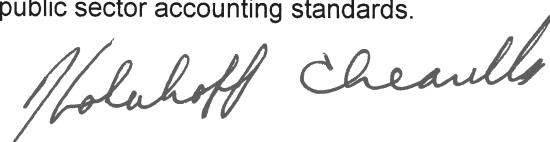
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 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 Fox Lake First Nation 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.



CHARTERED PROFESSIONAL ACCOUNTANTS

WINNIPEG, MANITOBA  
September 23, 2016.

EXHIBIT "B"

FOX LAKE CREE NATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
<b>FINANCIAL ASSETS</b>		
Cash, Note 3	\$ 5,912,914	1,608,306
Restricted cash and trust funds, Note 4	3,815,399	533,738
Accounts receivable, Note 5	13,668,530	14,783,180
Loans and advances receivable, Note 6	102,179	130,650
Due from related party, Note 7	225,482	25,881
Investments, Note 8	<u>2,296,939</u>	<u>2,220,695</u>
	<u>26,021,443</u>	<u>19,302,450</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities, Note 9	1,521,372	1,347,081
Deferred revenue, Note 10	22,020,445	16,773,847
Long term debt, Note 11	2,913,713	3,140,205
Reserve Funds, Note 12	<u>203,512</u>	<u>187,779</u>
	<u>26,659,042</u>	<u>21,448,912</u>
NET DEBT, Exhibit "F"	<u>(637,599)</u>	<u>(2,146,462)</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses, Note 13	12,576	2,432
Inventory, Note 14	47,681	35,775
Tangible capital assets, Note 15	<u>24,887,594</u>	<u>22,821,989</u>
	<u>24,947,851</u>	<u>22,860,196</u>
ACCUMULATED SURPLUS, Exhibit "C"	<u>\$ 24,310,252</u>	<u>20,713,734</u>
CONTINGENT LIABILITY, Note 22		

APPROVED ON BEHALF OF FIRST NATION COUNCIL

  
COUNCILLOR

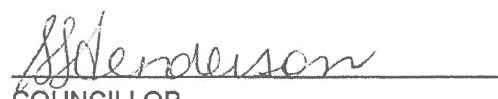
  
COUNCILLOR

EXHIBIT "C"

FOX LAKE CREE NATION  
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS  
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
BALANCE AT BEGINNING OF YEAR	\$ 20,713,734	18,650,303
CONTRIBUTED CAPITAL, KEEYASK		134,893
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	<u>3,596,518</u>	<u>1,928,538</u>
BALANCE AT END OF YEAR	<u>\$ 24,310,252</u>	<u>20,713,734</u>

EXHIBIT "D"

FOX LAKE CREE NATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2016

		<u>2016</u>	<u>2015</u>
		<u>Budget</u>	<u>Actual</u>
<b>REVENUE</b>			
Federal Government			
AANDC	\$ 2,968,953	2,627,872	3,136,050
Health Canada	810,500	871,299	794,328
Canada Mortgage and Housing Corporation	96,357	96,357	93,185
Ottawa Trust Funds		277	509
Provincial government	155,529	44,731	57,642
Other	<u>4,754,883</u>	<u>15,092,336</u>	<u>9,460,022</u>
	<u>8,786,222</u>	<u>18,732,872</u>	<u>13,541,736</u>
<b>EXPENSES</b>			
First Nation Management	307,670	1,185,982	693,322
Social Services	707,058	454,024	866,973
Economic Development	78,115	157,104	78,238
Public Works	491,918	753,648	585,864
Education	1,777,572	1,002,594	1,263,683
Health Services	873,179	982,370	905,486
Capital	357,325	2,548,864	457,142
Band Housing	483,996	654,654	368,623
Gaming Centre		865,689	271,762
CMHC Housing Operations	190,928	67,569	78,755
Operating Programs	1,122,671	742,207	940,381
Negotiations Office	2,908,355	5,851,985	3,019,604
Business Enterprise		1,461,400	879,305
Trust Funds	<u>165,685</u>	<u>207,033</u>	<u>280,202</u>
	<u>9,464,472</u>	<u>16,935,123</u>	<u>10,689,340</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>			
BEFORE OTHER ITEMS	(678,250)	1,797,749	2,852,396
<b>OTHER ITEMS</b>			
Transfer to tangible capital assets		3,414,157	541,653
Amortization		(1,916,377)	(1,655,252)
Amortization recorded in operations	<u>_____</u>	<u>300,989</u>	<u>189,741</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <b>(678,250)</b>	<b>3,596,518</b>	<b>1,928,538</b>

EXHIBIT "D-1"

FOX LAKE CREE NATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>		<u>Annual Surplus (Deficit)</u>	<u>2015 Annual Surplus (Deficit)</u>
	<u>Revenue</u>	<u>Expenses</u>		
Operations, Exhibit "E"	\$ 7,138,638	8,481,447	(1,342,809)	(679,419)
CMHC Housing, Exhibit "E"	167,569	67,569	100,000	102,164
Trust Fund, Exhibit "E"	207,310	207,033	277	509
Other, Exhibit "E"	<u>11,219,355</u>	<u>8,179,074</u>	<u>3,040,281</u>	<u>3,429,142</u>
	<b>\$ 18,732,872</b>	<b>16,935,123</b>	1,797,749	2,852,396
OTHER ITEMS				
Transfer to tangible capital assets			3,414,157	541,653
Amortization			(1,916,377)	(1,655,252)
Amortization recorded in operations			<u>300,989</u>	<u>189,741</u>
ANNUAL SURPLUS (DEFICIT)			<b>\$ 3,596,518</b>	<b><u>1,928,538</u></b>

EXHIBIT "E"

FOX LAKE CREE NATION  
CONSOLIDATED STATEMENT OF OPERATIONS REVENUE AND EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2016  
(Unaudited)

	2016			2015		
	<u>AANDC</u>	<u>Revenue</u>	<u>Other</u>	<u>Total</u>	<u>Expenses</u>	<u>Transfers</u>
<b>OPERATIONS</b>						
First Nations Management	\$ 434,042	215,507	649,549	1,185,982		(536,433)
Social Services	498,953	18	498,971	454,024		44,947
Economic Development	150,296	5,000	155,296	157,104		(1,808)
Public Works	180,040	63,529	243,569	1,711,248	957,600	(510,079)
Education	1,008,341		1,008,341	1,002,594		5,747
Health Services		881,299	881,299	982,370		(101,071)
Capital	356,200	2,192,664	2,548,864	2,548,864		
Band Housing		329,244	329,244	531,295	(123,359)	(43,904)
Operating Programs		823,505	823,505	742,207		81,298
	<u>2,627,872</u>	<u>4,510,766</u>	<u>7,138,638</u>	<u>9,315,688</u>	<u>834,241</u>	<u>(1,342,809)</u>
<b>CMHC HOUSING OPERATING</b>						
CMHC Housing		<u>167,569</u>	<u>167,569</u>	<u>190,928</u>	<u>123,359</u>	<u>100,000</u>
<b>TRUST FUND</b>						
Nikanihk Itapowin (Future Vision) Trust Ottawa Trust Fund		207,033	207,033	207,033		
		<u>277</u>	<u>277</u>	<u>277</u>		<u>277</u>
		<u>207,310</u>	<u>207,310</u>	<u>207,310</u>		<u>207,310</u>
<b>OTHER</b>						
Gaming Centre	908,174	908,174	865,689		42,485	(22,950)
Negotiations Office	5,660,984	5,660,984	4,894,385	(957,600)	(191,001)	185,227
Business Enterprise	<u>4,650,197</u>	<u>4,650,197</u>	<u>1,461,400</u>	<u>3,188,797</u>	<u>3,266,865</u>	<u>3,429,142</u>
	<u>11,219,355</u>	<u>11,219,355</u>	<u>7,221,474</u>	<u>(957,600)</u>	<u>3,040,281</u>	
<b>TOTAL</b>	<b>\$ 2,627,872</b>	<b>16,105,000</b>	<b>18,732,872</b>	<b>16,935,123</b>	<b>—</b>	<b>1,797,749</b>
<b>AANDC FUNDING PER CONFIRMATION</b>						<b>2,852,396</b>

EXHIBIT "F"

FOX LAKE CREE NATION  
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT  
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	\$ 3,596,518	2,063,431
Acquisition of tangible capital assets	(3,981,982)	(2,674,312)
Amortization of tangible capital assets	1,916,377	1,655,252
Change in prepaid expenses	(10,144)	8,536
Change in inventory	<u>(11,906)</u>	<u>(35,775)</u>
DECREASE IN NET DEBT	1,508,863	1,017,132
NET DEBT AT BEGINNING OF YEAR	<u>(2,146,462)</u>	<u>(3,163,594)</u>
NET DEBT AT END OF YEAR	<u>\$ (637,599)</u>	<u>(2,146,462)</u>

EXHIBIT "G"

FOX LAKE CREE NATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit), Exhibit "D"	\$ 3,596,518	1,928,538
Add non-cash items		
Amortization	1,916,377	1,655,252
Replacement reserve	15,733	20,066
Net change in financial assets/liabilities, prepaid expenses and inventory		
Restricted cash and trust funds	(3,281,661)	851,101
Accounts receivable	1,114,650	(796,323)
Inventory	(11,906)	(35,775)
Prepaid expenses	(10,144)	8,536
Accounts payable	174,291	115,540
Advances	28,471	(123,732)
Due from related party	(199,601)	(105,383)
Deferred revenue	<u>5,246,598</u>	<u>(292,879)</u>
	<u>8,589,326</u>	<u>3,224,941</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(3,981,982)	(3,560,114)
Change in capital assets under construction	<u>(3,981,982)</u>	<u>885,802</u>
	<u>(3,981,982)</u>	<u>(2,674,312)</u>
<b>FINANCING TRANSACTIONS</b>		
Contributed capital		134,893
Repayment of capital lease obligations		(12,758)
Proceeds from long term debt		40,185
Principal repayments on long term debt	<u>(226,492)</u>	<u>162,320</u>
	<u>(226,492)</u>	<u>162,320</u>
<b>INVESTING TRANSACTIONS</b>		
Increase in long term investments	<u>(76,244)</u>	<u>772,768</u>
<b>NET CHANGE IN CASH POSITION</b>	<u>4,304,608</u>	<u>1,485,717</u>
<b>CASH POSITION AT BEGINNING OF YEAR</b>	<u>1,608,306</u>	<u>122,589</u>
<b>CASH POSITION AT END OF YEAR</b>	<u>\$ 5,912,914</u>	<u>1,608,306</u>
<b>CASH CONSISTS OF:</b>		
Bank overdraft	\$ (83,262)	(5,516)
Bank	<u>5,996,176</u>	<u>1,613,822</u>
	<u>\$ 5,912,914</u>	<u>1,608,306</u>

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

**1. BASIS OF PRESENTATION**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards for local government entities, as defined in the Public Sector Accounting and Auditing Handbook of the Canadian Institute of Chartered Accountants.

**a) Nature and Purpose of Organization**

The purpose of the organization is the management and administration of all aspects of the Fox Lake Cree Nation. The organization operates with a Chief and Council, who are ultimately responsible for the establishment and administration of all programs of the First Nation.

**b) Reporting Entity and Principles of Financial Reporting**

Fox Lake Cree Nation reporting entity includes the Fox Lake Cree Nation Government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for these entities, which all use accounting principles which lend themselves to consolidations.

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual statements.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue Recognition**

The First Nation follows the deferral method of accounting for restricted revenues. Revenues restricted by legislation, regulation or agreement and not available for general government purposes are deferred on the consolidated balance sheet. The revenue is recognized in the year in which it is used for the specified purpose. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**b) Tangible Capital Assets**

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods and delivering services.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artefacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued

c) Amortization

Tangible capital assets are recorded at cost and are amortized annually as a charge against operations. Assets are amortized over their expected useful life using the straight line method at the following rates:

Infrastructure	5%
Buildings	5%
Band Housing	5%
CMHC Housing	5%
Heavy equipment	10%
IT equipment	25%
Vehicles	20%

Amortization commences in the following year after acquisition.

d) Reserves

The reserves accounts are funded by an annual charge against operations as opposed to an appropriation of surplus.

e) Financial Instruments

*Initial and subsequent measurement*

The First Nation initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The First Nation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash, accounts receivable, loans and advances receivable, due from related party and investments.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities, deferred revenue, long-term debt and reserve funds.

Financial assets measured at fair value include quoted shares.

*Transaction costs*

Transactions costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued

f) Net Debt/Net Financial Assets

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

g) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. CASH

Cash consists of cash on hand and balances with banks. Cash (bank indebtedness) is comprised of the following:

	<u>2016</u>	<u>2015</u>
<b>CASH AT BANK</b>		
Administration - Operations	\$ 2,717,004	577,332
- Payroll	(60,596)	
Social Services	11,710	71,122
Health	(10,244)	39,248
Band Housing	60,242	(125)
CMHC - Construction	273	333
Gaming Division - VLT	389,960	205,833
- Smoke Shop	67,801	49,780
Fox Lake Ventures Limited Partnership	536,534	490,084
Fox Lake Construction Limited Partnership	93,585	
Fox Lake Rentals Limited Partnership	42,724	
Keeyask Investments Inc. - Bank	8,008	215
- GIC	180,000	180,000
Negotiations Office	(12,422)	(5,516)
Band Centre Complex	<u>1,888,335</u>	<u>_____</u>
<b>CASH AND CASH EQUIVALENTS</b>	<b>\$ 5,912,914</b>	<b>1,608,306</b>

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

## 4. RESTRICTED CASH AND TRUST FUNDS

	<u>2016</u>	<u>2015</u>
Restricted cash		
CMHC replacement reserve fund	\$ (12)	
Nikanihk (Future Vision) Trust	43,017	51,342
Future development	<u>3,758,629</u>	<u>468,932</u>
	3,801,646	520,262
Trust Fund - Ottawa Trust Accounts	<u>13,753</u>	<u>13,476</u>
	<b><u>\$ 3,815,399</u></b>	<b><u>533,738</u></b>

Cash is subject to the restrictions imposed upon by outside parties and can only be used for the purposes specified.

The Nikanihk Itapowin (Future Vision) Trust is a separately maintained fund of the Fox Lake Cree Nation. The Trust is the result of negotiations, in 2004, with Manitoba Hydro and the Province of Manitoba on past grievances. These funds are deemed by the Fox Lake Cree Nation Council to be used for assisting in the development of current and future generations of the Fox Lake Cree Nation membership.

Future development funds are restricted for Fox Lake Cree Nation Keeyask Adverse Effects Agreement and Keewatinohk Adverse Effects Agreement.

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.

## OTTAWA TRUST FUND

	<u>Revenue</u>	<u>Capital</u>	<u>Total</u>
Balance at beginning of year	\$ 11,841	1,635	13,476
Amounts placed on deposit during the year	<u>277</u>	—	<u>277</u>
Balance at end of year	<b><u>\$ 12,118</u></b>	<b><u>1,635</u></b>	<b><u>13,753</u></b>

EXHIBIT "H"

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

## 5. ACCOUNTS RECEIVABLE

		<u>2016</u>	<u>2015</u>
Administration			
AANDC		\$ 51,862	175,096
Trade receivables		<u>266,072</u>	<u>750,437</u>
		317,934	925,533
Allowance for doubtful accounts		(11,890)	(11,890)
		<u>306,044</u>	<u>913,643</u>
Band Housing			
Trade		<u>70,000</u>	_____
Health			
FNIHB		<u>50,000</u>	<u>58,984</u>
CMHC			
Subsidy		<u>7,609</u>	<u>10,133</u>
Nikanihk Itapowin Trust			
Manitoba Hydro		11,835,705	12,035,705
Trade		6,868	3,341
		<u>11,842,573</u>	<u>12,039,046</u>
Negotiations Office			
Manitoba Hydro		862,704	689,782
CRA - GST		154,828	131,803
Trade and other		7,858	13,968
		1,025,390	835,553
Allowance for doubtful accounts		(154,828)	_____
		<u>870,562</u>	<u>835,553</u>
VLT			
Trade		<u>122</u>	_____
Smoke Shop			
Trade		<u>2,096</u>	_____
Fox Lake Construction Limited Partnership			
Trade		<u>124,913</u>	_____
Fox Lake Rentals Limited Partnership			
Trade		16,881	_____
Allowance for doubtful accounts		(636)	_____
		<u>16,245</u>	_____
Fox Lake Ventures Limited Partnership			
Trade		378,901	918,256
Allowance for doubtful accounts		(6,354)	_____
		<u>372,547</u>	<u>918,256</u>
Fox Lake Keeyask Investments Inc.			
Trade		<u>5,819</u>	<u>7,565</u>
TOTAL ACCOUNTS RECEIVABLE		<u>\$ 13,668,530</u>	<u>14,783,180</u>

EXHIBIT "H"

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

6. LOANS AND ADVANCES RECEIVABLE

	<u>2016</u>	<u>2015</u>
Member loans and advances		
Administration	\$ 58,400	23,347
Social Services	2,792	18,780
Health	<u>11,672</u>	<u>42,127</u>
Allowance for doubtful accounts	72,864	2,179
	<u>(70,685)</u>	<u>(11,477)</u>
Fox Lake Ventures Limited Partnership - Cash advance	30,650	
Fox Lake Construction Limited Partnership - Cash advance	<u>100,000</u>	<u>100,000</u>
	<u>\$ 102,179</u>	<u>130,650</u>

7. RELATED PARTY TRANSACTIONS

The following summarizes the organization's related party transactions during the year:

	<u>2016</u>	<u>2015</u>
REVENUE		
Nikanihk Itapowin (Future Vision) Trust	\$ 15,375	59,274

These transactions with commonly controlled entities are in the normal course of operations and are measured at the exchange amount.

At the end of the year, the amounts due from related parties were as follows:

Fox Lake Employment Retention Services Joint Venture	\$ 225,482	25,881
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These balances are interest-free, payable on demand and have arisen from transactions in the normal course of operations.

8. INVESTMENTS

i) The Keeyask Hydro Power Limited Partnership was established to own, construct and operate the Keeyask Project with the objective of producing profits by generating and selling electrical energy. On May 11, 2009, FLCN Keeyask Investment Inc., which was established by Fox Lake Cree Nation to hold its investment in KHL, made its initial investment of \$450,000 into the KHL.

Pursuant to the Joint Keeyask Development Agreement and the FLCNKII Financing Agreement, on each anniversary date following the Initial Closing Date for Keeyask and up to the Final Closing Date, FLCNKII is entitled to an advance from Manitoba Hydro under the Common Unit Distribution Credit Facility based on the following formula:

(A – B) x C

where,

- A is the Thirty Year Rate on the applicable anniversary date;
- B is one and one-half (1.5%) percent; and
- C is \$450,000

	<u>2016</u>	<u>2015</u>
	<u>\$ 450,000</u>	<u>450,000</u>

EXHIBIT "H"

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

8. INVESTMENTS, continued

ii) Nikanihk Itapowin (Future Vision) Trust

	<u>2016</u>	<u>2015</u>
CI Private managed assets	\$ 1,527,549	1,469,215

CI Investments: Market value as at March 31, 2016 - \$2,189,132 (2015 - \$2,028,444). Market value of the CI Investments is reflected net of fees.

iii) Negotiations Office

Sun Life Financial - NBC Mortgage Funds	\$ 186,167	186,167
Peace Hills Trust - GIC (revolving 30 day maturity earning interest at 0.20%)	<u>115,313</u>	<u>115,313</u>
	\$ 301,480	301,480

Market value of NBC Mortgage Funds is \$188,894 (2015 - \$190,766).

The Sun Life Financial investments are restricted for the Conawapa Advance Agreement deferred revenue and the Peace Hills Trust GIC are restricted for the Fox Lake Cree Nation Keeyask Adverse Effects Agreement deferred revenue in Note 10.

iv) Fox and York Keeyask employment retention services	<u>\$ 17,910</u>	_____
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 2,296,938</u></b>	<b><u>2,220,695</u></b>

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2016</u>	<u>2015</u>
Administration		
Manitoba Hydro	\$ 188,240	253,901
Wages and benefits	18,179	58,448
Receiver General	51,731	12,559
CRA - GST	119,167	119,167
Trade	<u>619,743</u>	<u>345,236</u>
	877,893	789,311
Social Services		
Trade	<u>6,500</u>	<u>12,816</u>
Health		
FNIHB		36,363
Receiver General	6,404	1,821
Trade	<u>55,929</u>	<u>36,698</u>
	62,333	74,882

EXHIBIT "H"

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES, continued

		<u>2016</u>	<u>2015</u>
Nikanihk Itapowin (Future Vision) Trust			
Trade		\$ 9,500	<u>907</u>
CMHC			
Trade		<u>15,200</u>	<u>2,354</u>
CMHC Construction			
Trade		—	<u>3,250</u>
Gaming - VLT			
Wages and benefits			7,071
Receiver General			14,485
Trade		<u>6,511</u>	<u>11,563</u>
		<u>6,511</u>	<u>33,119</u>
Gaming - Smoke Shop			
Trade		<u>9,713</u>	<u>3,000</u>
Negotiations Office			
Band Members' distribution -			
Bipole III/Keewatinohk Converter Station Agreement		56,000	
Manitoba Hydro - Cancelled severance		30,680	30,680
Wages			220
Severance payable - Conawapa wind-down			106,494
Trade		<u>242,642</u>	<u>177,466</u>
		<u>329,322</u>	<u>314,860</u>
Fox Lake Ventures Ltd.			
Trade		<u>1,200</u>	<u>1,200</u>
Makeso Land Corporation			
Trade		<u>1,550</u>	<u>1,200</u>
FLCN Gathering Centre Inc.			
Trade		<u>1,350</u>	<u>1,748</u>
Fox Lake Concrete Ltd.			
Trade		<u>1,400</u>	<u>1,200</u>
Fox Lake Land Corp.			
Trade		<u>1,200</u>	<u>1,200</u>
Fox Lake Construction Ltd.			
Trade		<u>1,500</u>	—

FOX LAKE CREE NATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

EXHIBIT "H"

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES, continued

	<u>2016</u>	<u>2015</u>
Fox Lake Rentals Ltd.		
Trade	\$ <u>1,500</u>	____
Fox Lake Ventures Limited Partnership		
PST	40,296	
Retention payable	10,941	107
GST payable	47,168	79,081
Trade payables and accrued liabilities	<u>35,162</u>	<u>14,618</u>
	<u>133,567</u>	<u>93,806</u>
Makeso Land Limited Partnership		
Trade	<u>19,605</u>	<u>1,600</u>
FLCN Gathering Centre Limited Partnership		
Trade	<u>1,500</u>	<u>1,500</u>
Fox Lake Concrete Limited Partnership		
Trade	<u>2,200</u>	<u>1,500</u>
Fox Lake Land Limited Partnership		
Trade	<u>2,200</u>	<u>2,687</u>
Fox Lake Construction Limited Partnership		
Trade	<u>13,409</u>	____
Fox Lake Rentals Limited Partnership		
Trade	<u>10,351</u>	____
Keeyask Investments Inc.		
Trade	<u>11,868</u>	<u>4,941</u>
<b>TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES</b>	<b>\$ <u>1,521,372</u></b>	<b><u>1,347,081</u></b>

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

10. DEFERRED REVENUE

	<u>2016</u>	<u>2015</u>
i) Nikanihk Itapowin (Future Vision) Trust		
Manitoba Hydro	\$ <u>14,959,666</u>	<u>15,138,329</u>
As embodied in the Trust Indenture dated December 6, 2004, an agreement called the Impact Settlement Agreement was formed whereby the Province of Manitoba and Manitoba Hydro committed themselves to make payments to the Fox Lake Cree Nation for the Trust. These funds are used for assisting in the development of current and future generations of the Fox Lake Cree Nation membership.		
ii) Negotiations Office		
Fox Lake Cree Nation Keeyask Adverse Effects Agreement		
Manitoba Hydro	\$ 1,326,289	418,309
Conawapa Advance Agreement		
Manitoba Hydro	969,451	969,451
Bipole III/Keewatinohk Converter		
Station Agreement	<u>2,504,670</u>	_____
	\$ <u>4,800,410</u>	<u>1,387,760</u>

On May 28, 2009 Fox Lake Cree Nation and Manitoba Hydro entered into an agreement for the purposes of addressing the adverse effects of building the Keeyask Project, a hydro generating station on Gull Rapids on the Nelson River. Manitoba Hydro and Fox Lake Cree Nation have reached an agreement on Offsetting Programs which are designed to address the anticipated Keeyask adverse effects including, without limitation, impacts of the Keeyask Project on the exercise of Aboriginal and Treaty rights by Fox Lake and citizens. The programs require reporting on the progress of the Offsetting Programs by Fox Lake Cree Nation to Manitoba Hydro and an approval process is undertaken by Manitoba Hydro to access Offsetting Program funding.

Also on May 28, 2009 Fox Lake Cree Nation and Manitoba Hydro entered into an agreement whereby Manitoba Hydro would advance Fox Lake Cree Nation \$4,800,000 as a credit against adverse effects of the proposed Conawapa Project, a hydro generating station on the Nelson River. The advance will incur interest at a prescribed rate of 5.35% for a period of five years from the date of signing of the agreement and be adjusted annually according to the Consumer Price Index subsequent to the five year period until the advance is applied against an adverse effects agreement. The program involves reporting to Manitoba Hydro on the usage of the advance in accordance with various aspects of the agreement to gain access to advance funding.

**FOX LAKE CREE NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**10. DEFERRED REVENUE, continued**

ii) Negotiations Office, continued

On July 7, 2015, Fox Lake Cree Nation and Manitoba Hydro entered into an agreement whereby Manitoba Hydro would advance Fox Lake Cree Nation \$5,500,000, and \$101,000 being the first of fifty annual payments, as a credit against adverse effects arising out of the development, construction and operation of the Keewatinohk converter station as well as the transmission line and other elements and features of the Bipole III Transmission Reliability project. Fox Lake Cree Nation will use the funds paid for programs and other measures:

- a) to address Bipole III impacts, if any;
- b) to develop community-based programs that provide replacement, substitution or opportunity to offset any Bipole III impacts;
- c) to strengthen Fox Lake's identity in Gillam or Bird through housing and/or other physical infrastructure; or,
- d) which Fox Lake, with input from its citizens, consider to be of benefit to Fox Lake and its citizens.

iii) Keeyask Adverse Effects

	<u>2016</u>	<u>2015</u>
	\$ 171,859	171,859

As at the report date, the funds withdrawn have not been approved by Manitoba Hydro. As a result these funds have been deferred.

iv) Gaming Centre - VLT 200,175 75,899

Surplus from VLT operations has been deferred since Manitoba Lotteries Corporation restricts the use of the VLT surplus toward community development.

v) Band Centre Complex 1,888,335 —

Surplus from Band Centre Complex funds is deferred as it relates to future costs to complete the project.

**TOTAL DEFERRED REVENUE** **\$ 22,020,445 16,773,847**

EXHIBIT "H"

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

11. LONG TERM DEBT

	<u>2016</u>	<u>2015</u>
Frontier School Division Loan Interest at 4.0% per annum, repayable in blended monthly payments of \$14,600, due March 31, 2016. Secured by Ministerial guarantee.	\$ 170,891	
GE Canada - School Bus Loan Interest at 7.9% per annum, repayable in blended monthly payments of \$2,328.25, maturing October 13, 2015. Secured by school bus.	15,877	
Manitoba Hydro - Keeyask/Conowapa Project Interest at 5.35% per annum principal and interest, repayable on or before January 1, 2030. Secured by future adverse effects settlement funds.	425,299	403,701
Manitoba Hydro - Rental Advance Demand loan, non-interest bearing, due upon the completion of Keeyask funded projects.	100,000	100,000
Manitoba Hydro - Training Plan Loan Demand loan with interest at RBC prime rate. Prime rate as at March 31, 2016 was 2.70% (2015 - 2.85%).	850,962	826,177
The First Nation obtained financing to build 10 houses. Through this program the Housing Authority receives Government assistance of \$2,523.75 per month to operate the houses as rental units. Peace Hills Trust Loan Payable Interest at 5.10% per annum repayable at \$6,478.93 per month principal and interest, due June 1, 2015. Secured by Ministerial guarantee, CMHC undertaking to insure, and assignment of insurance.	19,359	
The First Nation obtained financing to build 4 houses. Through this program the Housing Authority receives Government assistance of \$1,159.50 per month to operate the houses as rental units. CMHC Loan Payable Interest at 1.53% per annum repayable at \$1,372.16 per month principal and interest, due December 1, 2017. Secured by Ministerial guarantee, CMHC undertaking to insure, and assignment of insurance.	174,958	188,414

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

## 11. LONG TERM DEBT, continued

	<u>2016</u>	<u>2015</u>
The First Nation obtained financing to build 2 houses. Through this program the Housing Authority receives Government assistance of \$767.17 per month to operate the houses as rental units.		
CMHC Loan Payable	\$ 122,459	130,966
Interest at 2.01% per annum repayable at \$938.48 per month principal and interest, due September 1, 2019. Secured by Ministerial guarantee, CMHC undertaking to insure, and assignment of insurance.		
The First Nation obtained financing to build 6 houses. Through this program the Housing Authority receives Government assistance of \$1,592.00 per month to operate the houses as rental units.		
CMHC Loan Payable	286,753	300,872
Interest at 1.62% per annum repayable at \$1,606.05 per month principal and interest, due March 1, 2018. Secured by Ministerial guarantee, CMHC undertaking to insure, and assignment of insurance.		
The First Nation obtained financing to build 5 houses. Through this program the Housing Authority receives Government assistance of \$4,090.42 per month to operate the houses as rental units.		
CMHC Loan Payable	953,282	983,948
Interest at 1.77% per annum repayable at \$4,101.88 per month principal and interest, due November 1, 2019. Secured by Ministerial guarantee, CMHC undertaking to insure, and assignment of insurance.		
	<hr/> 2,913,713	<hr/> 3,140,205
	<hr/> 170,124	<hr/> 374,687
	<hr/> <b>\$ 2,743,589</b>	<hr/> <b>2,765,518</b>
Current portion		

Estimated principal payments for the next five years are as follows:

2017	\$ 170,124
2018	71,340
2019	72,579
2020	73,837
2021	75,120
Thereafter	<u>2,450,713</u>
	<b><u>\$ 2,913,713</u></b>

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

**12. REPLACEMENT RESERVE**

Under the terms of the Section 95 operating agreements with CMHC, the replacement reserve is to be credited with an annual allocation as follows:

	<u>2016</u>	<u>2015</u>
Post 1996 Section 95 Program		
Ten Units	\$ 8,000	8,000
Four Units	3,200	3,200
Two Units	1,200	1,200
Six Units	6,000	6,000
Five Units 2015	<u>4,000</u>	<u>1,666</u>
	 \$ <b><u>22,400</u></b>	<b><u>20,066</u></b>

In accordance with the Section 95 operating agreements, these funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The reserve funds may only be used as approved by CMHC.

Cumulative reserve funds allocation	\$ <b><u>203,512</u></b>	<b><u>187,779</u></b>
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The reserve is not funded as at March 31, 2016.

**13. PREPAID EXPENSES**

	<u>2016</u>	<u>2015</u>
Fox Lake Ventures Limited Partnership		
Insurance	\$	694
Fox Lake Rentals Limited Partnership		
Insurance	841	
Gaming - Smoke Shop		
Supplies - Pratt's Wholesalers	10,000	
Negotiations Office		
Insurance	<u>1,735</u>	<u>1,738</u>
	 \$ <b><u>12,576</u></b>	<b><u>2,432</u></b>

**14. INVENTORY**

Inventory consists of merchandise for resale by Fox Lake Smoke Shop. Inventory on hand at March 31, 2016 was \$47,681 (2015 - \$35,775).

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

**15. TANGIBLE CAPITAL ASSETS**

	2016				
	Cost Mar. 31/15	Additions (Disposals)	Cost Mar. 31/16	Accumulated Amortization	Net Book Value
Land	\$ 1,248,337		1,248,337		1,248,337
Buildings	20,964,194		20,964,194	6,055,094	14,909,100
Computer	332,039	33,709	365,748	276,119	89,629
Vehicles	828,267	630,408	1,458,675	276,414	1,182,261
Equipment	4,870,000	1,125,295	5,995,295	3,195,128	2,800,167
CMHC Housing	3,581,965		3,581,965	1,116,435	2,465,530
Assets under construction	<u>                  </u>	<u>2,192,570</u>	<u>2,192,570</u>	<u>                  </u>	<u>2,192,570</u>
	<b>\$ 31,824,802</b>	<b>3,981,982</b>	<b>35,806,784</b>	<b>10,919,190</b>	<b>24,887,594</b>
	2015				
	Cost Mar. 31/14	Additions (Disposals)	Cost Mar. 31/15	Accumulated Amortization	Net Book Value
Land	\$ 1,207,150	41,187	1,248,337		1,248,337
Buildings	19,416,056	1,548,138	20,964,194	4,913,872	16,050,322
Computer	241,340	90,699	332,039	241,961	90,078
Vehicles	303,848	524,419	828,267	108,524	719,743
Equipment	4,520,000	350,000	4,870,000	2,708,128	2,161,872
CMHC Housing	2,576,294	1,005,671	3,581,965	1,030,328	2,551,637
Assets under construction	<u>885,802</u>	<u>(885,802)</u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
	<b>\$ 29,150,490</b>	<b>2,674,312</b>	<b>31,824,802</b>	<b>9,002,813</b>	<b>22,821,989</b>

**16. ACCUMULATED SURPLUS**

A portion of this balance includes surpluses and/or deficits from funds contributed by government agencies. Such surpluses/deficits may be subject to repayment or recovery by the contributing agencies, depending on the terms and conditions of the relevant agreements.

**17. ECONOMIC DEPENDENCE**

Fox Lake Cree Nation receives 19% (2015 – 29%) of its revenues from Aboriginal Affairs and Northern Development Canada ("AANDC") and First Nations and Inuit Health ("FNIH") as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC and FNIH under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

**18. PENSION LIABILITIES**

The First Nation remits its pension liabilities on a monthly basis and remittances were current at year end. Pension liabilities are not maintained in a separate bank account.

**19. FEDERAL ASSISTANCE PAYMENTS**

The projects have received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 95 of the National Housing Act to enable the project to provide housing to low-income individuals. The amount of assistance received in 2016 was \$96,357 (2015 - \$93,184).

**20. FIRST NATIONS FINANCIAL TRANSPARENCY AND ACCOUNTABILITY ACT**

The First Nation is required by the First Nations Financial Transparency and Accountability Act to post its consolidated financial statements on a website and submit the consolidated financial statements to AANDC by July 29, 2016. As the audit report is dated after this date, the First Nation is not in compliance with this requirement. The possible effect of this non-compliance has not yet been determined.

**21. FINANCIAL RISKS AND CONCENTRATION OF RISK**

**a) Credit risk**

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The accounts receivable are mainly due from funders. There has been no change to the risk exposures from 2015.

**b) Liquidity risk**

Liquidity risk is the risk that First Nation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The First Nation's exposure to liquidity risk is dependent on the collection of funding, collection of accounts receivable, purchasing commitments and obligations or raising of funds to meet commitments and sustain operations. Cash flow from operations provides a substantial portion of the First Nation's cash requirements. Additional cash requirements are provided by operating lines of credit as needed. Management is of the opinion that liquidity risk is not a significant risk and there has been no change to the risk exposures from 2015.

The First Nation's debt is structured with regularly recurring payments, secured by assets. Regularly recurring payments are required to service this debt, limiting the requirement to extinguish the debt in the short term. Interest rate fluctuations impact the cash flows but not to a significant effect.

**FOX LAKE CREE NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**21. FINANCIAL RISKS AND CONCENTRATION OF RISK, continued**

**c) Currency risk**

The First Nation is not exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the First Nation does not normally have purchases and sales denominated in foreign currency. There has been no change to the risk exposure from 2015.

**d) Interest Rate risk**

With the exception of the Manitoba Hydro Training Plan Loan, the First Nation has long-term fixed rate debts. A change in the variable rate does not impact cash flows to service the debt when such debt is outstanding. There has been no change to the risk exposure from 2015.

**22. CONTINGENT LIABILITIES**

The Negotiations Office is involved in a dispute over the dismissal of its former executive director. The effects of any contingent claims relating to the dispute are not determinable at the date of this report.

The Negotiations Office receives funding from Manitoba Hydro based on various funding agreements. Manitoba Hydro has the right to review the accounting records to ensure compliance with the terms and conditions of the agreement. Adjustments to the financial statements as a result of these reviews, if any, will be recorded in the period in which they become known.

**23. COMMITMENTS**

On February 20, 2013, community members approved Chief and Council to withdraw \$437,962 from the Sun Life Financial portfolio investment account in Note 8. The funds were used to pay outstanding obligations not covered under the Conawapa Advance Agreement, and therefore, are required to be replaced from the Fox Lake Cree Nation Profit Management account.

**FOX LAKE CREE NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**24. PROVISION FOR SITE REHABILITATION**

The Manitoba Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive lagoon and landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste lagoon and landfill sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance.

As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year-end, the extent to which the Nation is bound by environmental laws of the Manitoba Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these consolidated financial statements.

**25. COMPARATIVE AND BUDGET FIGURES**

Prior year's comparative amounts have been reclassified where necessary to conform to the current period's presentation. Certain comparative figures for the previous period have not been shown as the information is considered not to be meaningful for comparison with the current period. The budget figures are unaudited.

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

## 26. SEGMENT DISCLOSURE

EXHIBIT "H"

FOX LAKE CREE NATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2016

26. SEGMENT DISCLOSURE

	Budget	Education 2016	Education 2015	Budget	2016	2015	Budget	2016	2015
<b>REVENUE</b>									
Federal government	\$ 828,534	1,008,341	746,213	266,781	180,040	457,648	467,041	356,200	457,142
Provincial government									
Economic activities									
Net income (loss) from investments in government business enterprises									
Tangible capital asset addition	101,054								
Contributed capital - CMHC 2 units project									
Other revenue	373,240		312,776	15,000	50,779	55,614		2,192,664	
<b>TOTAL REVENUE</b>	<u>1,310,792</u>	<u>1,109,395</u>	<u>1,058,989</u>	<u>281,781</u>	<u>981,220</u>	<u>513,262</u>	<u>467,041</u>	<u>5,026,434</u>	<u>457,142</u>
<b>EXPENSES</b>									
Honoraria	892,426	374,135	464,008	321,300	390,740	321,073	223,584		175,118
Wages and benefits									
Amortization									
Debt servicing/Interest long term	885,146	<u>628,459</u>	<u>799,675</u>	<u>170,618</u>	<u>1,319,199</u>	<u>1,309</u>	<u>1,111</u>	<u>133,741</u>	<u>2,548,864</u>
Other expenses									
<b>TOTAL EXPENSES</b>	<u>1,777,572</u>	<u>1,002,594</u>	<u>1,263,683</u>	<u>491,918</u>	<u>1,711,248</u>	<u>852,896</u>	<u>357,325</u>	<u>2,548,864</u>	<u>190,110</u>
<b>SURPLUS (DEFICIT) BEFORE TRANSFERS</b>	(466,780)	106,801	(204,694)	(210,137)	(730,028)	(339,634)	109,716	2,477,570	267,032
TRANSFERS							957,600	<u>267,032</u>	<u>(267,032)</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ (466,780)</u>	<u>106,801</u>	<u>(204,694)</u>	<u>(210,137)</u>	<u>227,572</u>	<u>(72,602)</u>	<u>109,716</u>	<u>2,477,570</u>	

EXHIBIT "H"

FOX LAKE CREE NATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2016

26. SEGMENT DISCLOSURE

		Budget	Band	Housing	Budget	2016	2015	Budget	2016	CMHC	2015
			2016	2015							
<b>REVENUE</b>											
Federal government	\$										
Provincial government		801,500		871,299		794,328		96,357		96,357	
Economic activities											
Net income (loss) from investments in government business enterprises											
Tangible capital asset addition - CMHC 2 units project											
Contributed capital - CMHC 2 units project		408,000	<u>329,244</u>	<u>324,719</u>							
Other revenue											
TOTAL REVENUE		408,000	<u>329,244</u>	<u>324,719</u>		<u>801,500</u>	<u>937,227</u>	<u>794,328</u>		<u>190,928</u>	<u>167,569</u>
<b>EXPENSES</b>											
Honoraria		69,358	168,174	54,284	474,146	417,715	401,003				
Wages and benefits			400,186								
Amortization											
Debt servicing/Interest long term											
Other expenses		414,638	<u>363,121</u>	<u>336,253</u>		<u>399,033</u>	<u>564,655</u>	<u>504,483</u>		<u>77,544</u>	<u>27,277</u>
TOTAL EXPENSES		483,996	<u>931,481</u>	<u>390,537</u>		<u>873,179</u>	<u>982,370</u>	<u>905,486</u>		<u>190,928</u>	<u>167,569</u>
<b>SURPLUS (DEFICIT) BEFORE TRANSFERS</b>		(75,996)	(602,237)	(65,818)	(71,679)	(45,143)	(111,158)				
TRANSFERS											
ANNUAL SURPLUS (DEFICIT)	\$	(75,996)	(725,596)	(43,904)	(71,679)	(45,143)	(111,158)				

EXHIBIT "H"

FOX LAKE CREE NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016

27. SEGMENT DISCLOSURE

REVENUE	Community Development		Nikananik Itapowin Trust		Negotiations Office	
	Budget	2016	Budget	2016	Budget	2016
Federal government			96,000			
Provincial government			30,166			
Economic activities						
Net income (loss) from investments in government business enterprises						
Tangible capital asset addition						
Contributed capital - CMHC 2 units project						
Other revenue	1,097,500	1,710,770	965,719	—	—	2,083,495
<u>TOTAL REVENUE</u>	<u>1,138,911</u>	<u>1,735,572</u>	<u>1,091,885</u>	<u>170,000</u>	<u>207,033</u>	<u>280,202</u>
EXPENSES						
Honoraria	6,834	900	5,600	44,126		1,051,929
Wages and benefits	268,587	833,530	570,101	897		26,552
Amortization		85,809				46,383
Debt servicing/interest long term						3,769,521
Other expenses	847,250	691,550	642,042	160,085	162,010	<u>280,202</u>
<u>TOTAL EXPENSES</u>	<u>1,122,671</u>	<u>1,611,789</u>	<u>1,212,143</u>	<u>165,685</u>	<u>207,033</u>	<u>280,202</u>
SURPLUS (DEFICIT) BEFORE TRANSFERS						
TRANSFERS	16,240	123,783	(120,258)	4,315		(824,860)
ANNUAL SURPLUS (DEFICIT)	\$ 16,240	<u>123,783</u>	<u>(120,258)</u>	<u>4,315</u>	<u>—</u>	<u>(824,860)</u>
						<u>(191,001)</u>
						<u>185,227</u>
						<u>(957,600)</u>
						<u>185,227</u>

EXHIBIT "H"

FOX LAKE CREE NATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2016

27. SEGMENT DISCLOSURE

	Ottawa Trust Fund			Business Enterprises			Total	
	Budget	2016	2015	Budget	2016	2015		
<b>REVENUE</b>								
Federal government	\$	277	509					
Provincial government								
Economic activities								
Net income (loss) from investments in government business enterprises								
Tangible capital asset addition								
Contributed capital - CMHC 2 units project								
Other revenue								
<b>TOTAL REVENUE</b>		<u>277</u>	<u>509</u>					
<b>EXPENSES</b>								
Honoraria								
Wages and benefits								
Amortization								
Debt servicing/Interest long term								
Other expenses								
<b>TOTAL EXPENSES</b>				<u>1,461.401</u>	<u>879.305</u>	<u>9,387.360</u>	<u>18,554.404</u>	<u>12,154.851</u>
<b>SURPLUS (DEFICIT) BEFORE TRANSFERS</b>		<u>277</u>	<u>509</u>					
TRANSFERS								
ANNUAL SURPLUS (DEFICIT)	\$	<u>277</u>	<u>509</u>					
							<u>(77,112)</u>	<u>—</u>
								<u>—</u>