

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

FOX LAKE CREE NATION
MARCH 31, 2016

COUNCIL

Chief
Former Councillor
Councillor
Councillor

Walter Spence
Francis Neepin
Shawna Arthurson
Martin Nicholas

FIRST NATION ADMINISTRATION

First Nation Administrator
First Nation Administrator
Director of Finance
Health Director
Social Service Administrator

Clara McLeod - current
Victoria Henderson - former
Jennifer Neepin
Marie Henderson
Gordon Anderson

FOX LAKE CREE NATION
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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

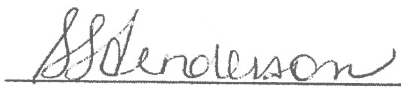
The consolidated financial statements of the Fox Lake Cree Nation are the responsibility of management and have been approved by the Chief and Council.

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 Masse, B.Comm. (Hons), C.A.
(Practising as Kevin Masse 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
Fax (204) 452-3397

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

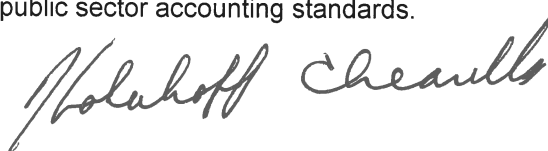
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable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

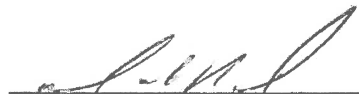
WINNIPEG, MANITOBA
September 23, 2016.

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

EXHIBIT "B"

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
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>
LIABILITIES		
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>
NON-FINANCIAL ASSETS		
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

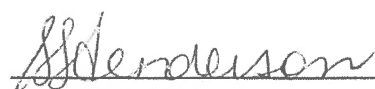

 COUNCILLOR

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>

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

	2016		2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUE			
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>
EXPENSES			
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>
ANNUAL SURPLUS (DEFICIT)			
BEFORE OTHER ITEMS	(678,250)	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)	\$ (678,250)	<u>3,596,518</u>	<u>1,928,538</u>

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

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

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

	2016			2015
	Revenue		Transfers	Annual Surplus (Deficit)
	AANDC	Other	Expenses	Annual Surplus (Deficit)
OPERATIONS				
First Nations Management	\$ 434,042	215,507	1,185,982	(146,460)
Social Services	498,953	18	454,024	44,947
Economic Development	150,296	5,000	157,104	(1,808)
Public Works	180,040	63,529	1,711,248	(510,079)
Education	1,008,341	1,008,341	1,002,594	5,747
Health Services		881,299	982,370	(101,071)
Capital	356,200	2,192,664	2,548,864	(43,904)
Band Housing		329,244	531,295	(97,308)
Operating Programs		823,505	742,207	(679,419)
	<u>2,627,872</u>	<u>4,510,766</u>	<u>9,315,688</u>	<u>(679,419)</u>
CMHC HOUSING OPERATING				
CMHC Housing		167,569	190,928	102,164
TRUST FUND				
Nikanihk Itapowin (Future Vision) Trust		207,033	207,033	
Ottawa Trust Fund		277	277	509
		<u>207,310</u>	<u>207,033</u>	<u>509</u>
OTHER				
Gaming Centre		908,174	865,689	(22,950)
Negotiations Office		5,660,984	4,894,385	185,227
Business Enterprise		4,650,197	1,461,400	3,266,865
		<u>11,219,355</u>	<u>7,221,474</u>	<u>3,429,142</u>
TOTAL	\$ 2,627,872	16,105,000	16,935,123	2,852,396
AANDC FUNDING PER CONFIRMATION	\$ 2,627,872			

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>

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

	<u>2016</u>	<u>2015</u>
OPERATING TRANSACTIONS		
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>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(3,981,982)	(3,560,114)
Change in capital assets under construction		<u>885,802</u>
	<u>(3,981,982)</u>	<u>(2,674,312)</u>
FINANCING TRANSACTIONS		
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>
INVESTING TRANSACTIONS		
Increase in long term investments	<u>(76,244)</u>	<u>772,768</u>
NET CHANGE IN CASH POSITION	4,304,608	1,485,717
CASH POSITION AT BEGINNING OF YEAR	<u>1,608,306</u>	<u>122,589</u>
CASH POSITION AT END OF YEAR	\$ <u>5,912,914</u>	<u>1,608,306</u>
CASH CONSISTS OF:		
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>
CASH AT BANK		
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>	
CASH AND CASH EQUIVALENTS	<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

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>
	\$ <u>3,815,399</u>	<u>533,738</u>

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>—</u>	<u>277</u>
Balance at end of year	\$ <u>12,118</u>	<u>1,635</u>	<u>13,753</u>

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

EXHIBIT "H"

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	<u>(11,890)</u>	<u>(11,890)</u>
	<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	<u>6,868</u>	<u>3,341</u>
	<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	<u>7,858</u>	<u>13,968</u>
	1,025,390	835,553
Allowance for doubtful accounts	<u>(154,828)</u>	—
	<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	<u>(636)</u>	—
	<u>16,245</u>	—
Fox Lake Ventures Limited Partnership		
Trade	378,901	918,256
Allowance for doubtful accounts	<u>(6,354)</u>	—
	<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>

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>	
	72,864	42,127
Allowance for doubtful accounts	<u>(70,685)</u>	<u>(11,477)</u>
	2,179	30,650
Fox Lake Ventures Limited Partnership - Cash advance		100,000
Fox Lake Construction Limited Partnership - Cash advance	<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:

$$(A - B) \times C$$

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>
	\$ 450,000	450,000

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	\$ <u>1,527,549</u>	<u>1,469,215</u>

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>
	\$ <u>301,480</u>	<u>301,480</u>

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>	_____
TOTAL INVESTMENTS	\$ <u>2,296,938</u>	<u>2,220,695</u>

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
Trade	<u>619,743</u>	<u>345,236</u>
	<u>877,893</u>	<u>789,311</u>
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>
	<u>62,333</u>	<u>74,882</u>

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	\$ <u>9,500</u>	<u>907</u>
CMHC		
Trade	<u>15,200</u>	<u>2,354</u>
CMHC Construction		
Trade	<u>—</u>	<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>	<u>—</u>

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>
Fox Lake Rentals Ltd.		
Trade	\$ <u>1,500</u>	<u> </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>	<u> </u>
Fox Lake Rentals Limited Partnership		
Trade	<u>10,351</u>	<u> </u>
Keeyask Investments Inc.		
Trade	<u>11,868</u>	<u>4,941</u>
 TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	 \$ <u>1,521,372</u>	 <u>1,347,081</u>

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

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	<u>200,175</u>	<u>75,899</u>
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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	<u>1,888,335</u>	<u> </u>
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Surplus from Band Centre Complex funds is deferred as it relates to future costs to complete the project.

TOTAL DEFERRED REVENUE	\$ <u>22,020,445</u>	<u>16,773,847</u>
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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		19,359
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.		
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	174,958	188,414
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.		

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.		
	<u>2,913,713</u>	<u>3,140,205</u>
Current portion	<u>170,124</u>	<u>374,687</u>
	\$ <u>2,743,589</u>	<u>2,765,518</u>

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>
	\$ <u>2,913,713</u>

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>
	\$ <u>22,400</u>	<u>20,066</u>

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	\$ <u>203,512</u>	<u>187,779</u>
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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>
	\$ <u>12,576</u>	<u>2,432</u>

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		2,192,570	2,192,570		2,192,570
	\$ 31,824,802	3,981,982	35,806,784	10,919,190	24,887,594

	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	885,802	(885,802)			
	\$ 29,150,490	2,674,312	31,824,802	9,002,813	22,821,989

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

	Band Government		Social Services		Economic Development	
	Budget	2016	2015	Budget	2016	2015
REVENUE						
Federal government	\$ 428,666	434,042	437,145	901,363	498,953	866,957
Provincial government	5,100	7,179	27,476			
Economic activities					76,568	150,296
Net income (loss) from investments in government business enterprises						74,945
Tangible capital asset addition						
Contributed capital - CMHC 2 units project			541,653			
Other revenue	500,000	208,328	82,241	22,077	18	16
					5,000	
TOTAL REVENUE	933,766	649,549	1,088,515	923,440	498,971	866,973
					76,568	155,296
						74,945
EXPENSES						
Honoraria	147,900	149,535	147,211			
Wages and benefits	310,624	192,522	217,978	64,183	78,916	59,564
Amortization		1,215,201	1,465,511			
Debt servicing/Interest long term			17,622			
Other expenses	(150,854)	843,925	310,511	565,763	375,108	636,239
					15,860	97,530
TOTAL EXPENSES	307,670	2,401,183	2,158,833	629,946	454,024	695,803
					78,115	157,104
						78,238
SURPLUS (DEFICIT) BEFORE TRANSFERS	626,096	(1,751,634)	(1,070,318)	293,494	44,947	171,170
					(1,547)	(1,808)
TRANSFERS				(77,112)		(171,170)
ANNUAL SURPLUS (DEFICIT)	\$ 626,096	(1,751,634)	(1,070,318)	216,382	44,947	
					(1,547)	(1,808)
						(3,293)
						(3,293)

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

26. SEGMENT DISCLOSURE

	Education		Public Works		Minor Capital	
	<u>Budget</u>	<u>2016</u>	<u>Budget</u>	<u>2016</u>	<u>Budget</u>	<u>2016</u>
REVENUE						
Federal government	\$	828,534	1,008,341	746,213	266,781	180,040
Provincial government		109,018			12,750	457,648
Economic activities						
Net income (loss) from investments in government business enterprises						
Tangible capital asset addition			101,054		737,651	
Contributed capital - CMHC 2 units project						2,477,570
Other revenue		<u>373,240</u>		<u>312,776</u>	<u>15,000</u>	<u>50,779</u>
						<u>55,614</u>
TOTAL REVENUE		<u>1,310,792</u>	<u>1,109,395</u>	<u>1,058,989</u>	<u>281,781</u>	<u>513,262</u>
EXPENSES						
Honoraria						
Wages and benefits		892,426	374,135	464,008	321,300	390,740
Amortization						321,073
Debt servicing/Interest long term						1,111
Other expenses		<u>885,146</u>	<u>628,459</u>	<u>799,675</u>	<u>170,618</u>	<u>1,319,199</u>
						<u>530,712</u>
TOTAL EXPENSES		<u>1,777,572</u>	<u>1,002,594</u>	<u>1,263,683</u>	<u>491,918</u>	<u>852,896</u>
SURPLUS (DEFICIT) BEFORE TRANSFERS		(466,780)	106,801	(204,694)	(210,137)	(730,028)
						(339,634)
TRANSFERS						957,600
						<u>267,032</u>
ANNUAL SURPLUS (DEFICIT)	\$	<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>
						<u>(267,032)</u>
					<u>109,716</u>	<u>2,477,570</u>

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

26. SEGMENT DISCLOSURE

	Band Housing		Health		CMHC	
	<u>Budget</u>	<u>2016</u>	<u>Budget</u>	<u>2016</u>	<u>Budget</u>	<u>2016</u>
		<u>2015</u>		<u>2015</u>		<u>2015</u>
REVENUE						
Federal government						
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						
	<u>408,000</u>	<u>329,244</u>		<u>10,000</u>	<u>94,571</u>	<u>87,734</u>
TOTAL REVENUE	<u>408,000</u>	<u>324,719</u>	<u>801,500</u>	<u>937,227</u>	<u>190,928</u>	<u>180,919</u>
EXPENSES						
Honoraria						
Wages and benefits						
Amortization						
Debt servicing/Interest long term						
Other expenses						
	<u>69,358</u>	<u>168,174</u>	<u>474,146</u>	<u>417,715</u>	<u>86,107</u>	<u>86,107</u>
	<u>414,638</u>	<u>363,121</u>	<u>399,033</u>	<u>564,655</u>	<u>27,277</u>	<u>27,277</u>
TOTAL EXPENSES	<u>483,996</u>	<u>931,481</u>	<u>873,179</u>	<u>982,370</u>	<u>77,544</u>	<u>228,011</u>
SURPLUS (DEFICIT) BEFORE TRANSFERS	<u>(75,996)</u>	<u>(602,237)</u>	<u>(71,679)</u>	<u>(45,143)</u>	<u>190,928</u>	<u>228,011</u>
TRANSFERS						
ANNUAL SURPLUS (DEFICIT)	<u>\$ (75,996)</u>	<u>(725,596)</u>	<u>(71,679)</u>	<u>(45,143)</u>	<u>100,000</u>	<u>102,164</u>

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

27. SEGMENT DISCLOSURE

	Community Development		Nikanihk Itapowin Trust		Negotiations Office	
	Budget	2016	2015	Budget	2016	2015
REVENUE						
Federal government			96,000			
Provincial government	41,411	24,802	30,166			
Economic activities						
Net income (loss) from investments in government business enterprises				170,000	207,033	280,202
Tangible capital asset addition						
Contributed capital - CMHC 2 units project						
Other revenue	1,097,500	1,710,770	965,719		2,083,495	5,660,984
TOTAL REVENUE	1,138,911	1,735,572	1,091,885	170,000	2,083,495	5,660,984
EXPENSES						
Honoraria	6,834	900		5,600		
Wages and benefits	268,587	833,530	570,101		1,051,929	
Amortization		85,809			26,552	
Debt servicing/Interest long term					46,383	
Other expenses	847,250	691,550	642,042	160,085	2,908,355	3,769,521
TOTAL EXPENSES	1,122,671	1,611,789	1,212,143	165,685	2,908,355	3,019,604
SURPLUS (DEFICIT) BEFORE TRANSFERS	16,240	123,783	(120,258)	4,315	(824,860)	766,599
TRANSFERS					(957,600)	
ANNUAL SURPLUS (DEFICIT)	\$ 16,240	123,783	(120,258)	4,315	(824,860)	(191,001)
						185,227

FOX LAKE CREE NATION
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27. SEGMENT DISCLOSURE

	Ottawa Trust Fund		Business Enterprises		Total	
	Budget	2016	Budget	2016	Budget	2015
REVENUE						
Federal government		277			3,866,810	4,024,072
Provincial government					155,529	57,642
Economic activities						
Net income (loss) from investments in government business enterprises					170,000	280,202
Tangible capital asset addition			41,954		3,414,157	541,653
Contributed capital - CMHC 2 units project						
Other revenue						
TOTAL REVENUE		277	4,650,197	4,146,170	4,593,883	9,179,820
					8,786,222	14,083,389
EXPENSES						
Honoraria					160,334	147,211
Wages and benefits			310,253	71,844	2,626,463	2,392,064
Amortization			101,625		86,107	1,916,377
Debt servicing/Interest long term			6,861	7,568	27,277	1,465,511
Other expenses			1,042,662	799,893	6,427,179	26,301
TOTAL EXPENSES					8,123,764	
			1,461,401	879,305	9,387,360	12,154,851
SURPLUS (DEFICIT) BEFORE TRANSFERS		277	3,230,750	3,266,865	(601,138)	1,928,538
TRANSFERS					(77,112)	
ANNUAL SURPLUS (DEFICIT)		277	3,230,750	3,266,865	(678,250)	1,928,538

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