

**Fox Lake Cree Nation  
Consolidated Financial Statements**  
*March 31, 2017*

# Fox Lake Cree Nation Contents

For the year ended March 31, 2017

---

	Page
<b>Management's Responsibility</b>	
<b>Independent Auditors' Report</b>	
<b>Consolidated Financial Statements</b>	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Financial Assets (Net Debt).....	3
Consolidated Statement of Cash Flows.....	4
<b>Notes to the Consolidated Financial Statements.....</b>	<b>5</b>
<b>Schedules</b>	
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	18
Schedule 2 - Schedule of Consolidated Expenses by Object.....	20
Schedule 3 - Consolidated Schedule of Segment Operations.....	21
Schedule 4 - Consolidated Schedule of Segment Operations - First Nation Management.....	22
Schedule 5 - Consolidated Schedule of Segment Operations - Social Services.....	23
Schedule 6 - Consolidated Schedule of Segment Operations - Economic Development.....	24
Schedule 7 - Consolidated Schedule of Segment Operations - Public Works.....	25
Schedule 8 - Consolidated Schedule of Segment Operations - Education.....	26
Schedule 9 - Consolidated Schedule of Segment Operations - Health.....	27
Schedule 10 - Consolidated Schedule of Segment Operations - Capital.....	28
Schedule 11 - Consolidated Schedule of Segment Operations - Band Housing.....	29
Schedule 12 - Consolidated Schedule of Segment Operations - Gaming Centre.....	30
Schedule 13 - Consolidated Schedule of Segment Operations - CMHC Housing Operations.....	31
Schedule 14 - Consolidated Schedule of Segment Operations - Operating Programs.....	32
Schedule 15 - Consolidated Schedule of Segment Operations - Implementation & Future Development Office.....	33
Schedule 16 - Consolidated Schedule of Segment Operations - Nikanihk Itapowin Trust.....	34
Schedule 17 - Consolidated Schedule of Segment Operations - Business Enterprises.....	35

## **Management's Responsibility**

---

To the Members of Fox Lake Cree Nation:

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

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Fox Lake Cree Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Chief and Council, on behalf of the Members, to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

April 24, 2018



Band Administrator

## Independent Auditors' Report

---

To the Chief and Council and Members of Fox Lake Cree Nation:

We have audited the accompanying consolidated financial statements of Fox Lake Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (net debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### *Basis for Qualified Opinion*

Fox Lake Cree Nation's consolidated statement of operations and accumulated surplus and consolidated statement of changes in net financial assets (net debt) do not present a comparison of the results for the accounting period with those originally planned which constitutes a departure from Canadian public sector accounting standards.

### *Qualified Opinion*

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Fox Lake Cree Nation as at March 31, 2017 and the results of its operations, changes in net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Other Matter*

Without modifying our opinion we draw attention to Note 18 to the consolidated financial statements, which explains that certain comparative information for the year ended March 31, 2016 has been restated. The consolidated financial statements of Fox Lake Cree Nation for the year ended March 31, 2016, prior to the restatement of comparative information, were audited by Holukoff Chiarella Chartered Professional Accountants of Winnipeg, Manitoba, prior to its merger with MNP LLP. Holukoff Chiarella Chartered Professional Accountants expressed an unqualified opinion on those consolidated financial statements on September 23, 2016.

Winnipeg, Manitoba

April 24, 2018

**MNP LLP**

Chartered Professional Accountants

**Fox Lake Cree Nation**  
**Consolidated Statement of Financial Position**  
As at March 31, 2017

	2017	2016 (Restated)
<b>Financial assets</b>		
Cash resources	6,082,898	5,732,914
Accounts receivable (Note 3)	16,114,638	13,770,709
Inventory for resale	29,090	47,681
Restricted cash and trust funds (Note 4)	1,263,453	3,930,712
Investments (Note 5)	1,928,485	1,893,716
Investments in First Nation partnerships (Note 6)	27,841,530	18,626,912
	<b>53,260,094</b>	44,002,644
<b>Liabilities</b>		
Accounts payable and accruals (Note 7)	2,392,106	1,521,372
Deferred revenue (Note 8)	16,148,380	20,678,960
Long-term debt (Note 9)	29,967,752	20,847,233
	<b>48,508,238</b>	43,047,565
<b>Net financial assets</b>	<b>4,751,856</b>	955,079
<b>Contingencies (Note 15)</b>		
<b>Subsequent events (Note 17)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	29,049,228	24,887,594
Prepaid expenses	14,018	12,576
	<b>29,063,246</b>	24,900,170
<b>Accumulated surplus (Note 10)</b>	<b>33,815,102</b>	25,855,249

Approved on behalf of the Chief and Council

Walter Spence

Chief

Sophie Lacouture

Councillor

Shelley Henderson

Councillor

**Fox Lake Cree Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2017*

	<i>Schedules</i>	<b>2017</b>	<b>2016</b> (Restated)
<b>Revenue</b>			
Manitoba Hydro		<b>5,340,338</b>	13,061,131
Sodexo		<b>5,194,292</b>	3,341,228
Other revenue		<b>3,889,234</b>	2,905,996
Indigenous and Northern Affairs Canada (Note 12)		<b>2,685,834</b>	2,627,872
Video lottery terminals		<b>1,018,823</b>	962,929
First Nations and Inuit Health (FNIH) (Note 13)		<b>782,295</b>	871,299
Portfolio investment income		<b>63,004</b>	128,429
Canada Mortgage and Housing Corporation		<b>91,309</b>	96,357
Deferred revenue from prior year (Note 8)		<b>20,678,960</b>	16,399,115
Deferred revenue to subsequent year (Note 8)		<b>(16,148,380)</b>	(20,678,960)
		<b>23,595,709</b>	19,715,396
<b>Segment expenses</b>			
First Nation Management	4	<b>3,102,216</b>	2,564,679
Social Services	5	<b>368,255</b>	414,949
Economic Development	6	<b>52,556</b>	149,706
Public Works	7	<b>1,139,009</b>	960,219
Education	8	<b>849,345</b>	901,513
Health	9	<b>784,278</b>	849,654
Capital	10	<b>-</b>	71,294
Band Housing	11	<b>716,965</b>	931,581
Gaming Centre	12	<b>789,662</b>	740,875
CMHC Housing Operations	13	<b>138,374</b>	161,871
Operating Programs	14	<b>623,073</b>	963,282
Implementation & Future Development Office	15	<b>1,989,597</b>	4,894,391
Nikanihk Itapowin Trust	16	<b>324,048</b>	207,033
Business Enterprises	17	<b>4,758,478</b>	1,198,371
<b>Total segment expenses (Schedule 2)</b>		<b>15,635,856</b>	15,009,418
<b>Annual surplus</b>		<b>7,959,853</b>	4,705,978
<b>Accumulated surplus, beginning of year, as previously stated</b>		<b>24,310,252</b>	20,713,734
Correction of an error (Note 18)		<b>1,544,997</b>	435,537
<b>Accumulated surplus, beginning of year, as restated</b>		<b>25,855,249</b>	21,149,271
<b>Accumulated surplus, end of year</b>		<b>33,815,102</b>	25,855,249

*The accompanying notes are an integral part of these consolidated financial statements*

**Fox Lake Cree Nation**  
**Consolidated Statement of Change in Net Financial Assets (Net Debt)**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b> (Restated)
<b>Annual surplus</b>	<b>7,959,853</b>	4,705,978
Purchases of tangible capital assets	(6,409,263)	(3,957,602)
Amortization of tangible capital assets	2,138,312	1,891,997
Proceeds of disposal of tangible capital assets	132,400	-
Gain on disposal of tangible capital assets	(23,083)	-
Change in prepaid expenses	(1,442)	(10,144)
	<b>(4,163,076)</b>	(2,075,749)
<b>Change in net financial assets (net debt)</b>	<b>3,796,777</b>	2,630,229
<b>Net financial assets (net debt), beginning of year</b>	<b>955,079</b>	(1,675,150)
<b>Net financial assets, end of year</b>	<b>4,751,856</b>	955,079

*The accompanying notes are an integral part of these consolidated financial statements*

**Fox Lake Cree Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
	<i>(Restated)</i>	
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	7,959,853	4,705,978
Amortization	2,138,312	1,891,997
Interest accrued on long term debt	77,693	46,383
Loss (profit) on investment in First Nation partnerships	42,592	(17,910)
Gain on disposal of tangible capital assets	(23,083)	-
	<b>10,195,367</b>	6,626,448
Changes in working capital accounts		
Accounts receivable	(2,343,929)	1,143,121
Prepaid expenses	(1,442)	(10,144)
Inventory	18,591	(11,906)
Due from related parties	(141,829)	(199,601)
Accounts payable and accruals	870,734	174,291
Deferred revenue	(4,530,580)	4,152,871
	<b>4,066,912</b>	11,875,080
<b>Financing activities</b>		
Repayment of long-term debt	(72,555)	(272,875)
Restricted cash	2,667,259	(3,396,974)
	<b>2,594,704</b>	(3,669,849)
<b>Capital activities</b>		
Purchases of tangible capital assets	(6,409,263)	(3,957,602)
Proceeds of disposal of tangible capital assets	132,400	-
	<b>(6,276,863)</b>	(3,957,602)
<b>Investing activities</b>		
Change in investments	(34,769)	56,979
<b>Increase in cash resources</b>	<b>349,984</b>	4,304,608
<b>Cash resources, beginning of year</b>	<b>5,732,914</b>	1,428,306
<b>Cash resources, end of year</b>	<b>6,082,898</b>	5,732,914

*The accompanying notes are an integral part of these consolidated financial statements*

**Fox Lake Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

---

**1. Operations**

The Fox Lake Cree Nation (the "First Nation") is located in the Province of Manitoba, and provides various services to its Members. Fox Lake Cree Nation includes the First Nation government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

**2. Significant accounting policies**

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

***Reporting entity***

The Fox Lake Cree Nation reporting entity includes the First Nation government and all related enterprises that are accountable to the First Nation and are either owned or controlled by the First Nation. The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity. Trusts administered on behalf of third parties by Fox Lake Cree Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- First Nation Management
- Economic Development
- Education
- Capital
- Gaming Centre
- Operating programs
- Fox Lake Ventures Ltd.
- Fox Lake Construction Ltd.
- Fox Lake Concrete Ltd.
- Fox Lake Land Corporation
- Fox Lake Ventures LP
- Fox Lake Construction LP
- Fox Lake Concrete LP
- Fox Lake Land LP
- Social Services
- Public Works
- Health Services
- Band Housing
- CMHC Operations
- Fox Lake Implementation & Future Development Office
- Makeso Land Corporation
- Fox Rentals Ltd.
- FLCN Gathering Centre Inc.
- Fox Lake Cree Nation Keeyask Investment Inc.
- Makeso Land LP
- Fox Rentals LP
- FLCN Gathering Centre LP
- Nikanihk Itapowin (Future Vision) Trust

All inter-entity balances have been eliminated on consolidation.

Fox Lake Cree Nation partnerships, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements. Fox and York Keeyask partnership is accounted for under the modified equity method and Keeyask Hydro Power Limited Partnership is accounted for by the cost method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

***Basis of presentation***

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

***Cash resources***

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**Fox Lake Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

---

**2. Significant accounting policies** *(Continued from previous page)*

***Investments in First Nation partnerships***

The First Nation follows the modified equity method to account for its investment in Fox and York Keeyask partnership. The investment is stated at cost plus (less) the First Nation's share of earnings (losses) since acquisition plus (less) capital and operating transfers to (from) the business enterprises. The consolidated statement of operations includes the partnerships annual surplus (deficit) for the year ended March 31, 2017.

Keeyask Hydro Power Limited Partnership is accounted for in accordance with the cost method.

***Investments***

Marketable securities and investments are recorded at the lower of cost and market.

***Funds held in Trust***

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

***Net debt***

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

***Asset classification***

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

***Inventory***

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records.

***Amortization***

Tangible capital assets are amortized annually using the straight line method at the following rates which are intended to amortize the cost of the assets over their estimated useful lives. Assets under construction are not amortized until the assets are put into use.

	<b>Rate</b>
Buildings	5 %
CMHC Housing	5 %
Computer	25 %
Equipment	10 %
Vehicles	20 %

**Fox Lake Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

---

**2. Significant accounting policies** *(Continued from previous page)*

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, exceeds the value of future economic benefits associated with the asset. Impairment is measured as the amount by which the assets' carrying value exceeds the residual value of the assets' service potential to the First Nation. Any impairment is included in operations for the year.

***Revenue recognition***

Government transfer revenue, including, but not limited to, Indigenous and Northern Affairs Canada, First Nations and Inuit Health and Canada Mortgage and Housing Corporation funding, is recognized as the funding becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt, and is matched with related department expenses in the year of their occurrence. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

The First Nation recognizes VLT revenue as the net win from gaming activities (the difference between gaming wins and gaming losses), consisting of slot machines, on a daily basis. Gaming revenue is net of commissions paid to Manitoba Liquor and Lotteries Corporation. Management believes that it is appropriate to present these commissions net of gaming revenue as these amounts are fixed as per their agreement with Manitoba Liquor and Lotteries Corporation.

Rent and resident fees is recorded in the year it is earned. At the end of each year, management evaluates the extent of the collectability of its rent revenue and records a bad debt expense and an allowance for doubtful accounts for amounts designated as unlikely to be collected.

Investment and interest revenue is recognized on an accrual basis in the year that it is earned.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and collectability is reasonably assured.

***Employee future benefits***

The First Nation's employee future benefit programs consist of defined contribution pension plans. The First Nation's contributions to the defined contribution plans are expensed as incurred.

**Fox Lake Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

---

**2. Significant accounting policies** *(Continued from previous page)*

***Financial Instruments***

Financial instruments include cash resources, accounts receivable, restricted cash and trust funds, investments in First Nation partnerships, accounts payable and accruals, and long-term debt. Unless otherwise stated, it is management's opinion that the First Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the book value of the First Nation's financial assets and liabilities approximates their fair value due to the short-term maturities of the instruments. The fair value of the First Nation's long-term debt is approximated by its carrying value as the terms and conditions of similar instruments are not materially different from those associated with the First Nation's long-term debt.

***Measurement uncertainty***

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Provisions are made for slow moving and obsolete inventory. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue.

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the consolidated statement of operations in the year in which they become known.

***Liability for contaminated sites***

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2017.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**Fox Lake Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

---

**2. Significant accounting policies** *(Continued from previous page)*

**Segments**

The First Nation conducts its business through fourteen reportable segments as identified below. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance. For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

*First Nation Management* - activities include the governance function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes.

*Social Services* - activities include satisfying the economic, social or health related needs of members of the community who require assistance.

*Economic Development* - includes the activities of the First Nation's economic development initiatives.

*Public Works* - activities include the development and maintenance of the community's infrastructure, buildings, roads, bridges and related equipment and the provision of other more specialized community services.

*Education* - activities include overseeing many aspects of educational opportunities for its members at all levels of learning both within the community and externally.

*Health* - activities include delivering health services to the First Nation.

*Capital* - includes the operations and maintenance of all reserve housing.

*Band Housing* - includes the management and maintenance of house for community members.

*Gaming Center* - activities include providing a form of gaming entertainment for community members which generate revenue for discretionary needs of community members.

*CMHC Housing Operations* - activities include the management and maintenance of CMHC houses for community members.

*Operating Programs* - reports on other operations of the First Nation.

*Implementation & Future Development Office* - focus is to train band members in trades which will enable them to work within the hydroelectric development plants and upon completion will have the skills to continue to work outside the hydroelectric plant.

*Business Enterprises* - reports on the activities of the businesses that operate both within the community and externally.

*Nikanihk Itapowin 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 Chief and Council to be used for assisting in the development of current and future generations of the Fox Lake Cree Nation membership.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2 the *Significant accounting policies*.

**Recent accounting pronouncements**

**Financial instruments**

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The First Nation does not expect the adoption of these new standards to have a material impact on its consolidated financial statements.

**Fox Lake Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

---

**3. Accounts receivable**

	<b>2017</b>	<b>2016</b>
Accounts receivable	<b>2,709,502</b>	626,514
Indigenous and Northern Affairs Canada	572,854	51,862
Health and Welfare Canada	-	120,000
CMHC subsidy assistance receivable	7,609	7,609
Employee and member advances	101,716	67,066
GST receivables	219,335	143,842
Other accounts receivable	883,378	292,932
Manitoba Hydro	11,874,204	12,705,277
	<b>16,368,598</b>	14,015,102
Less allowance for doubtful accounts	253,960	244,393
	<b>16,114,638</b>	13,770,709

**4. Restricted cash and Trust Funds**

	<b>2017</b>	<b>2016</b>
Cash on deposit	1,004,899	3,727,948
Cash in trust	-	30,680
Guaranteed Investment Certificate (GIC), matures April 2017, interest bearing at 0.20%	115,768	115,313
Ottawa trust fund	14,016	13,753
Trust	61,827	43,018
CMHC replacement reserve	66,943	-
	<b>1,263,453</b>	3,930,712

*Cash on deposit and GIC* are restricted only to be used for Keeyask Adverse Effects Agreement.

*Ottawa Trust Fund*

The Ottawa Trust Fund arises 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 similarly governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned, when it is measurable and when collection is reasonably assured. Capital and Revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with consent of the First Nation's Chief and Council.

Capital trust      interest revenue \$0 (2016 - \$0);  
 Revenue trust      interest revenue \$263 (2016 - \$277);

*CMHC replacement reserve*

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2017, the replacement reserve bank account was underfunded by \$150,969 (2016 - \$203,512).

**Fox Lake Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**5. Investments**

	<b>2017</b>	<b>2016</b>
Guaranteed Investment Certificate, matures September 20, 2018, interest bearing at 0.5%	<b>180,000</b>	180,000
Sun Life Financial	186,168	186,168
CI Private managed assets	1,562,317	1,527,548
	<b>1,928,485</b>	1,893,716

The market value of the Sun Life Financial investment at March 31, 2017 as reported by Sun Life Financial is \$188,381 (2016 - \$188,893).

The market value of the CI Private managed assets as at March 31, 2017 is \$2,403,964 (2016 - \$2,189,132).

**6. Investments in First Nation Partnerships**

The First Nation has investments in the following limited partnership and Joint Venture:

- Keeyask Hydropower Limited Partnership was created to carry on the business of developing, owning and operating the Keeyask hydroelectric generating station and related works excluding the transmission facilities but including the powerhouse and spillway and all dams, dikes, channels, excavations and roads to be located in vicinity of Keeyask Rapids, upstream of point at which the Nelson River flows into Stephens Lake.
- Fox Lake Cree Nation and York Factory First Nation agreed to create a business partnership, to be called the Fox and York Keeyask Joint Venture. The business partnership deals with the employment retention and support services.

	<b>2017</b>			
	<i>Investment</i>	<i>Cumulative share of earnings (loss)</i>	<i>Advances</i>	<i>Total investment</i>
<b>Partnerships - cost method:</b>				
Keeyask Hydropower Limited Partnership - 5%, at cost	25,940,834	-	-	25,940,834
Keeyask Hydropower Limited Partnership - 5%, deferred interest charges	1,558,067	-	-	1,558,067
	<b>27,498,901</b>	-	-	<b>27,498,901</b>
<b>Partnerships - equity method:</b>				
Fox and York Keeyask Joint Venture - 50%, equity method	1	(24,683)	367,311	342,629
	<b>27,498,902</b>	<b>(24,683)</b>	<b>367,311</b>	<b>27,841,530</b>

**Fox Lake Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

---

**6. Investments in First Nation Partnerships** *(Continued from previous page)*

	<i>Investment cost</i>	<i>Cumulative share of earnings</i>	<i>Advances</i>	<i>2016 Total investment (Restated)</i>
<b>Partnerships - cost method:</b>				
Keeyask Hydropower Limited Partnership - 5%, at cost	17,628,333	-	-	17,628,333
Keeyask Hydropower Limited Partnership - 5%, deferred interest charges	755,187	-	-	755,187
	18,383,520	-	-	18,383,520
<b>Partnerships - equity method:</b>				
Fox and York Keeyask Joint Venture - 50%, equity method	1	17,909	225,482	243,392
	18,383,521	17,909	225,482	18,626,912

The First Nation owned 350 Class K Units and 150 Class E units in the Keeyask Hydropower Limited Partnership (KHP) for a total of \$25,940,834 (March 31, 2016 - \$17,628,333). Deferred interest charges of \$1,558,067 as at March 31, 2017 (March 31, 2016 - \$755,187) represent the accrued interest on the loan with Manitoba Hydro related to the First Nation's investment in KHP. These interest charges will continue to be carried at cost and expensed against related partnership income.

Summary financial information for the Partnerships, for their respective year-end is as follows:

	<i>Fox and York Keeyask Joint Venture As at March 31, 2017</i>	<i>Keeyask Hydropower Limited Partnership As at March 31, 2017</i>
<b>Assets</b>		
Cash	77,937	-
Accounts receivable	299,567	4,000,000
Prepaid expenses	2,149	85,000,000
Property, plant and equipment	10,078	3,126,000,000
Intangible assets	-	76,000,000
Property and equipment	10,478	-
<b>Total assets</b>	<b>400,209</b>	<b>3,291,000,000</b>
<b>Liabilities</b>		
Accounts payable and accruals	72,184	152,000,000
Due to Fox Lake Ventures LP	367,311	-
Long-term liabilities	-	97,000,000
Long-term debt	-	2,301,000,000
<b>Total liabilities</b>	<b>439,495</b>	<b>2,550,000,000</b>
<b>Joint Ventures' account</b>	<b>(39,286)</b>	<b>-</b>
<b>Partners' capital</b>	<b>-</b>	<b>741,000,000</b>
<b>Total revenue</b>	<b>472,885</b>	<b>-</b>
<b>Total expenses</b>	<b>559,069</b>	<b>-</b>
<b>Deficit</b>	<b>(86,184)</b>	<b>-</b>

**Fox Lake Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**7. Accounts payable and accruals**

	<b>2017</b>	<b>2016</b>
Trade payables and accruals	1,337,697	1,291,922
Payroll	115,776	71,901
Taxes payable	717,325	157,549
Indigenous and Northern Affairs Canada	221,308	-
	<b>2,392,106</b>	<b>1,521,372</b>

**8. Deferred revenue**

	<i>Balance, beginning of year (Restated)</i>	<i>Contribution received</i>	<i>Revenue recognized</i>	<i>Transfer</i>	<i>Balance, end of year</i>
Nikanihk Itapowin (Future Vision) Trust	14,959,666	76,682	(324,049)	-	14,712,299
Keewatinohk Converter Station	2,504,670	-	-	(2,504,670)	-
Fox Lake Cree Nation Keeyask Adverse Effects Agreement	1,326,289	-	(319,449)	-	1,006,840
Band office building - INAC program	-	130,000	(13,000)	-	117,000
Elementary / secondary - INAC program	-	219,836	(178,838)	-	43,998
Band Center complex	1,888,335	1,632,698	(5,757,460)	2,504,670	268,243
	<b>20,678,960</b>	<b>2,059,216</b>	<b>(6,592,796)</b>	<b>-</b>	<b>16,148,380</b>

**9. Long-term debt**

	<b>2017</b>	<b>2016</b> (Restated)
Keeyask/Conawapa/SCHIP/HGD Claims	477,514	425,299
Rental advance	100,000	100,000
Training Plan (2002)	876,440	850,962
Phase 2: CMHC mortgage repayable in monthly payments of \$1,372 including interest at 1.53%, maturity date of October 1, 2027 with a renewal date of December 1, 2017, secured by a Ministerial guarantee and assignment of fire insurance for a four-unit rental housing project.	160,829	174,958
Phase 3: CMHC mortgage repayable in monthly payments of \$938 including interest at 2.01%, maturity date of June 1, 2028 with a renewal date of October 1, 2019, secured by a Ministerial guarantee and assignment of fire insurance for a two-unit rental housing project.	113,351	122,459
Phase 5: CMHC mortgage repayable in monthly payments of \$1,606 including interest at 1.62%, maturity date of March 1, 2033 with a renewal date March 1, 2018, secured by a Ministerial guarantee and assignment of fire insurance for a six-unit rental housing project.	271,593	286,753
Phase 6: CMHC mortgage repayable in monthly payments of \$4,101 including interest at 1.77%, maturity date of November 1, 2029 with a renewal date of November 1, 2019, secured by a Ministerial guarantee and assignment of fire insurance for a five-unit rental housing project.	919,124	953,282

**Fox Lake Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

---

**9. Long-term debt** *(Continued from previous page)*

	<b>2017</b>	<b>2016</b>
	<i>(Restated)</i>	
Manitoba Hydro, loan to be repaid from a percentage of Fox Lake Keeyask Investment Inc. (FLKII)'s share of income from Keeyask Hydro Power Limited Partnership (KHL). Interest on this loan accrues at 2.53% (2.92% at March 31, 2016), compounded monthly, secured by FLKII's units in KHL and all distributions on those units. The total balance of this loan includes accrued interest payable of \$1,558,067 at March 31, 2017 (2016 - \$775,187).	<b>27,048,901</b>	17,933,520
	<b>29,967,752</b>	20,847,233

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal
2018	71,377
2019	72,616
2020	73,876
2021	75,158
2022	76,463

**Keeyask/Conawapa/SCHIP/HGD Claims**

Amount owing to Manitoba Hydro as a result of a review of reimbursement payments made to the Office by Manitoba Hydro during the period April 2007 through to March 2010 inclusive, in four programs, known as the Keeyask Project planning process, Conawapa Project planning process, Harmonized Gillam Development and the Social Cultural Health Impact Study (SCHIP).

Three hundred and eighty-two thousand, six hundred and ten dollars is to be paid to Manitoba Hydro on or before January 1, 2030 with interest at the rate of 5.35% compounded annually beginning on January 1, 2013. To the extent that the Department may be in default, Manitoba Hydro shall be entitled to off-set any monies owing to the First Nation on account of adverse effects payments or on account of revenues, from either the Keeyask Project or the Conawapa Project against the amounts owing.

**Rental advance**

Rental advance is repayable 30 days after the completion of the Keeyask project future development (Final Closing Date). This advance is non-interest bearing until the Final Closing Date. However, in lieu of paying the outstanding amount on that date, the Department may elect at the Final Closing Date to repay the entire outstanding amount or any unpaid balance not paid on the 30th day after the Final Closing Date may be repaid over a ten year period with the ten year bond rate or, alternatively, over a 20 year period with the 20 year bond rate. The interest shall accrue, calculated and compounded annually, at the applicable rates commencing on the 30th day after the Final Closing Date. The rental advance is unsecured.

**Training Plan (2002)**

Manitoba Hydro advanced a repayable financial contribution in the amount of \$518,000 to fund the First Nation's member training plan for 2002-2003. The Department and Manitoba Hydro agree that the contribution plus interest thereon calculated at a rate per annum equal to the prime rate of interest established from time to time by the Royal Bank of Canada, and will be repaid and constitute a charge against the net income received or to be received by the First Nation from its equity interest in the Keeyask Project. The training plan is unsecured.

Manitoba Hydro at its option may demand repayment of the monies contributed by Manitoba Hydro pursuant to the agreement together with all interest earned thereon; deduct and set off the amount contributed together with all interest earned thereon, from and against any other obligation or liability of Manitoba Hydro to Fox Lake; or release its right to repayment of the contribution and apply the amount thereof towards any future programs of benefit to the First Nation, which Manitoba Hydro may, in its sole discretion, put in place.

Prime rate as at March 31, 2017 was 2.70 % (2016 - 2.70%).

**Fox Lake Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

---

**10. Accumulated surplus**

Accumulated surplus is comprised of the following:

	<b>2017</b>	<b>2016</b> (Restated)
Equity in Ottawa Trust Funds	14,016	13,753
Investment in tangible capital assets	27,584,331	23,350,142
CMHC replacement reserve	217,912	203,512
Investment in First Nation Partnership	792,629	693,392
Unrestricted accumulated surplus	5,206,214	1,594,450
	<b>33,815,102</b>	<b>25,855,249</b>

**11. Economic dependence**

Fox Lake Cree Nation receives a significant portion of its revenue from Indigenous and Northern Affairs Canada (INAC) and First Nations and Inuit Health as a result of Treaties entered into with the Government of Canada. These Treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

**12. Reconciliation of funding from Indigenous and Northern Affairs Canada (INAC)**

The Indigenous and Northern Affairs Canada (INAC) revenue of \$2,685,834 (2016 – \$2,627,872) on the consolidated statement of operations and accumulated surplus agrees to the INAC confirmation.

**13. First Nations and Inuit Health Funding**

The First Nations and Inuit Health revenues of \$782,295 (2016 – \$871,299) on the consolidated statement of operations and accumulated surplus agrees to the Health Canada confirmation.

**14. Provision for site rehabilitation**

The Manitoba Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under this environmental law, there is a requirement for closure and post-closure care of solid waste 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 First 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.

**Fox Lake Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

---

**15. Contingencies**

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2017 might be recovered.

The First Nation is involved in a dispute over the dismissal of two former employees. The effects of any contingent claims relating to the dispute are not determinable at the date of this report, and therefore no accrual has been made.

**16. Comparative figures**

Certain comparative figures have been reclassified to conform with current year's presentation.

**17. Subsequent events**

The following entities were dissolved effective December 31, 2017 and assets distributed to the limited partner, Fox Lake Cree Nation:

- FLCN Gathering Centre LP
- Fox Lake Concrete LP
- Fox Lake Land LP

The following corporations were amalgamated effective January 1, 2018 under the name Fox Lake Land Corporation:

- FLCN Gathering Centre Inc.
- Fox Lake Concrete Ltd.
- Fox Lake Land Corporation
- Fox Lake Enterprises Inc

The assets received on the dissolution of the above Limited Partners were then contributed by Fox Lake Cree Nation to a new limited partnership created effective January 1, 2018 as Fox Lake (2017) Land Limited Partnership. The general partner of this new limited partnership is Fox Lake Land Corporation. This subsequent event does not have a financial impact on the consolidated financial statements.

**Fox Lake Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

---

**18. Correction of an error**

The following amounts have been restated as at and for the year ended March 31, 2016:

	<b>As previously stated</b>	<b>Adjustments</b>	<b>2016 As restated</b>
<b>Consolidated Statement of Financial Position</b>			
Investment in First Nation partnership	693,392	17,933,520	18,626,912
Deferred revenue	22,020,445	(1,341,485)	20,678,960
Long-term debt	2,913,713	17,933,520	20,847,233
Replacement reserve	203,512	(203,512)	-
Accumulated surplus	<u>24,310,252</u>	<u>1,544,997</u>	<u>25,855,249</u>
<b>Consolidated Statement of Operations</b>			
Accumulated surplus, beginning of year	20,713,734	435,537	21,149,271
Annual surplus	<u>3,596,518</u>	<u>1,109,460</u>	<u>4,705,978</u>
Accumulated surplus, end of year	<u>24,310,252</u>	<u>1,544,997</u>	<u>25,855,249</u>

- The First Nation determined that their CMHC replacement reserves was incorrectly recorded as liabilities as at March 31, 2016 and should have been presented as a component of accumulated surplus. This resulted in a decrease in liabilities of the consolidated statement of financial position by \$203,512, a decrease in expenses by \$15,733 and increase in accumulated surplus, beginning of year by \$187,779.
- The First Nation determined that deferred revenue that were deferred as at March 31, 2016 were not eligible for deferral. This resulted in a decrease in deferred revenue on the consolidated statement of financial position by \$1,341,485, an increase in revenue by \$1,093,727 and an increase in accumulated surplus, beginning of year by \$247,758.
- The First Nation determined that it had not properly accounted for its investment in Keeyask Hydropower Limited Partnership, which is described in note 6. The investment was recorded for the amount paid in cash and did not consider debt financing for the participation in Keeyask Hydropower Limited Partnership. This resulted an increase in investment in First Nation partnership and long-term debt by \$17,933,520.

**19. First Nations Financial Transparency Act**

The First Nation was required to post its consolidated financial statements on a website and submit the consolidated financial statements to Indigenous and Northern Affairs Canada by July 29, 2017. Since the audit report date is dated after this date, the First Nation has not complied with this requirement. The possible effect of this non-compliance has not yet been determined. The First Nation fully intends to post its consolidated financial statements on a website upon release of these consolidated financial statements.

**Fox Lake Cree Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

	<i>Land</i>	<i>Buildings</i>	<i>CMHC Housing</i>	<i>Computer</i>	<i>Equipment</i>	<i>Vehicle</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	1,248,337	21,314,194	3,581,965	177,598	5,809,067	1,458,673	33,589,834
Acquisition of tangible capital assets	-	21,839	-	33,181	320,304	276,479	651,803
Disposal of tangible capital assets	-	-	-	-	-	(175,181)	(175,181)
Transfer	-	1,092,946	(1,092,946)	-	-	-	-
Balance, end of year	1,248,337	22,428,979	2,489,019	210,779	6,129,371	1,559,971	34,066,456
<b>Accumulated amortization</b>							
Balance, beginning of year	-	6,107,595	1,116,435	154,557	3,239,812	276,411	10,894,810
Annual amortization	-	1,138,949	72,555	21,210	600,058	305,540	2,138,312
Disposal of tangible capital assets	-	-	-	-	-	(65,864)	(65,864)
Balance, end of year	-	7,246,544	1,188,990	175,767	3,839,870	516,087	12,967,258
<b>Net book value of tangible capital assets</b>	<b>1,248,337</b>	<b>15,182,435</b>	<b>1,300,029</b>	<b>35,012</b>	<b>2,289,501</b>	<b>1,043,884</b>	<b>21,099,198</b>
2016 Net book value of tangible capital assets	1,248,337	15,206,599	2,465,530	23,041	2,569,255	1,182,262	22,695,024

**Fox Lake Cree Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

---

	<i>Subtotal</i>	<i>Assets under construction</i>	<i>2017</i>	<i>2016</i>
<b>Cost</b>				
Balance, beginning of year	33,589,834	2,192,570	35,782,404	31,824,802
Acquisition of tangible capital assets	651,803	5,757,460	6,409,263	3,957,602
Disposal of tangible capital assets	(175,181)	-	(175,181)	-
Transfer	-	-	-	-
Balance, end of year	<b>34,066,456</b>	<b>7,950,030</b>	<b>42,016,486</b>	<b>35,782,404</b>
<b>Accumulated amortization</b>				
Balance, beginning of year	10,894,810	-	10,894,810	9,002,813
Annual amortization	2,138,312	-	2,138,312	1,891,997
Disposal of tangible capital assets	(65,864)	-	(65,864)	-
Balance, end of year	<b>12,967,258</b>	<b>-</b>	<b>12,967,258</b>	<b>10,894,810</b>
<b>Net book value of tangible capital assets</b>	<b>21,099,198</b>	<b>7,950,030</b>	<b>29,049,228</b>	<b>24,887,594</b>
2016 Net book value of tangible capital assets	22,695,024	2,192,570	24,887,594	

**Fox Lake Cree Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b> (Restated)
<b>Consolidated expenses by object</b>		
Advertising	14,169	6,692
Amortization	2,138,312	1,891,997
Bad debts	334,720	299,158
Band member's distribution	2,005	2,368,000
Bank charges and interest	198,095	94,059
Basic Needs	154,474	177,112
Community assistance	329,628	58,182
Community development initiatives	93,151	10,500
Consulting	440,702	257,067
Contracted services	1,086,611	-
Contribution	-	351,000
Elders fees	30,250	32,000
Freight & postage	33,559	14,616
Fuel	164,069	165,944
Honorarium	299,637	224,473
Insurance	107,882	108,283
Management fees	186,646	165,088
Materials	5,323	80,144
Meeting	63,987	34,666
Office supplies	183,026	124,903
Other expense	295,337	759,966
Professional fees	692,820	734,040
Rent	355,714	393,088
Repairs and maintenance	499,082	353,614
Salaries and benefits	5,509,725	3,937,938
Social assistance	45,438	28,133
Subcontracts	-	97,866
Supplies	396,196	141,566
Telephone	65,358	70,971
Training	45,655	64,619
Travel	775,681	826,670
Tuition	261,141	329,603
User fees	6,425	2,713
Utilities	359,371	358,174
Vehicle maintenance	76,490	103,262
Workshop/program activities	385,177	343,311
	<b>15,635,856</b>	<b>15,009,418</b>

**Fox Lake Cree Nation**  
**Schedule 3 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<i>Schedule #</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>	<i>Prior Year Surplus (Deficit) (Restated)</i>
<b>Segments</b>						
First Nation Management	4	895,770	3,102,216	-	(2,206,446)	(2,021,715)
Social Services	5	66,245	368,255	-	(302,010)	84,004
Economic Development	6	58,396	52,556	-	5,840	4,032
Public Works	7	584,644	1,139,009	-	(554,365)	240,950
Education	8	968,099	849,345	-	118,754	106,801
Health	9	793,039	784,278	-	8,761	28,719
Capital	10	3,265,790	-	2,504,670	5,770,460	2,477,570
Band Housing	11	73,937	716,965	(116,425)	(759,453)	(725,696)
Gaming Centre	12	1,688,500	789,662	-	898,838	291,762
CMHC Housing Operations	13	148,509	138,374	116,425	126,560	129,057
Operating Programs	14	4,062,101	623,073	319,449	3,758,477	2,638,597
Implementation & Future Development Office	15	4,636,980	1,989,597	(2,824,119)	(176,736)	778,444
Nikanihk Itapowin Trust	16	324,049	324,048	-	1	-
Business Enterprises	17	6,029,650	4,758,478	-	1,271,172	673,453
<b>Total</b>		<b>23,595,709</b>	<b>15,635,856</b>	-	<b>7,959,853</b>	<b>4,705,978</b>

**Fox Lake Cree Nation**  
**First Nation Management**  
**Schedule 4 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Indigenous and Northern Affairs Canada	634,415	434,042
Other revenue	261,355	108,922
	<b>895,770</b>	<b>542,964</b>
<b>Expenses</b>		
Amortization	1,551,002	1,215,180
Bad debts	55,358	137,340
Bank charges and interest	41,281	8,993
Community assistance	299,138	26,917
Contribution	-	130,000
Elders fees	30,250	32,000
Freight & postage	6,377	2,135
Fuel	19,941	4,591
Honorarium	181,225	149,534
Insurance	12,796	16,563
Office supplies	46,564	11,820
Other expense	15,401	67,455
Professional fees	394,099	205,357
Rent	9,198	65,147
Repairs and maintenance	9,308	8,591
Salaries and benefits	119,451	160,763
Telephone	16,907	38,722
Travel	175,399	138,742
Utilities	21,135	40,205
Vehicle maintenance	4,687	1,144
Workshop/program activities	92,699	103,480
	<b>3,102,216</b>	<b>2,564,679</b>
<b>Deficit</b>	<b>(2,206,446)</b>	<b>(2,021,715)</b>

**Fox Lake Cree Nation**  
**Social Services**  
**Schedule 5 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Indigenous and Northern Affairs Canada	316,994	498,953
Funding recovery	(250,749)	-
	<b>66,245</b>	498,953
<b>Expenses</b>		
Bank charges and interest	702	742
Basic Needs	154,474	177,112
Community assistance	14,658	15,390
Fuel	10,022	5,260
Office supplies	419	1,692
Other expense	2,789	7,475
Professional fees	9,355	12,250
Rent	68,992	68,992
Repairs and maintenance	1,650	676
Salaries and benefits	83,118	78,916
Telephone	4,652	2,682
Travel	16,356	42,732
Utilities	1,068	1,030
	<b>368,255</b>	414,949
<b>Surplus (deficit)</b>	<b>(302,010)</b>	84,004

**Fox Lake Cree Nation**  
**Economic Development**  
**Schedule 6 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Indigenous and Northern Affairs Canada	58,396	150,296
Other revenue	-	3,442
	<b>58,396</b>	<b>153,738</b>
<b>Expenses</b>		
Other expense	-	2,400
Professional fees	-	57,732
Salaries and benefits	52,556	59,574
Travel	-	30,000
	<b>52,556</b>	<b>149,706</b>
<b>Surplus</b>	<b>5,840</b>	<b>4,032</b>

**Fox Lake Cree Nation**  
**Public Works**  
**Schedule 7 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Indigenous and Northern Affairs Canada	485,120	180,040
Other revenue	99,524	63,529
	<b>584,644</b>	243,569
<b>Expenses</b>		
Bank charges and interest	242	1,309
Freight & postage	17,515	1,328
Fuel	96,568	122,930
Insurance	32,900	17,333
Materials	5,324	8,944
Other expense	-	4,020
Professional fees	40	2,832
Rent	9,732	51,636
Repairs and maintenance	339,568	54,278
Salaries and benefits	429,938	377,474
Supplies	16,101	138,449
Telephone	6,660	431
Travel	17,096	8,419
Utilities	153,329	136,046
Vehicle maintenance	13,996	34,790
	<b>1,139,009</b>	960,219
<b>Deficit before transfers</b>	<b>(554,365)</b>	(716,650)
<b>Transfers between segments</b>		
From Implementation & Future Development Office, Schedule 15	-	957,600
<b>Surplus (deficit)</b>	<b>(554,365)</b>	240,950

**Fox Lake Cree Nation**  
**Education**  
**Schedule 8 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Indigenous and Northern Affairs Canada	1,014,517	1,008,341
Funding recovery	(2,420)	(27)
Deferred revenue to subsequent year	(43,998)	-
	<b>968,099</b>	1,008,314
<b>Expenses</b>		
Advertising	415	-
Bank charges and interest	7	1
Freight & postage	196	78
Fuel	-	790
Insurance	14,574	13,611
Office supplies	4,987	5,152
Other expense	6,303	13,301
Professional fees	600	2,496
Rent	14,815	1,144
Repairs and maintenance	27,939	26,531
Salaries and benefits	432,024	374,042
Supplies	661	2,678
Travel	16,642	28,616
Tuition	261,141	329,603
Utilities	42,051	60,451
Vehicle maintenance	6,078	32,760
Workshop/program activities	20,912	10,259
	<b>849,345</b>	901,513
<b>Surplus</b>	<b>118,754</b>	106,801

**Fox Lake Cree Nation**  
**Health**  
**Schedule 9 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
First Nations and Inuit Health (FNIH)	782,295	871,299
Other revenue	10,744	7,074
	<b>793,039</b>	<b>878,373</b>
 <b>Expenses</b>		
Bank charges and interest	3,226	334
Freight & postage	1,509	2,601
Insurance	142	325
Office supplies	48,584	17,630
Other expense	125	-
Professional fees	9,441	33,833
Repairs and maintenance	17,749	6,165
Salaries and benefits	389,906	480,981
Social assistance	45,438	28,133
Telephone	6,791	4,862
Travel	31,879	40,235
Vehicle	-	1
Vehicle maintenance	48,724	6,944
Workshop/program activities	180,764	227,610
	<b>784,278</b>	<b>849,654</b>
 <b>Surplus</b>	<b>8,761</b>	<b>28,719</b>

**Fox Lake Cree Nation**  
**Capital**  
**Schedule 10 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Manitoba Hydro	1,628,954	3,951,637
Indigenous and Northern Affairs Canada	130,000	356,200
Other revenue	3,744	129,363
Deferred revenue from prior year	1,888,335	-
Deferred revenue to subsequent year	(385,243)	(1,888,336)
	<b>3,265,790</b>	<b>2,548,864</b>
<b>Expenses</b>		
Bank charges and interest	-	94
Materials	-	71,200
	<b>-</b>	<b>71,294</b>
<b>Surplus before transfers</b>	<b>3,265,790</b>	2,477,570
<b>Transfers between segments</b>		
From Implementation & Future Development Office, Schedule 15	2,504,670	-
<b>Surplus</b>	<b>5,770,460</b>	2,477,570

**Fox Lake Cree Nation**  
**Band Housing**  
**Schedule 11 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Other revenue	<b>73,937</b>	329,244
<b>Expenses</b>		
Amortization	361,843	400,286
Bank charges and interest	121	157
Freight & postage	1,773	7,388
Fuel	100	7,416
Insurance	-	24,872
Office supplies	-	362
Other expense	-	13,996
Professional fees	17,847	20,544
Repairs and maintenance	33,815	197,561
Salaries and benefits	153,298	168,174
Telephone	4,962	-
Travel	8,049	11,934
User fees	4,748	-
Utilities	122,298	78,816
Vehicle maintenance	1,311	-
Workshop/program activities	6,800	75
	<b>716,965</b>	931,581
<b>Deficit before transfers</b>	<b>(643,028)</b>	(602,337)
<b>Transfers between segments</b>		
To CMHC Housing Operations, Schedule 13	<b>(116,425)</b>	(123,359)
<b>Deficit</b>	<b>(759,453)</b>	(725,696)

**Fox Lake Cree Nation**  
**Gaming Centre**  
**Schedule 12 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b> (Restated)
<b>Revenue</b>		
Video lottery terminals	1,018,823	962,929
Other revenue	669,677	69,708
	<b>1,688,500</b>	1,032,637
<b>Expenses</b>		
Advertising	13,754	6,692
Amortization	-	80,709
Bad debts	23,489	-
Bank charges and interest	11,047	428
Freight & postage	6,189	1,086
Insurance	-	13,782
Management fees	186,646	165,088
Office supplies	14,272	29,187
Other expense	10,377	6,745
Professional fees	36,320	39,869
Rent	59,732	-
Repairs and maintenance	8,417	13,578
Salaries and benefits	384,027	344,788
Telephone	3,611	4,166
Training	5,689	9,180
Travel	5,898	5,292
User fees	1,676	2,713
Utilities	13,770	17,572
Workshop/program activities	4,748	-
	<b>789,662</b>	740,875
<b>Surplus</b>	<b>898,838</b>	291,762

**Fox Lake Cree Nation**  
**CMHC Housing Operations**  
**Schedule 13 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b> (Restated)
<b>Revenue</b>		
Canada Mortgage and Housing Corporation	91,309	96,357
Rental income	57,200	71,212
	<b>148,509</b>	167,569
<b>Expenses</b>		
Amortization	72,555	66,748
Bank charges and interest	28,122	27,279
Insurance	15,047	19,667
Other expense	1,200	20,560
Professional fees	10,200	15,200
Repairs and maintenance	11,250	12,417
	<b>138,374</b>	161,871
<b>Surplus before transfers</b>	<b>10,135</b>	5,698
<b>Transfers between segments</b>		
From Band Housing, Schedule 11	116,425	123,359
<b>Surplus</b>	<b>126,560</b>	129,057

**Fox Lake Cree Nation**  
**Operating Programs**  
**Schedule 14 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Sodexo	3,860,636	2,760,464
Other revenue	201,465	504,225
Manitoba Hydro	-	337,190
	<b>4,062,101</b>	3,601,879
<b>Expenses</b>		
Bank charges and interest	-	75
Contribution	-	221,000
Fuel	1,381	24,150
Office supplies	40	-
Other expense	46,945	27,835
Professional fees	18,812	59,000
Rent	21,794	49,416
Repairs and maintenance	-	5,431
Salaries and benefits	348,961	486,996
Supplies	64,823	439
Training	16,315	35,451
Travel	23,054	23,978
Vehicle maintenance	1,695	27,624
Workshop/program activities	79,253	1,887
	<b>623,073</b>	963,282
<b>Surplus before transfers</b>	<b>3,439,028</b>	2,638,597
<b>Transfers between segments</b>		
From Implementation & Future Development Office, Schedule 15	319,449	-
<b>Surplus</b>	<b>3,758,477</b>	2,638,597

**Fox Lake Cree Nation**  
**Implementation & Future Development Office**  
**Schedule 15 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b> (Restated)
<b>Revenue</b>		
Manitoba Hydro	1,715,233	8,742,354
Other revenue	51,236	331,280
Indigenous and Northern Affairs Canada	46,392	-
Deferred revenue from prior year	3,830,959	1,387,760
Deferred revenue to subsequent year	(1,006,840)	(3,830,959)
	<b>4,636,980</b>	6,630,435
<b>Expenses</b>		
Amortization	18,728	26,552
Bad debts	7,508	154,828
Band member's distribution	2,005	2,368,000
Bank charges and interest	77,693	46,383
Honorarium	42,653	52,964
Consulting	256,266	161,063
Meeting	63,987	34,666
Office supplies	55,350	49,218
Other expense	39,517	320,369
Professional fees	75,259	133,543
Rent	70,803	92,145
Repairs and maintenance	49,386	28,386
Salaries and benefits	984,502	1,051,400
Telephone	21,776	20,108
Training	23,651	19,988
Travel	194,796	310,724
Utilities	5,717	24,054
	<b>1,989,597</b>	4,894,391
<b>Surplus before transfers</b>	<b>2,647,383</b>	1,736,044
<b>Transfers between segments</b>		
To Public Works, Schedule 7	-	(957,600)
To Capital, Schedule 10	(2,504,670)	-
To Operating Programs, Schedule 14	(319,449)	-
	<b>(2,824,119)</b>	(957,600)
<b>Surplus (deficit)</b>	<b>(176,736)</b>	778,444

**Fox Lake Cree Nation**  
**Nikanihk Itapowin Trust**  
**Schedule 16 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Interest income	63,004	128,429
Other revenue	13,678	26,915
Deferred revenue from prior year	14,959,666	15,011,355
Deferred revenue to subsequent year	(14,712,299)	(14,959,666)
	<b>324,049</b>	207,033
<b>Expenses</b>		
Amortization	-	897
Community assistance	15,832	15,875
Community development initiatives	93,151	10,500
Honorarium	8,400	6,200
Other expense	41,728	18,796
Professional fees	37,022	56,052
Rent	11,400	7,200
Salaries and benefits	42,501	44,578
Travel	74,014	46,935
	<b>324,048</b>	207,033
<b>Surplus (deficit)</b>	<b>1</b>	-

**Fox Lake Cree Nation**  
**Business Enterprises**  
**Schedule 17 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Manitoba Hydro	1,996,151	29,950
Sodexo	1,333,656	580,765
Other revenue	2,699,843	1,261,109
	<b>6,029,650</b>	1,871,824
<b>Expenses</b>		
Amortization	134,184	101,624
Bad debts	248,365	6,990
Bank charges and interest	35,654	8,264
Consulting	184,436	96,004
Fuel	36,057	807
Honorarium	67,359	15,775
Insurance	32,422	2,130
Office supplies	12,811	9,842
Other expense	130,953	257,013
Professional fees	83,824	95,332
Rent	89,249	57,408
Salaries and benefits	2,089,444	310,253
Services	1,086,611	-
Subcontracts	-	97,866
Supplies	314,612	-
Travel	212,497	139,063
	<b>4,758,478</b>	1,198,371
<b>Surplus</b>	<b>1,271,172</b>	673,453