

**War Lake First Nation  
Consolidated Financial Statements**  
*March 31, 2017*

**War Lake First Nation**  
**Contents**  
*For the year ended March 31, 2017*

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## Management's Responsibility

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To the Chief and Council and Members of War Lake First Nation:

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

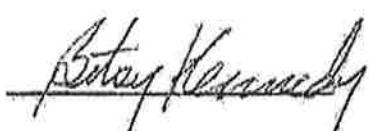
Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting 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 War Lake First 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 fulfil 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.

March 23, 2018



Chief



Councillor

## Independent Auditors' Report

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To the Chief and Council and Members of War Lake First Nation:

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

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

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

### *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 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 consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 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*

Inventory consists of merchandise and fuel purchased for resale at the War Lake Convenience Store Ltd., which is owned by the First Nation. We did not observe the inventory count at the beginning or end of the year and alternative means did not provide us with the necessary assurance concerning the quantity on hand or the cost of inventory. As a result, we were unable to determine whether any adjustments are required to inventory, expenses, annual surplus (deficit), accumulated surplus, net debt and cash provided from operations.

In the prior year, due to deficiencies in internal control, we were unable to determine the completeness of accounts receivable, accounts payable, revenues and expenses related to War Lake Convenience Store Ltd. As a result, we were unable to determine whether any adjustments are required to the opening balances of accounts payable, accounts receivable and accumulated surplus, and annual surplus (deficit) and cash provided from operations for the current year.

### *Qualified Opinion*

In our opinion, except for the possible 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 War Lake First Nation as at March 31, 2017 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Other Matter*

The consolidated financial statements of War Lake First Nation for the year ended March 31, 2016 were audited by Holukoff Chiarella Chartered Professional Accountants of Winnipeg, Canada, prior to its merger with MNP LLP. Holukoff Chiarella Chartered Professional Accountants expressed a qualified opinion on those statements in their report dated August 6, 2016.

Winnipeg, Manitoba

March 23, 2018

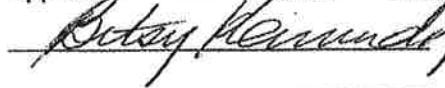
**MNP LLP**

Chartered Professional Accountants

**War Lake First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2017*

	<b>2017</b>	<b>2016</b> (Restated) (Note 3)
<b>Financial assets</b>		
Cash and cash equivalents	95,196	251,300
Accounts receivable (Note 4)	756,511	349,433
Inventory for resale (Note 5)	51,144	48,133
Restricted cash and trust funds (Note 6)	119,547	209,136
Investments in First Nation business partnerships (Note 7)	148,148	222,467
	<b>1,170,546</b>	1,080,469
<b>Liabilities</b>		
Accounts payable and accruals (Note 8)	449,826	938,788
Deferred revenue (Note 9)	70,106	211,037
Due to related party (Note 10)	172,582	5,000
Advances (Note 11)	150,000	150,000
Long-term debt (Note 12)	1,602,030	1,124,246
Capital lease obligation (Note 13)	105,963	-
	<b>2,550,507</b>	2,429,071
<b>Net debt</b>	<b>(1,379,961)</b>	(1,348,602)
<b>Contingencies (Note 21)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 14)	9,884,174	9,867,476
Prepaid expenses (Note 15)	11,438	7,680
	<b>9,895,612</b>	9,875,156
<b>Accumulated surplus (Note 16)</b>	<b>8,515,651</b>	8,526,554

Approved on behalf of Chief and Council



Chief  
Councillor



Councillor

**War Lake First Nation**  
**Consolidated Statement of Operations**  
*For the year ended March 31, 2017*

	<i>Schedules</i>	<i>2017 Budget</i>	<i>2017</i>	<i>2016 (Restated) (Note 3)</i>
<b>Revenue</b>				
Indigenous and Northern Affairs Canada (Note 17)		1,089,589	1,194,691	1,414,193
First Nations and Inuit Health (Note 18)		325,546	344,954	336,603
Canada Mortgage and Housing Corporation		85,984	79,486	75,012
Solicitor General		72,568	55,254	13,241
Other revenue		1,586,467	2,781,479	2,854,255
Manitoba Hydro		49,120	325,413	-
Provincial government		167,503	148,564	191,375
Deferred revenue from prior year (Note 9)		-	211,037	33,022
Deferred revenue to subsequent year (Note 9)		-	(70,106)	(211,037)
		<b>3,376,777</b>	<b>5,070,772</b>	<b>4,706,664</b>
<b>Program expenses</b>				
First Nations Management	3	640,971	1,053,401	1,163,470
Social Services	4	203,748	169,536	197,168
Economic Development	5	30,917	30,917	30,917
Hydro Development - Keeyask Project	6	13,657	6,858	300
Health Services	7	326,042	350,895	347,122
Operating Programs	8	1,694,302	2,106,934	1,621,395
Public Works	9	149,552	137,574	191,939
Capital	10	139,450	39,260	475,743
CMHC Housing Operations	11	214,964	215,579	192,713
Robert Roddick Trust Funds	12	-	457,934	440,559
War Lake Convenience Store Ltd.	13	-	512,787	350,374
<b>Total expenditures</b>		<b>3,413,603</b>	<b>5,081,675</b>	<b>5,011,700</b>
<b>Deficit</b>		<b>(36,826)</b>	<b>(10,903)</b>	<b>(305,036)</b>

**War Lake First Nation**  
**Consolidated Statement of Accumulated Surplus**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b> (Restated) (Note 3)
<b>Accumulated surplus, beginning of year, as previously stated</b>	<b>8,430,630</b>	8,735,666
Correction of an error (Note 3)	95,924	95,924
<b>Accumulated surplus, beginning of year, as restated</b>	<b>8,526,554</b>	8,831,590
<b>Deficit</b>	<b>(10,903)</b>	(305,036)
<b>Accumulated surplus, end of year</b>	<b>8,515,651</b>	8,526,554

**War Lake First Nation**  
**Consolidated Statement of Change in Net Debt**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b> (Restated)
<b>Annual deficit</b>	<b>(36,826)</b>	<b>(10,903)</b>	<b>(305,036)</b>
Purchases of tangible capital assets	-	(532,512)	(349,862)
Tangible capital assets acquired via capital lease	-	(120,000)	-
Amortization of tangible capital assets	84,034	635,814	615,212
Change in prepaid expenses	-	(3,758)	14,242
 <b>Increase (decrease) in net debt</b>	<b>47,208</b>	<b>(31,359)</b>	<b>(25,444)</b>
<b>Net debt, beginning of year</b>	<b>(1,348,602)</b>	<b>(1,348,602)</b>	<b>(1,323,158)</b>
 <b>Net debt, end of year</b>	<b>(1,301,394)</b>	<b>(1,379,961)</b>	<b>(1,348,602)</b>

**War Lake First 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>		
Deficit	(10,903)	(305,036)
Non-cash items		
Amortization	635,814	615,212
	624,911	310,176
Changes in working capital accounts		
Accounts receivable	(407,078)	32,572
Restricted cash and trust funds	89,589	(60,123)
Accounts payable and accruals	(488,962)	5,950
Deferred revenue	(140,931)	(12,290)
Due to related party	167,582	24,070
Inventory	(3,011)	34,876
Prepaid expenses	(3,758)	14,242
	(161,658)	349,473
<b>Financing activities</b>		
Advances of long term debt	724,379	-
Repayment of long-term debt	(246,595)	(279,028)
Repayment of capital lease obligation	(14,037)	-
	463,747	(279,028)
<b>Capital activity</b>		
Purchases of tangible capital assets	(532,512)	(349,862)
<b>Investing activity</b>		
Net change in investments	74,319	(17,751)
<b>Decrease in cash resources</b>	(156,104)	(297,168)
<b>Cash resources, beginning of year</b>	251,300	548,468
<b>Cash resources, end of year</b>	95,196	251,300

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

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**1. Operations**

The War Lake First Nation (the "First Nation") is located in the Province of Manitoba, and provides various services to its Members. War Lake First 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 War Lake First 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, except for First Nation business entities.

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

- War Lake Administration
- War Lake Social Services
- Robert F. Roddick Trust Funds
- War Lake Convenience Store Ltd.

All inter-entity balances have been eliminated on consolidation.

War Lake First Nation business entities, owned or controlled by the First Nation's Chief and Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity 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 in these entities 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. Entities accounted for by the modified equity basis include:

- Cree Nation Partners Limited Partnership
- Cree Nation Partners Limited Partnership #2
- Cree Nation Partners Limited Partnership #3

***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 and cash equivalents***

Cash and cash equivalent 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.

***Inventory***

Inventory is valued at the lower of cost and net realizable value. Cost is determined on the following basis:

Petroleum products	- Average cost
Confectionery and snacks	- Percentage of costs based on normal mark-up percentage

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

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

**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. Assets under construction are not amortized until the asset is available to be put into service.

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

**Amortization**

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	<b>Rate</b>
Infrastructure	4 %
Buildings	4 %
CMHC housing	4 %
Band housing	4 %
Heavy equipment	10 %
General equipment	20 %
Vehicles	20 %

**Capital lease**

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

**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 amount 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 amount exceeds its residual value of the assets' service potential to the First Nation. Any impairment is included in operations for the year.

**Investments in First Nation business partnerships**

The First Nation follows the modified equity method to account for its investment in business partnerships. The investment is stated at cost plus the First Nation's share of earnings (losses) since its acquisition plus capital and operating transfers to and from the business entities. The consolidated statement of operations includes the business entities' annual surplus (deficit) for the year then ended.

**Funds held in Ottawa Trust Fund**

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.

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

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

***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 financial liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, 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.

***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 site 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.

***Revenue recognition***

Government transfer revenue, including, but not limited to, Indigenous and Northern Affairs Canada, Health Canada, Province of Manitoba 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.

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

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

**Segments**

The First Nation conducts its business through eleven reportable segments listed 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.

- **First Nation Management** - activities include the governance function relating to decisions that define expectations, grant power or verify performance.
- **Social Services** - activities include satisfying the economic, social or health related needs of members of the community who require assistance.
- **Economic Development** - activities include researching and accessing government funding.
- **Hydro Development** - maintaining office close to Manitoba Hydro head office for communication purposes related to the Keeyask project.
- **Health Services** - deliver health services to the First Nation.
- **Operating Programs** - activities include the planning, managing and delivery of various projects/programs involving various programs such as education, employment, infrastructure, repairs and maintenance and training.
- **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.
- **Capital** - activities include the planning, managing and delivery of large scale infrastructure and capital projects to the community.
- **CMHC Housing Operations** - activities include the management and maintenance of CMHC houses for community members.
- **Robert Roddick Trust Funds** - Include Ottawa Trust funds held in trust by Government of Canada for the First Nation members and Robert Roddick Trust Funds which are available to members for discussion and negotiations with Manitoba Hydro involving environmental issues as a result of adverse effects due to the construction of Hydro Dam and include travel expenses.
- **War Lake Convenience Store Ltd.** - Operates a convenience store with Video Lottery Terminals onsite.

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 to the consolidated financial statements.

**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 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. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. 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 and assumptions 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.

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

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

***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 pension plans are expensed as incurred.

***Financial instruments***

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains or losses. As the First Nation has no financial instruments subsequently measured at fair value, all financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operations. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers all available information in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the consolidated statement of remeasurement gains and losses.

**3. Correction of an error**

During the year, the First Nation determined that certain reserves were presented as liabilities rather than as a component of accumulated surplus. As a result of this correction, the opening accumulated surplus increased and liabilities decreased by \$95,924 as at April 1, 2016.

**4. Accounts receivable**

	2017	2016
Trade accounts receivable	768,415	337,594
Indigenous and Northern Affairs Canada	2,691	-
CMHC subsidy assistance receivable	7,146	6,251
Members	25,144	16,789
War Lake Convenience Store Ltd.	16,199	15,701
Allowance for doubtful accounts	819,595	376,335
	63,084	26,902
	<b>756,511</b>	<b>349,433</b>

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

**5. Inventory for resale**

	<b>2017</b>	<b>2016</b>
War Lake Convenience Store Ltd.	<b>51,144</b>	48,133

Inventory consists of merchandise and fuel purchased for resale by War Lake Convenience Store Ltd.

**6. Restricted cash and trust funds**

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

	<b>2017</b>	<b>2016</b>
Ottawa Trust Funds	72	71
Robert F. Roddick Professional Corporation	22,842	34,128
CMHC replacement reserve	96,633	174,937
	<b>119,547</b>	209,136

**Ottawa Trust Funds**

The Ottawa trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned when it is measurable and 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 the consent of the First Nation's Chief and Council. Ottawa Trust Funds consist of the Capital trust in the amount of \$2 (2016 - \$2) and the Revenue trust in the amount of \$70 (2016 - \$69). Interest earned on the Ottawa Trust Funds totaled \$1 (2016 - \$1).

**Robert F. Roddick Professional Corporation**

Robert F. Roddick Professional Corporation in trust for War Lake First Nation was established to monitor and account for the financial contributions made by Manitoba Hydro towards expenses incurred by War Lake First Nation involving negotiations and environmental issue concerns arising from the potential future Hydro Electric development at Gull Rapids.

**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 is underfunded by \$1,523 (2016 - fully funded).

**Operating reserve**

The First Nations's CMHC Housing Program receives funding pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this Program. These funds, along with accumulated interest, must be held in a separate bank account. Currently the reserve is \$nil (2016 - \$nil).

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

**7. Investments in First Nation business partnerships**

The First Nation has investments in the following business partnerships:

	Units	Partners' current account	Partners' share of earnings (loss)	Partners' withdrawals	2017 Total investment
<b>First Nation Business Partnerships – Modified Equity:</b>					
Cree Nation Partners Limited Partnership ("CNPLP") - 7.5%					
	150	100,410	(297)	-	100,263
Cree Nation Partners Limited Partnership ("CNPLP") #2 - 7.5%					
	8	74,324	328,807	(419,302)	(16,163)
Cree Nation Partners Limited Partnership ("CNPLP") #3 - 7.5%					
	8	47,567	82,365	(65,892)	64,048
	<b>166</b>	<b>222,301</b>	<b>410,875</b>	<b>(485,194)</b>	<b>148,148</b>

	Units	Partners' current account	Partners' share of earnings (loss)	Partners' withdrawals	2016 Total investment
<b>First Nation Business Partnerships – Modified Equity:</b>					
Cree Nation Partners Limited Partnership ("CNPLP") - 7.5%					
	150	100,753	(343)	-	100,560
Cree Nation Partners Limited Partnership ("CNPLP") #2 - 7.5%					
	8	74,324	-	-	74,332
Cree Nation Partners Limited Partnership ("CNPLP") #3 - 7.5%					
	8	47,567	-	-	47,575
	<b>166</b>	<b>222,644</b>	<b>(343)</b>	<b>-</b>	<b>222,467</b>

*Continued on next page*

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

**7. Investments in First Nation business partnerships (Continued from previous page)**

Summary financial information for each First Nation business entity, accounted for using the modified equity method, for their respective year-end is as follows:

	<b>Cree Nation Partners Limited Partnership ("CNPLP")</b> As at December 31, 2016	<b>Cree Nation Partners Limited Partnership ("CNPLP") #2</b> As at December 31, 2016	<b>Cree Nation Partners Limited Partnership ("CNPLP") #3</b> As at December 31, 2016	<b>Cree Nation Partners Limited Partnership ("CNPLP")</b> As at December 31, 2015
<b>Assets</b>				
Cash	759	202,358	8,644	794
Accounts receivable	-	1,102,248	594	-
Investments	1,350,000	-	-	1,350,000
Due from related parties	-	20,476	953,713	-
<b>Total assets</b>	<b>1,350,759</b>	<b>1,325,082</b>	<b>962,951</b>	<b>1,350,794</b>
<b>Liabilities</b>				
Accounts payable and accruals	3,600	59,945	5,172	3,600
Due to related parties	10,311	-	5,249	6,385
<b>Total liabilities</b>	<b>13,911</b>	<b>59,945</b>	<b>10,421</b>	<b>9,985</b>
<b>Accumulated surplus</b>	<b>1,336,848</b>	<b>1,265,137</b>	<b>952,530</b>	<b>1,340,809</b>
<b>Total revenue</b>	<b>-</b>	<b>4,391,203</b>	<b>1,104,822</b>	<b>-</b>
<b>Total expenses</b>	<b>3,962</b>	<b>7,115</b>	<b>6,629</b>	<b>4,577</b>
<b>Annual surplus (deficit)</b>	<b>(3,962)</b>	<b>4,384,088</b>	<b>1,098,193</b>	<b>(4,577)</b>
	<b>Cree Nation Partners Limited Partnership ("CNPLP") #2</b> As at December 31, 2015	<b>Cree Nation Partners Limited Partnership ("CNPLP") #3</b> As at December 31, 2015		
<b>Assets</b>				
Cash	131,994	-		
Accounts receivable	1,477,598	298		
Investments	-	-		
Due from related parties	75,730	839,566		
<b>Total assets</b>	<b>1,685,322</b>	<b>839,864</b>		
<b>Liabilities</b>				
Accounts payable and accruals	64,087	4,639		
Due to related parties	-	65,249		
<b>Total liabilities</b>	<b>64,087</b>	<b>69,888</b>		
<b>Accumulated surplus</b>	<b>1,621,235</b>	<b>769,976</b>		
<b>Total revenue</b>	<b>2,515,967</b>	<b>569,333</b>		
<b>Total expenses</b>	<b>7,635</b>	<b>10,996</b>		
<b>Annual surplus (deficit)</b>	<b>2,508,332</b>	<b>558,337</b>		

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

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**7. Investments in First Nation business partnerships (Continued from previous page)**

**Cree Nation Partners Limited Partnership (CNPLP)**

The First Nation has entered into a limited partnership agreement with Tataskweyak Cree Nation as limited partners in Cree Nation Partners Limited Partnership ("CNPLP").

5872006 Manitoba Ltd., a corporation incorporated under the Corporations Act of Manitoba, is a general partner and is solely responsible for all losses incurred by CNPLP. The limited partnership liability is limited to the amount of capital contributed.

The CNPLP was established to hold its investment in Keeyask Hydro Power Limited Partnership ("KHLP"). The KHLP was established to own, construct and operate the Keeyask Hydro Generating Project with the objective of producing profits by generating and selling electrical energy.

**Cree Nation Partners Limited Partnership (CNPLP) #2**

The First Nation has entered into a limited partnership agreement with Tataskweyak Cree Nation as limited partners in Cree Nation Partners Limited Partnership ("CNPLP") #2.

5925640 Manitoba Ltd., a corporation incorporated under the Corporations Act of Manitoba, is the general partner and is solely responsible for all losses incurred by CNPLP #2. The limited partnership liability is limited to the amount of capital contributed.

The CNPLP #2 was formed for the purpose of entering into a joint venture agreement with Sigfusson Northern Ltd. effective November 9, 2009 to form an entity known as Amish Construction. The agreement calls for CNPLP #2 to participate in a 51% share of net gains and profits and/or share in the losses and liabilities of the joint venture.

**Cree Nation Partners Limited Partnership (CNPLP) #3**

The First Nation has entered into a limited partnership agreement with Tataskweyak Cree Nation as limited partners in Cree Nation Partners Limited Partnership ("CNPLP") #3.

63846171 Manitoba Ltd., a corporation incorporated under the Corporations Act of Manitoba, is the general partner and is solely responsible for all losses incurred by CNPLP #3. The limited partnership liability is limited to the amount of capital contributed.

The CNPLP #3 was formed for the purpose of entering into joint venture with Criti Care Inc., effective March 29, 2012 to enter into negotiations with Manitoba Hydro to provide first aid services during construction of the Keeyask Generating Station; and Newton Mechanical Inc. on April 13, 2012 to provide camp maintenance services during construction of the Keeyask Generating Station.

**8. Accounts payable and accruals**

	<b>2017</b>	<b>2016</b>
Indigenous and Northern Affairs Canada	39,422	20,502
Trade payables	<u>410,404</u>	918,286
	<b>449,826</b>	938,788

**9. Deferred revenue**

	<b>2017</b>	<b>2016</b>
Robert Roddick Trust/Keeyask Programs	26,439	25,182
Adverse effects	-	175,572
War Lake Convenience Store Ltd. - VLT revenue	<u>41,824</u>	-
Bi-Pole III Project - Community Initiatives	1,843	10,283
	<b>70,106</b>	211,037

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

**10. Due to related party**

The amount is due to Mooseocoot Trust, a trust set up for the benefit of the War Lake First Nation members. The balance is due within the next fiscal year, is unsecured and non-interest bearing. During the year, the First Nation incurred legal costs of \$167,582 on behalf of Mooseocoot Trust. These costs are included in Operating Programs.

**11. Advances**

	<b>2017</b>	<b>2016</b>
<b>Manitoba Hydro</b> Past Adverse Effects	<b>150,000</b>	150,000

The advance of \$150,000 received from Manitoba Hydro relates to negotiations for Past Adverse Effects, is non-interest bearing and due on demand.

**12. Long-term debt**

	<b>2017</b>	<b>2016</b>
CMHC mortgage repayable in monthly payments of \$3,634 including interest at 1.92% per annum, renewal date of May 1, 2017, maturity date of February 1, 2019, secured by Ministerial guarantee, CMHC undertaking to insure and assignment of insurance.	82,006	123,821
CMHC mortgage repayable in monthly payments of \$1,557 including interest at 1.12% per annum, renewal date of February 1, 2020, maturity date of January 1, 2035, secured by Ministerial guarantee, CMHC undertaking to insure and assignment of insurance.	301,935	317,460
CMHC mortgage repayable in monthly payments of \$1,250 including interest at 1.12% per annum, renewal date of February 1, 2020, maturity date of February 1, 2035, secured by Ministerial guarantee, CMHC undertaking to insure and assignment of insurance.	243,480	255,937
CMHC mortgage repayable in monthly payments of \$1,670 including interest at 1.69% per annum, renewal date of February 1, 2018, maturity date of February 1, 2038, secured by Ministerial guarantee, CMHC undertaking to insure and assignment of insurance.	353,105	367,610
CMHC mortgage repayable in monthly payments of \$924 including interest at 1.03% per annum, renewal date of November 1, 2021, maturity date of November 1, 2041, secured by Ministerial guarantee, CMHC undertaking to insure and assignment of insurance.	241,504	-
Fox River Camp loan, unsecured, due on demand without interest.	380,000	-
Royal Bank of Canada term loan repaid during the year.	-	59,418
	<b>1,602,030</b>	1,124,246
Less: current portion	<b>473,055</b>	138,987
	<b>1,128,975</b>	985,259

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

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

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:

2018	473,055
2019	89,216
2020	51,923
2021	50,389
2022	50,945
Thereafter	886,502

**13. Capital lease obligation**

	2017	2016
Obligation under capital lease repayable in monthly payments of \$5,400 including interest at 7.50% per annum, due December 26, 2018, with a 2014 John Deere 450J Crawler Dozer having a net book value of \$120,000 pledged as collateral.	105,963	-
<u>Less: current portion</u>	<u>53,774</u>	<u>-</u>
	<u>52,189</u>	<u>-</u>

Minimum lease payments related to the obligation under capital lease are as follows:

2018	64,800
2019	48,600
	<u>113,400</u>
<u>Less: imputed interest</u>	<u>7,437</u>
	<u>105,963</u>
<u>Balance of obligation</u>	<u>105,963</u>
<u>Less: current portion</u>	<u>53,774</u>
	<u>52,189</u>

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

**14. Tangible capital assets**

	Cost	Additions	Disposals	Accumulated amortization	2017 Net book value
Land	33,000	-	-	-	33,000
Buildings	3,559,826	492,512	-	2,023,505	2,028,833
Infrastructure	6,692,604	-	-	1,215,217	5,477,387
Vehicles	329,350	-	-	263,736	65,614
Equipment	1,336,250	160,000	-	807,865	688,385
CMHC Housing	2,204,404	-	-	998,553	1,205,851
Assets under construction	385,104	-	-	-	385,104
	<b>14,540,538</b>	<b>652,512</b>	<b>-</b>	<b>5,308,876</b>	<b>9,884,174</b>

	Cost	Additions	Disposals	Accumulated amortization	2016 Net book value
Land	33,000	-	-	-	33,000
Buildings	2,110,489	1,449,337	-	1,890,943	1,668,883
Infrastructure	6,692,604	-	-	947,512	5,745,092
Vehicles	329,350	-	-	229,962	99,388
Equipment	1,332,184	4,066	-	692,002	644,248
CMHC housing	3,307,945	-	1,103,541	912,643	1,291,761
Assets under construction	385,104	-	-	-	385,104
	<b>14,190,676</b>	<b>1,453,403</b>	<b>1,103,541</b>	<b>4,673,062</b>	<b>9,867,476</b>

Equipment include assets under capital lease with a gross cost of \$120,000 (2016 - \$nil), and accumulated amortization of \$nil (2016 - \$nil).

Amortization expense of \$635,814 (2016 - \$615,212) was recorded in the consolidated statement of operations. Total amortization expense comprises \$149,164 amortization for buildings (2016 - \$82,337), \$267,705 for infrastructure (2016 - \$267,704), \$33,774 for vehicles (2016 - \$33,774), \$115,863 for equipment (2016 - \$149,639), and \$69,308 for CMHC housing (2016 - \$81,758).

**15. Prepaid expenses**

	2017	2016
Insurance - MPI	<b>11,438</b>	<b>7,680</b>

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

**16. Accumulated operating surplus**

Accumulated operating surplus consists of the following:

	<b>2017</b>	<b>2016</b> (Restated)
Investment in tangible capital assets	8,176,181	8,743,230
Investment in government business partnerships	148,148	222,467
Unrestricted surplus (deficit)	93,094	(535,108)
Equity in Ottawa Trust Fund	72	71
CMHC replacement reserve	98,156	95,924
	<hr/>	<hr/>
	8,515,651	8,526,584

**17. Indigenous and Northern Affairs Canada funding**

	<b>2017</b>	<b>2016</b>
Indigenous and Northern Affairs Canada confirmation balance	1,177,011	1,438,100
Surplus recoveries	(18,919)	(23,907)
2015-2016 tuition adjustment	36,599	-
	<hr/>	<hr/>
	1,194,691	1,414,193
Indigenous and Northern Affairs Canada per consolidated financial statements	<hr/>	<hr/>
	1,194,691	1,414,193

**18. First Nations and Inuit Health funding**

	<b>2017</b>	<b>2016</b>
First Nations and Inuit Health confirmation balance	344,954	336,603
First Nations and Inuit Health per consolidated financial statements	<hr/>	<hr/>
	344,954	336,603

**19. Economic dependence**

War Lake First Nation receives 30% (2016 - 37%) 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.

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

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**20. 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 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.

**21. Contingent liabilities**

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. The First Nation has recognized \$18,919 (2016 - \$23,907) in funding recoveries it expects to be recovered by Indigenous and Northern Affairs Canada ("INAC"). The First Nation has not yet determined to what extent any further funding amounts related to the year ended March 31, 2017 might be recovered.

INAC has confirmed that \$171,698 (2003/2004 Social services - \$35,845; and 1996 through 2000 In-home care - \$135,853) might be recovered. No repayment terms have been determined at this time and no accrual has been made.

**22. Budget information**

The disclosed budget information has been approved by the Chief and Council of the War Lake First Nation.

**23. 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 Indigenous and Northern Affairs Canada by July 29, 2017. As the audit report date 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.

**24. Comparative figures**

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

**War Lake First Nation**  
**Schedule 1 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016 (Restated)</b>
<b>Consolidated expenses by object</b>			
Amortization	84,034	635,814	615,212
Audit fees	63,998	66,467	86,430
Bad debts	-	36,183	57,002
Band housing repairs and maintenance	103,413	718	27,753
Bank charges and interest	13,468	21,069	18,397
Board travel, training and honouraria	15,325	6,996	19,279
Chief and Council	156,066	139,844	135,725
Claims compensation	11,708	17,484	14,989
Community events	121,631	126,155	75,645
Consulting	-	265,036	217,644
Contracted services	-	-	288,313
Fox Lake camp	100,000	-	-
Fuel	37,999	51,225	64,087
Headstone project	25,000	268,837	-
Honouraria	-	30,833	30,000
Insurance	115,284	131,609	135,552
Interest on long-term debt	34,831	17,584	21,635
Materials	-	-	72,725
Meeting	6,700	431	6,700
Miscellaneous	32,414	39,062	22,613
Office equipment lease	7,153	7,698	6,932
Office rent	13,000	7,500	4,000
Office supplies and expenses	253,026	211,580	42,761
Pension	2,898	2,898	2,477
Postage	2,682	2,114	2,682
Professional development	-	282,481	178,935
Professional fees	81,132	340,943	111,699
Program education	32,532	66,877	40,230
Program expense	182,516	203,431	362,953
Purchase of Awassis Lodge	-	-	100,000
Recovery of payables	-	(4,366)	-
Renovation materials	-	-	7,598
Renovations	7,877	9,391	242,203
Rent	25,566	29,531	112,720
Repairs and maintenance	185,493	151,116	52,352
Residential Rehabilitation Assistance Program	14,823	13,814	12,000
Salaries and benefits	700,049	772,981	701,890
School donation	6,000	8,500	-
Social assistance	144,133	107,705	129,662
Special projects	58,085	52,650	40,661
Supplies	26,934	22,199	69,402
Telephone	50,907	45,764	73,901
Training	15,601	25,596	33,058
Transportation	25,000	21,025	25,605
Travel	159,084	215,385	211,076
Tuition costs	414,080	531,452	415,794
Utilities	54,245	68,700	95,670
Vehicle	28,916	29,363	25,738
	<b>3,413,603</b>	<b>5,081,675</b>	<b>5,011,700</b>

**War Lake First Nation**  
**Schedule 2 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<i>INAC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>	<i>Prior Year Surplus (Deficit) (Restated)</i>
<b>Operations</b>								
First Nations Management	207,637	189,381	-	397,018	1,053,401	134,185	(522,198)	(173,447)
Social Services	157,685	-	-	157,685	169,536	-	(11,851)	(8,171)
Economic Development	30,917	-	-	30,917	30,917	-	-	-
War Lake Convenience Store Ltd.	-	408,129	(41,824)	366,305	512,787	-	(146,482)	(46,207)
Hydro Development - Keeyask Project	-	-	-	-	6,858	-	(6,858)	1,200
Health Services	-	344,954	-	344,954	350,895	-	(5,941)	(10,519)
Operating Programs	592,862	2,186,009	184,012	2,962,883	2,106,934	(256,218)	599,731	92,599
Public Works	61,890	14,481	-	76,371	137,574	39,458	(21,745)	(599)
Capital	143,700	-	-	143,700	39,260	-	104,440	(157,775)
<b>CMHC Housing Operating</b>								
CMHC Housing Operations	-	133,004	-	133,004	215,579	82,575	-	(2,118)
<b>Trust Fund</b>								
Robert Roddick Trust Funds	-	459,191	(1,257)	457,934	457,934	-	-	-
<b>Total</b>	<b>1,194,691</b>	<b>3,735,149</b>	<b>140,931</b>	<b>5,070,771</b>	<b>5,081,675</b>	<b>-</b>	<b>(10,904)</b>	<b>(305,037)</b>

**War Lake First Nation**  
**First Nations Management**  
**Schedule 3 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada			
Band Support - Grant	207,637	207,637	208,670
Other revenue	12,600	189,381	656,782
	<b>220,237</b>	<b>397,018</b>	<b>865,452</b>
<b>Expenses</b>			
Amortization	-	522,698	506,249
Audit fees	45,000	36,449	59,348
Bad debts	-	827	46,971
Bank charges and interest	13,468	3,303	7,631
Chief and Council	143,000	139,844	135,725
Community events	121,631	126,155	75,645
Insurance	16,882	21,941	27,358
Interest on long-term debt	10,200	-	-
Miscellaneous	32,414	39,062	22,613
Office equipment lease	7,153	7,698	6,932
Office rent	7,000	7,500	4,000
Office supplies and expenses	8,400	4,293	8,829
Overhead recovery	(119,316)	(121,062)	(140,400)
Professional fees	65,978	50,398	40,702
Program education	7,459	7,460	-
Program expense	96,453	92,290	-
Purchase of Awasis Lodge	-	-	100,000
Recovery of payables	-	(4,366)	-
Renovations	-	-	3,782
Salaries and benefits	42,973	26,442	68,267
Supplies	5,000	2,724	59,849
Telephone	30,900	22,984	36,875
Training	1,136	9,922	10,539
Travel	90,000	43,097	58,921
Utilities	12,840	2,449	14,115
Vehicle	2,400	11,293	9,519
	<b>640,971</b>	<b>1,053,401</b>	<b>1,163,470</b>
<b>Deficit before transfers</b>	<b>(420,734)</b>	<b>(656,383)</b>	<b>(298,018)</b>
<b>Transfers between programs</b>	<b>(8,000)</b>	<b>134,185</b>	<b>124,571</b>
<b>Surplus (deficit)</b>	<b>(428,734)</b>	<b>(522,198)</b>	<b>(173,447)</b>

**War Lake First Nation**  
**Social Services**  
**Schedule 4 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada			
Service Delivery, Fixed funding	43,781	43,781	43,781
Indian Registry, Fixed funding	2,283	2,283	2,211
In Home Care, Set funding	15,208	15,208	15,208
Summer Students, Set funding	108,133	108,133	151,704
Recovery of INAC funding	-	(11,720)	(23,907)
	<b>169,405</b>	<b>157,685</b>	188,997
<b>Expenses</b>			
Bank charges and interest	-	443	534
Office supplies and expenses	240	-	-
Professional fees	-	3,857	379
Rent	5,250	5,250	4,200
Salaries and benefits	44,944	46,451	47,841
Social assistance	144,133	107,705	129,662
Telephone	1,620	1,838	1,274
Training	6,000	3,064	11,701
Travel	1,561	928	1,577
	<b>203,748</b>	<b>169,536</b>	197,168
<b>Surplus (deficit)</b>	<b>(34,343)</b>	<b>(11,851)</b>	<b>(8,171)</b>

**War Lake First Nation**  
**Economic Development**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada Economic development, Set funding	30,917	30,917	30,917
<b>Expenses</b>			
Administration	3,096	3,096	3,096
Salaries and benefits	27,821	27,821	27,821
	<b>30,917</b>	<b>30,917</b>	<b>30,917</b>
<b>Surplus</b>	-	-	-

**War Lake First Nation**  
**Hydro Development - Keeyask Project**  
**Schedule 6 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Manitoba Hydro	<b>13,657</b>	-	1,500
<b>Expenses</b>			
Office rent	6,000	-	-
Telephone	300	300	300
Travel	7,357	6,558	-
	<b>13,657</b>	<b>6,858</b>	300
<b>Surplus (deficit)</b>	-	<b>(6,858)</b>	1,200

**War Lake First Nation**  
**Health Services**  
**Schedule 7 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Health Canada			
Flexible Funding	299,908	315,383	308,555
Set Funding	25,638	29,571	28,048
	<b>325,546</b>	<b>344,954</b>	336,603
<b>Expenses</b>			
Administration	34,903	39,639	38,636
Board travel, training and honouraria	6,996	6,996	6,996
Chief and council	20,066	7,000	7,000
Claims compensation	11,708	8,000	9,000
Office supplies and expenses	2,440	2,440	240
Professional fees	154	19,080	-
Program education	25,073	59,418	40,230
Program expense	31,387	20,326	79,464
Residential Rehabilitation Assistance Program	2,531	1,522	-
Salaries and benefits	148,413	151,906	137,193
Special projects	1,465	1,400	-
Telephone	3,600	3,762	2,722
Training	2,243	1,399	8,758
Travel	27,023	21,219	11,405
Vehicle	8,040	6,788	5,478
	<b>326,042</b>	<b>350,895</b>	347,122
<b>Surplus (deficit)</b>	<b>(496)</b>	<b>(5,941)</b>	(10,519)

**War Lake First Nation**  
**Operating Programs**  
**Schedule 8 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017</b> <i>Budget</i>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada			
Basic Needs, Set funding	414,080	494,853	355,415
Service Delivery, Fixed funding	15,180	21,830	-
Summer Students, Set funding	6,864	6,864	7,191
BEB, Set funding	13,589	13,589	11,728
BEB Non statutory, Fixed funding	3,983	3,983	3,539
Ancillary service, Fixed funding	6,395	6,395	5,742
Guidance/counselling, Fixed funding	15,649	15,649	15,649
Advice/assistance, Fixed funding	300	300	300
Family Violence, Fixed funding	-	-	14,000
Repairs, Fixed funding	-	-	318,599
Prior year tuition adjustment	-	36,599	-
Recovery of INAC funding	-	(7,199)	-
Government of Canada	72,568	55,254	13,241
Other revenue	1,470,164	1,656,777	1,175,783
Province of Manitoba	167,503	148,564	175,515
Manitoba Hydro	49,120	325,413	-
Deferred revenue from prior year	-	185,855	-
Deferred revenue to subsequent year	-	(1,843)	(185,855)
	<b>2,235,395</b>	<b>2,962,883</b>	<b>1,910,847</b>

*Continued on next page*

**War Lake First Nation**  
**Operating Programs**  
**Schedule 8 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<i>(Continued from previous page)</i>	<b>2,235,395</b>	<b>2,962,883</b>	<b>1,910,847</b>
<b>Expenses</b>			
Administration	30,344	30,842	46,664
Bank charges and interest	-	-	5,817
Board travel, training and honouraria	8,329	-	12,283
Contracted services	-	-	204,035
Fox River camp	100,000	-	-
Fuel	29,500	50,632	51,322
Headstone project	25,000	268,837	-
Insurance	29,411	33,346	27,170
Meeting	6,700	431	6,700
Office supplies and expenses	241,946	195,993	7,147
Pension	2,898	2,898	2,477
Postage	2,682	2,114	2,682
Professional fees	7,000	189,219	16,869
Program expense	54,676	90,015	37,693
Renovations	7,877	7,267	236,256
Rent	20,316	18,281	92,520
Repairs and maintenance	122,540	96,041	14,985
Salaries and benefits	426,254	448,287	347,174
School donation	6,000	8,500	-
Special projects	56,620	51,250	40,661
Supplies	7,550	4,992	4,308
Telephone	11,514	8,565	11,201
Training	6,222	10,012	-
Transportation	25,000	21,025	10,605
Travel	33,143	32,478	15,038
Tuition costs	414,080	531,452	415,794
Utilities	14,700	2,963	11,754
Vehicle	4,000	1,494	240
	<b>1,694,302</b>	<b>2,106,934</b>	<b>1,621,395</b>
<b>Surplus before transfers</b>	<b>541,093</b>	<b>855,949</b>	<b>289,452</b>
<b>Transfers between programs</b>	<b>-</b>	<b>(256,218)</b>	<b>(196,853)</b>
<b>Surplus (deficit)</b>	<b>541,093</b>	<b>599,731</b>	<b>92,599</b>

**War Lake First Nation**  
**Public Works**  
**Schedule 9 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada			
Roads and bridges, Fixed funding	4,120	4,120	4,230
Community buildings, Fixed funding	9,530	9,530	9,530
Maintenance management, Fixed funding	2,380	2,380	2,483
Water, Fixed funding	12,045	12,045	14,290
Water Sysems, Fixed funding	33,815	33,815	34,035
Waste water, Set funding	-	-	5,736
Water O & M, Set funding	-	-	39,442
Other revenue	13,966	14,481	60,003
	<b>75,856</b>	<b>76,371</b>	<b>169,749</b>
<b>Expenses</b>			
Administration	5,208	5,428	9,947
Fuel	8,499	593	12,765
Insurance	4,850	4,595	27,698
Interest on long-term debt	-	-	5,614
Office supplies and expenses	-	-	10,214
Rent	-	-	10,000
Repairs and maintenance	24,987	20,812	7,569
Salaries and benefits	48,409	47,620	55,761
Supplies	14,384	13,980	4,210
Telephone	2,973	3,547	11,131
Utilities	25,766	31,211	26,529
Vehicle	14,476	9,788	10,501
	<b>149,552</b>	<b>137,574</b>	<b>191,939</b>
<b>Deficit before transfers</b>	<b>(73,696)</b>	<b>(61,203)</b>	<b>(22,190)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>39,458</b>	<b>21,591</b>
<b>Surplus (deficit)</b>	<b>(73,696)</b>	<b>(21,745)</b>	<b>(599)</b>

**War Lake First Nation**  
**Capital**  
**Schedule 10 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017</b> <i>Budget</i>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada			
Planning Design and Construction, Fixed funding	143,700	143,700	143,700
Manitoba Hydro	-	-	158,408
Province of Manitoba	-	-	15,860
	<b>143,700</b>	<b>143,700</b>	317,968
<b>Expenses</b>			
Band housing repairs and maintenance	103,413	718	27,753
Contracted services	-	-	84,277
Insurance	32,937	32,475	15,303
Interest on long-term debt	-	2,162	437
Materials	-	-	72,725
New house construction	-	800	245,796
Professional fees	-	-	7,047
Renovation materials	-	-	7,152
Repairs and maintenance	3,100	3,057	253
Salaries and benefits	-	48	-
Transportation	-	-	15,000
	<b>139,450</b>	<b>39,260</b>	475,743
<b>Surplus (deficit)</b>	<b>4,250</b>	<b>104,440</b>	<b>(157,775)</b>

**War Lake First Nation**  
**CMHC Housing Operations**  
**Schedule 11 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016 (Restated)</b>
<b>Revenue</b>			
Rental income	76,080	53,518	64,892
Canada Mortgage and Housing Corporation	85,984	79,486	75,012
	<b>162,064</b>	<b>133,004</b>	139,904
<b>Expenses</b>			
Amortization	84,034	85,910	81,758
Audit fees	18,998	7,500	6,800
Insurance	31,204	32,125	31,208
Interest on long-term debt	24,631	15,421	15,584
Professional fees	8,000	31,478	14,300
Repairs and maintenance	34,866	30,853	28,569
Residential Rehabilitation Assistance Program	12,292	12,292	12,000
Utilities	939	-	2,494
	<b>214,964</b>	<b>215,579</b>	192,713
<b>Deficit before transfers</b>	<b>(52,900)</b>	<b>(82,575)</b>	(52,809)
Transfers between programs	8,000	82,575	50,691
<b>Surplus (deficit)</b>	<b>(44,900)</b>	-	(2,118)

**War Lake First Nation**  
**Robert Roddick Trust Funds**  
**Schedule 12 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
South Beach Casino	-	<b>185,060</b>	211,437
Robert F. Roddick Trust Funds	-	<b>274,131</b>	221,282
Deferred revenue from prior year	-	<b>25,182</b>	33,022
Deferred revenue to subsequent year	-	<b>(26,439)</b>	(25,182)
	<b>-</b>	<b>457,934</b>	440,559
<b>Expenses</b>			
Audit fees	-	<b>5,000</b>	5,000
Bank charges and interest	-	<b>1,956</b>	1,749
Consulting	-	<b>265,036</b>	217,644
Honouraria	-	<b>30,833</b>	30,000
Office supplies and expenses	-	<b>4,294</b>	8,100
Rent	-	<b>6,000</b>	6,000
Salaries and benefits	-	<b>6,081</b>	12,527
Telephone	-	<b>1,761</b>	7,140
Travel	-	<b>109,904</b>	119,142
Utilities	-	<b>27,069</b>	33,257
	<b>-</b>	<b>457,934</b>	440,559
<b>Surplus (deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**War Lake First Nation**  
**War Lake Convenience Store Ltd.**  
**Schedule 13 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Net sales	-	<b>309,326</b>	249,271
VLT revenue	-	<b>94,838</b>	50,602
ATM fees	-	<b>3,965</b>	3,643
Miscellaneous revenue	-	<b>-</b>	651
Deferred revenue to subsequent year	-	<b>(41,824)</b>	-
	-	<b>366,305</b>	304,167
<b>Expenses</b>			
Amortization	-	<b>27,206</b>	27,206
Audit fees	-	<b>17,522</b>	15,283
Bad debts	-	<b>35,356</b>	10,031
Bank charges and interest	-	<b>15,367</b>	2,666
Claims compensation	-	<b>9,484</b>	5,989
Insurance	-	<b>7,127</b>	6,814
Office supplies and expenses	-	<b>4,561</b>	8,231
Professional development	-	<b>282,481</b>	178,935
Professional fees	-	<b>46,910</b>	32,402
Renovations	-	<b>2,124</b>	2,165
Repairs and maintenance	-	<b>352</b>	976
Renovation materials	-	<b>-</b>	446
Salaries and benefits	-	<b>53,382</b>	40,364
Supplies	-	<b>503</b>	1,035
Telephone	-	<b>3,006</b>	3,258
Training	-	<b>1,199</b>	2,060
Travel	-	<b>1,199</b>	4,992
Utilities	-	<b>5,008</b>	7,521
	-	<b>512,787</b>	350,374
<b>Surplus (deficit)</b>	<b>-</b>	<b>(146,482)</b>	<b>(46,207)</b>