

**Lac La Croix First Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2016

**Lac La Croix First Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2016

**Contents**

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<b>Management's Responsibility for the Consolidated Financial Statements</b>	<b>2</b>
<b>Independent Auditor's Report</b>	<b>3</b>
<b>Consolidated Financial Statements</b>	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Changes in Accumulated Surplus	7
Consolidated Statement of Changes in Net Financial Assets (Debt)	8
Consolidated Statement of Cash Flows	9
Summary of Significant Accounting Policies	10
Notes to Consolidated Financial Statements	14
2016 Segment Disclosure	24
2015 Segment Disclosure	25
<b>Notice To Reader Report</b>	<b>26</b>
<b>Supplementary Information to the Consolidated Financial Statements</b>	
Schedules of Revenue and Expenses	
Education	27
Welfare	28
Band Support/Administration	29
O & M Programs	30
Minor Capital	31
Medical Transportation	32
Summer Student	33
Economic Development	34
Weechi-It-Te-Win Community Care	35
Casino Rama	36
Fort Frances Area Tribal Health Authority	37
Water and Sewer	38
Treaty Land Entitlement Claim	39
CMHC Rental Housing	40
Health Canada Integrated Services	41
Other Children's Programs	42
MNR Partnership	43
<b>Review Engagement Report</b>	<b>44</b>
Schedule of Salary, Honoraria and Travel for Elected Officials	45
Schedule of Salary, Honoraria and Travel for Unelected Senior Officials	46

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## Lac La Croix First Nation Management's Responsibility for the Consolidated Financial Statements

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The accompanying consolidated financial statements of Lac La Croix First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council of Lac La Croix First Nation.

The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

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

The Council reviews the First Nation's consolidated financial statements and meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

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

  
\_\_\_\_\_ Chief

  
\_\_\_\_\_ Councilor

\_\_\_\_\_  
\_\_\_\_\_ Councilor



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607 Portage Avenue  
Fort Frances ON P9A 0A7 Canada

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## Independent Auditor's Report

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To the Chief and Council of  
Lac La Croix First Nation

We have audited the accompanying consolidated financial statements of Lac La Croix First Nation, as at March 31, 2016, which are comprised of the Consolidated Statement of Financial Position as at March 31, 2016, and the Consolidated Statement of Operations, the Consolidated Statement of Changes in Accumulated Surplus, the Consolidated Statement of Changes in Net Financial Assets (Debt) and the Consolidated Statement of 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 the consolidated financial statements that are free from material misstatement whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the 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 the 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

Due to missing supporting documentation, we are unable to satisfy ourselves by alternative means concerning the completeness and validity of accounts payable, purchases and payroll reported by Lac La Croix First Nation. Therefore, we are not able to determine whether any adjustments might be necessary to expenses, excess of revenue over expenses and cash flows from operations for the year ended March 31, 2016, and accounts payable and net assets as at March 31, 2016. The predecessor auditor's opinion on the financial statements for the year ended March 31, 2015, was modified because of the possible effects of a similar scope limitation.



### 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 Lac La Croix First Nation as at March 31, 2016, and their financial performance and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### Other Matters

The financial statements of Lac La Croix First Nation for the year ended March 31, 2015, were audited by another auditor who expressed a qualified opinion on those financial statements on July 30, 2015, for the reasons described in the Basis for Qualified Opinion paragraph.

These consolidated financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures and have been prepared to assist management of Lac La Croix First Nation to meet the reporting requirements of various funding agencies. Our report is intended solely for management of Lac La Croix First Nation and various funding agencies. As a result, the consolidated financial statements should not be distributed to or used by other parties.

BDO CANADA LLP

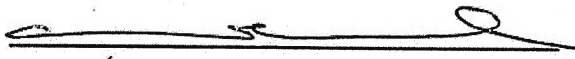

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
June 29, 2017

## Lac La Croix First Nation Consolidated Statement of Financial Position

March 31	2016	2015
<b>Financial assets</b>		
Accounts and loans receivable (Note 3)	\$ 1,158,283	\$ 497,435
Investments held in trust (Note 6)	93,273	40,492
Portfolio investments (Note 4)	165,451	1,181,746
Government business enterprises and partnerships (Note 5)	1	1
	<u>1,417,008</u>	<u>1,719,674</u>
<b>Liabilities</b>		
Bank indebtedness (Note 2)	175,884	211,706
Accounts payable and accrued liabilities	1,755,486	1,616,448
Long-term debt (Note 7)	1,735,550	1,713,668
	<u>3,666,920</u>	<u>3,541,822</u>
<b>Net assets (debt)</b>	<u>(2,249,912)</u>	<u>(1,822,148)</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 10)	7,973,035	8,986,823
Tangible capital assets under construction (Note 10)	23,000	-
Prepaid expense	-	15,000
	<u>7,996,035</u>	<u>9,001,823</u>
<b>Commitments &amp; Contingencies (Note 11)</b>		
<b>Accumulated surplus (Note 9)</b>	<u>\$ 5,746,123</u>	<u>\$ 7,179,675</u>

Approved on behalf of Council:

 Councilor  
 Councilor

## Lac La Croix First Nation Consolidated Statement of Operations

March 31	Budget	2016	2015
	(Note 15)		
<b>Revenue</b>			
Indigenous and Northern Affairs Canada (INAC) \$	290,407	\$ 290,080	\$ 290,407
INAC - fixed contribution funding	1,690,180	1,750,119	1,764,501
INAC - set contribution funding	221,622	380,834	351,035
Health Canada	486,650	489,601	554,852
Canada Mortgage and Housing Corporation (CMHC)	-	101,890	86,416
Ministry of Community and Social Services	-	280,439	281,069
Ministry of Aboriginal Affairs	99,000	319,958	130,000
Ministry of Natural Resources	-	388,261	431,539
Ministry of Health and Long-term Care	67,000	65,676	75,803
Ontario First Nations Limited Partnership	497,084	497,724	494,896
Weechi-It-Te-Win Family Services Inc.	-	516,192	524,642
Rentals and fees	-	7,200	8,775
Fort Frances Area Tribal Health Authority	63,525	118,367	67,061
Shooniyaa Wa-Biitong	40,686	67,181	-
Other	433,200	460,122	1,583,246
	<b>3,889,354</b>	<b>5,733,644</b>	<b>6,644,242</b>
<b>Expenses</b>			
Education	101,200	1,400,372	1,252,074
Welfare	100,700	399,338	429,311
Band support/administration	1,028,416	2,304,469	1,719,114
Operations and maintenance	18,378	358,474	181,307
Minor capital	-	34,624	21,330
Medical transportation	-	130,405	146,615
Summer student	-	10,400	6,000
Economic development	-	341,929	46,283
Community care	-	562,205	548,746
Casino Rama	497,084	497,724	494,896
Fort Frances Area Tribal Health Authority	63,525	101,770	61,221
Water and sewer	61,537	171,514	143,077
Treaty land entitlement	-	221,183	216,832
CMHC	-	182,601	159,897
Health Canada	43,123	363,575	423,822
National child benefit reinvestment	20,600	18,540	28,829
Ministry of Natural Resources	450,000	313,734	472,113
	<b>2,384,563</b>	<b>7,412,857</b>	<b>6,351,467</b>
<b>Annual surplus (deficit)</b>	<b>\$ 1,504,791</b>	<b>\$ (1,679,213)</b>	<b>\$ 292,775</b>

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these consolidated financial statements.

**Lac La Croix First Nation**  
**Consolidated Statement of Changes in Accumulated Surplus**

March 31	2016	2015
Accumulated surplus, beginning of year	\$ 7,179,675	\$ 6,886,900
Adjustment to First Nation Position (Note 1)	245,661	-
Accumulated surplus, beginning of year, as restated	7,425,336	6,886,900
Annual surplus (deficit)	(1,679,213)	292,775
Accumulated surplus, end of year	\$ 5,746,123	\$ 7,179,675



## Lac La Croix First Nation Consolidated Statement of Changes in Net Financial Assets (Debt)

March 31	2016	2015
Annual surplus (deficit)	\$ (1,679,213)	\$ 292,775
Acquisition of tangible capital assets	(54,695)	(45,617)
Amortization of tangible capital assets	1,045,483	1,032,446
Adjustment to First Nation position	245,661	-
	(442,764)	1,279,604
Change in prepaid expenses	15,000	15,000
Change in net assets (debt)	(427,764)	1,294,604
Net assets (debt), beginning of year	(1,822,148)	(3,116,752)
Net assets (debt), end of year	\$ (2,249,912)	\$ (1,822,148)

## Lac La Croix First Nation Consolidated Statement of Cash Flows

March 31	2016	2015
		(Restated Note 1)
<b>Cash flows from operating activities</b>		
Annual surplus (deficit)	\$ (1,679,213)	\$ 292,775
Items not affecting cash		
Amortization of tangible capital assets	1,045,483	1,032,446
Prior period adjustment (Note 1)	245,661	-
	<u>(388,069)</u>	<u>1,325,221</u>
<b>Changes in non-cash working capital</b>		
Accounts and loans receivable	(660,848)	(38,123)
Trust funds	(52,781)	(1,115)
Prepaid expense	15,000	15,000
Accounts payable	139,038	(235,726)
	<u>(559,591)</u>	<u>(259,964)</u>
	<u>(947,660)</u>	<u>1,065,257</u>
<b>Cash flows from capital activities</b>		
Purchase of capital assets	(54,695)	(45,617)
<b>Cash flows from investing activities</b>		
Purchase of investments	-	(1,166,103)
Proceeds from sale of investments	1,016,296	-
	<u>1,016,296</u>	<u>(1,166,103)</u>
<b>Cash flows from financing activities</b>		
Advances of long-term debt	126,518	136,833
Repayment of long-term debt	(104,637)	(66,200)
	<u>21,881</u>	<u>70,633</u>
<b>Net change in cash and cash equivalents (bank indebtedness)</b>	<b>35,822</b>	<b>(75,830)</b>
<b>Bank indebtedness, beginning of year</b>	<b>(211,706)</b>	<b>(135,876)</b>
<b>Bank indebtedness, end of year</b>	<b>\$ (175,884)</b>	<b>\$ (211,706)</b>
<b>Supplementary information</b>		
Interest received	\$ 859	\$ 1,115
Interest paid	\$ 36,902	\$ 42,619

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these consolidated financial statements.

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## Lac La Croix First Nation Summary of Significant Accounting Policies

March 31, 2016

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### Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Canadian Institute of Chartered Accountants Public Sector Accounting and Auditing Handbook, and include all Organizations, operations and activities that are:

- 1) accountable for the administration of their financial affairs and resources directly to the First Nation; and
- 2) owned or controlled by the First Nation.

This includes all aspects of band operations including provision of social, educational, administration and operational services, as well as, the results of First Nation enterprises on a modified equity method as disclosed in Note 5 to these consolidated financial statements.

Other long-term investments are reflected at cost as disclosed in Note 4.

Government business enterprises are separate legal entities which do not rely on the government for funding. The First Nation's government business enterprises consist of investments in Ten Clans Development Corporation. These investments are accounted for using the modified equity basis of accounting.

### Cash and Cash Equivalents

Management considers all highly liquid investments with maturities of three months or less at acquisition to be cash equivalents.

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## Lac La Croix First Nation Summary of Significant Accounting Policies

March 31, 2016

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### **Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. The First Nation does not capitalize interest charges as part of the cost of its tangible capital assets.

Certain assets which have historical or cultural value including works of art, historical documents, as well as, historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the First Nation, forests, water and other natural resources are not recognized as tangible capital assets.

### **Amortization**

Amortization is calculated on the cost, net of contributions on a straight-line basis over the following number of years:

Buildings	20 years
Equipment	5 years
Vehicles	3 years
Computers	3 years
Infrastructure	10 - 50 years

### **Program Surplus**

Programs funded by government agencies may be subject to recovery by the contributing agencies in accordance with funding arrangements and could result in adjustments to prior year funding.

### **Long-term Loans Receivable**

Loans are carried at the unpaid principal less allowances for doubtful loans.

### **Allowance for Doubtful Loans**

The First Nation maintains specific allowances for doubtful loans that reduces the carrying value of loans identified as impaired to their estimated realizable amounts.

### **Investments**

The modified equity method of accounting is used to account for investments in the First Nation's business enterprises which the First Nation owns and controls. Under this method, the investment is initially recorded at cost and the carrying value is adjusted annually thereafter to include the First Nation's pro rata share of post acquisition earnings.

Other investments (where control does not exist) are accounted for following the cost method of accounting. Under this method, the investment is recorded at cost and earnings from the investment are recognized only to the extent received or receivable.

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## Lac La Croix First Nation Summary of Significant Accounting Policies

March 31, 2016

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### Replacement Reserves

The replacement reserve accounts are funded by an annual allocation based on amounts specified in agreements with CMHC.

### Government Transfers

Government transfers, which include legislative grants, are recognized as revenue in the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. When transfer stipulations give rise to a liability, government transfers are recognized as referred revenue and recognized as revenue when the stipulations are settled.

### Revenue Recognition

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

Government transfers, which include legislative grants, are recognized as revenues in the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulated liabilities are settled.

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

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

### Financial Instruments

The First Nation's financial instruments consist of accounts and loans receivable, portfolio investments, bank indebtedness, accounts payable and accrued liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values unless otherwise noted.

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## Lac La Croix First Nation Summary of Significant Accounting Policies

March 31, 2016

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### Trust Funds

Trust funds are held in trust by Indigenous and Northern Affairs Canada (INAC). Revenue on trust funds is recognized in accordance with terms of the related instrument.

### Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

### Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

The estimates used in the preparation of these consolidated financial statements are the useful lives of tangible capital assets and accrued liabilities.

## Lac La Croix First Nation Notes to Consolidated Financial Statements

March 31, 2016

### 1. Prior Period Funding Adjustment

In prior years, payables and clawbacks that were anticipated to be owing by the First Nation were accrued in the consolidated financial statements. These payables and clawbacks did not become due and therefore were brought back into surplus in 2016. The amount added to surplus in the prior year in relation to these receivables and clawbacks equals \$245,661.

### 2. Cash and Cash Equivalents (Bank Indebtedness)

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Lac La Croix First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Capital Improvement Fund. Cash and cash equivalents (bank indebtedness) is comprised of the following:

	2016	2015
Externally restricted		
Replacement reserve	\$ -	\$ -
Unrestricted		
Operating	(175,884)	(211,706)
<b>Total cash and cash equivalents (bank indebtedness)</b>	<b>\$ (175,884)</b>	<b>\$ (211,706)</b>

### 3. Accounts and Loans Receivable

	2016	2015
Accounts receivable	\$ 1,159,972	\$ 539,852
Advances to band members	414,166	413,034
	1,574,138	952,886
Allowance for doubtful accounts	(415,855)	(455,451)
	<b>\$ 1,158,283</b>	<b>\$ 497,435</b>

## Lac La Croix First Nation Notes to Consolidated Financial Statements

March 31, 2016

### 4. Portfolio Investments

	2016	2015
Portfolio investments held at CIBC Wood Gundy	<u>\$ 165,451</u>	<u>\$ 1,181,746</u>

Portfolio investments are valued at cost. The fair market value of the investments held at CIBC Wood Gundy is \$164,984 (2015 - \$1,244,974).

### 5. Government Business Enterprises and Partnerships, at modified equity

#### Ten Clans Development Corporation

Ten Clans Development Corporation is a Corporation that was created for the purpose of developing business activities for Lac La Croix First Nation.

	2016	2015
Carrying value, beginning of the year	\$ 1	\$ 1
Share of net income	-	-
Carrying value, end of the year	<u>\$ 1</u>	<u>\$ 1</u>



## Lac La Croix First Nation Notes to Consolidated Financial Statements

**March 31, 2016**

### 6. Investments Held in Trust

	Balance March 31, 2015		Additions 2016		Withdrawals 2016		Balance March 31, 2016
Held by Federal Government Capital	\$ 40,492	\$	859	\$	-	\$	41,351
Held by Rainy River District First Nations Trust	-		52,726		804		51,922
	\$ 40,492	\$	53,585	\$	804	\$	93,273

#### Held by Federal Government

The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

#### Held by Rainy River District First Nations Trust

The trust funds arise from monies derived from a resource sharing agreement. The monies are intended to fund educational and training initiatives within the First Nation community.

## Lac La Croix First Nation Notes to Consolidated Financial Statements

March 31, 2016

### 7. Long-term Debt

	2016	2015
CMHC mortgage with interest at 1.04%, repayable in monthly instalments of \$5,030 principal and interest, maturing October 1, 2029.	\$ 764,425	\$ 826,882
CMHC mortgage with interest at 1.62%, repayable in monthly instalments of \$3,093 principal and interest, maturing March 1, 2033.	551,553	583,332
INAC loan, interest free, repayable in full on March 31, 2020.	126,518	-
INAC loan, interest free, repayable in full on March 31, 2019.	136,833	136,833
Promissory note, repayable to Dr. Michael Dan, interest free, no terms of repayment.	150,000	150,000
Bank of Montreal loan with interest at BMO prime plus 3%, repayable in monthly instalments of \$867 principal plus interest, maturing August 31, 2017.	6,221	16,621
	<u>\$ 1,735,550</u>	<u>\$ 1,713,668</u>

Mortgages are secured by a first charge mortgage against rental properties and Ministerial Guarantees from Indigenous and Northern Affairs Canada.

Principal repayments required over the next five years and thereafter are as follows:

	Principal Repayments	Interest	Total
2017	\$ 232,868	\$ 15,804	\$ 248,672
2018	82,024	15,457	97,481
2019	219,884	14,430	234,314
2020	210,609	13,390	223,999
2021	85,145	12,336	97,481
Thereafter	905,020	64,034	969,054
	<u>\$ 1,735,550</u>	<u>\$ 135,451</u>	<u>\$ 1,871,001</u>

	2016	2015
Interest expense for the year on long-term debt	<u>\$ 36,902</u>	<u>\$ 42,619</u>

## Lac La Croix First Nation Notes to Consolidated Financial Statements

March 31, 2016

### 8. Replacement Reserve

	Phase I 22-049-373/1	Phase II 22-049-373/2	Total
Balance March 31, 2014	\$ 85,282	\$ 42,643	\$ 127,925
Expenditures for the year	-	-	-
Allocation to restricted funds	10,200	5,100	15,300
Adjustment to prior year allocation	-	-	-
Balance March 31, 2015	95,482	47,743	143,225
Expenditures for the year	-	-	-
Allocation to restricted funds	10,200	5,100	15,300
Allocation from restricted funds	-	-	-
Balance March 31, 2016	<u>\$ 105,682</u>	<u>\$ 52,843</u>	<u>\$ 158,525</u>

CMHC requires that the replacement reserve be fully funded at the end of the fiscal year. The total CMHC replacement reserve is \$158,525. The amount held in a restricted bank account in relation to this reserve is \$NIL; therefore, the reserve is underfunded as of March 31, 2016.

### 9. Accumulated Surplus

The First Nation segregates its accumulated surplus in the following categories:

	2016	2015
Investment in tangible capital assets		
Tangible capital assets	\$ 7,973,035	\$ 8,986,823
Tangible capital assets under construction	23,000	-
Debt relating to tangible capital assets	<u>(1,315,978)</u>	<u>(1,410,214)</u>
Total investment in tangible capital assets	6,680,057	7,576,609
Operations	(1,113,519)	(559,588)
Operating reserve	21,060	19,429
Replacement reserves	<u>158,525</u>	<u>143,225</u>
	<u>\$ 5,746,123</u>	<u>\$ 7,179,675</u>

**Lac La Croix First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2016

**10. Tangible Capital Assets**

	Buildings and housing	Infrastructure	Vehicles	Equipment	Computers	Total
Cost, beginning of year	\$ 17,412,171	\$ 4,583,305	\$ 490,957	\$ 483,006	\$ 198,981	\$ 23,168,420
Additions	-	-	-	6,730	24,965	31,695
Disposals	-	-	-	-	-	-
Cost, end of year	17,412,171	4,583,305	490,957	489,736	223,946	23,200,115
Accumulated amortization, beginning of year	10,594,182	2,453,558	451,870	483,006	198,981	14,181,597
Amortization	870,608	153,957	15,635	1,122	4,161	1,045,483
Disposals	-	-	-	-	-	-
Accumulated amortization, end of year	11,464,790	2,607,515	467,505	484,128	203,142	15,227,080
Net carrying amount, end of year	\$ 5,947,381	\$ 1,975,790	\$ 23,452	\$ 5,608	\$ 20,804	\$ 7,973,035

The net book value of tangible capital assets not being amortized because they are under construction is \$23,000 (2015 - \$NIL). These items are recognized separately as tangible capital assets under construction in the consolidated statement of financial position. This relates to the new band office project.

**Lac La Croix First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2016

**10. Tangible Capital Assets (continued)**

	2015				
	Buildings and housing	Infrastructure	Vehicles	Equipment	Computers
Cost, beginning of year	\$ 17,412,171	\$ 4,583,305	\$ 445,340	\$ 483,006	\$ 198,981
Additions	-	-	45,617	-	-
Disposals	-	-	-	-	-
Cost, end of year	17,412,171	4,583,305	490,957	483,006	198,981
Accumulated amortization, beginning of year	9,731,328	2,299,601	436,235	483,006	198,981
Amortization	862,854	153,957	15,635	-	-
Disposals	-	-	-	-	-
Accumulated amortization, end of year	10,594,182	2,453,558	451,870	483,006	198,981
Net carrying amount, end of year	\$ 6,817,989	\$ 2,129,747	\$ 39,087	\$ -	\$ -
					\$ 8,986,823

# Lac La Croix First Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 11. Commitments and Contingencies

The First Nation is involved in several claims and counter claims, over disputed payable balances. The consolidated financial statements include provisions for these payables based on Management's assessment of the claims.

### 12. Economic Dependence

Lac La Croix First Nation receives a major portion of its revenue pursuant to a funding arrangement with Indigenous and Northern Affairs Canada.

### 13. Federal Assistance Payments

The CMHC projects have received federal assistance through CMHC pursuant to Section 56.1 of the National Housing Act to enable the project to provide housing to low income individuals. The amount of assistance received in 2016 was \$101,890 (2015 - \$86,416).

### 14. Expenditure by Object

	2016	2015
Salaries, wages and employee benefits	\$ 3,234,710	\$ 2,907,190
Materials and supplies	2,290,236	1,476,257
Contracted services	230,543	470,204
Rents and financial expenses	410,073	246,556
Travel	201,812	218,814
Amortization	1,045,483	1,032,446
	<u>\$ 7,412,857</u>	<u>\$ 6,351,467</u>

### 15. Budget Information

The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated recovering deficits. In addition, the budget did not include amortization expense. As a result, the budget figures presented in the consolidated statement of operations represent the Financial Plan adopted by Council, with adjustments as follows:

	2016
Financial Plan (budget) by-law surplus for the year	\$ 2,007,131
Add:	
Transfers	543,243
Less:	
Amortization	<u>(1,045,583)</u>
Budget surplus per consolidated statement of operations	<u>\$ 1,504,791</u>

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## **Lac La Croix First Nation**

### **Notes to Consolidated Financial Statements**

**March 31, 2016**

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#### **16. Segmented Information**

Lac La Croix First Nation is a First Nation government that provides a wide range of services to the members of its community. For management reporting purposes the First Nation's operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities in accordance with specific regulations, restrictions or limitations. These activities can also be categorized into segments. The following significant segments have been identified and as such are separately disclosed:

##### **Education**

The education department provides services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

##### **Operations and Maintenance**

The infrastructure department provides public services that contribute to community development and sustainability through the provision of operating services such as roads, water and sanitation, fire protection and community buildings.

##### **Social Services**

This segment contains activities that provide financial support or support by other means to Band members that is aimed at developing both the individual as well as the community.

##### **Band Support**

The administration department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of Chief and Council.

##### **Capital**

This department is responsible for all capital asset activities occurring in the First Nation during the year, including housing construction and renovations.

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## Lac La Croix First Nation Notes to Consolidated Financial Statements

March 31, 2016

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### 16. Segmented Information (continued)

#### Other Services

The First Nation provides a wide array of other services, including youth employment projects, economic development, housing activities and others.

For each reported segment, revenues and expenses include 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, including transfers and have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies.

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### 17. Comparative Figures

The comparative amounts presented in the consolidated financial statements have been reclassified to conform to the current year's presentation.



# Lac La Croix First Nation 2016 Segment Disclosure

For the year ended March 31, 2016	Band Support	Operations and Maintenance	Education	Social Services	Capital	Other	Total
<b>Revenue</b>							
INAC	\$ 425,102	\$ 239,935	\$ 1,453,942	\$ 58,500	\$ -	\$ 243,554	\$ 2,421,033
Canada	-	-	-	-	16,000	575,491	591,491
Ontario	-	-	-	280,439	-	708,219	988,658
Casino Rama	-	-	-	-	-	497,724	497,724
Trust income	192,784	-	-	-	-	-	192,784
Other Aboriginal Organizations	67,181	-	15,379	-	-	634,559	717,119
Interest, rentals and other	259,159	-	-	65,676	-	-	324,835
Administration	234,083	(2,042)	(139,841)	(4,050)	-	(88,150)	-
Transfers	357,724	(84,360)	-	-	140,000	(413,364)	-
	<b>1,536,033</b>	<b>153,533</b>	<b>1,329,480</b>	<b>400,565</b>	<b>156,000</b>	<b>2,158,033</b>	<b>5,733,644</b>
<b>Expenditures</b>							
Salaries, wages and benefits	448,872	214,933	1,037,160	126,711	95,835	1,311,199	3,234,710
Materials, supplies and capital	919,153	103,026	324,637	265,276	34,175	643,969	2,290,236
Contracted services	74,777	40,369	24,346	150	41,517	49,384	230,543
Rents and financial expenses	224,889	-	2,668	1,900	-	180,616	410,073
Travel	65,589	146	11,561	5,301	3,097	116,118	201,812
Amortization	928,913	-	-	-	-	116,570	1,045,483
	<b>2,662,193</b>	<b>358,474</b>	<b>1,400,372</b>	<b>399,338</b>	<b>174,624</b>	<b>2,417,856</b>	<b>7,412,857</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (1,126,160)</b>	<b>\$ (204,941)</b>	<b>\$ (70,892)</b>	<b>\$ 1,227</b>	<b>\$ (18,624)</b>	<b>\$ (259,823)</b>	<b>\$ (1,679,213)</b>

# Lac La Croix First Nation 2015 Segment Disclosure

For the year ended March 31, 2015	Revenue	Band Support	and Maintenance	Education	Social Services	Capital	Other	Total
	\$ 407,811	\$ 239,462	\$ 1,488,400	\$ 57,222	\$ -	\$ 213,048	\$ 2,405,943	
INAC	-	-	-	-	-	641,268	641,268	
Canada	-	-	-	281,069	-	561,539	842,608	
Ontario	-	-	-	-	-	494,896	494,896	
Casino Rama	1,431,746	-	-	-	-	-	1,431,746	
Trust income	-	-	-	-	-	591,703	591,703	
Other Aboriginal Organizations	-	-	1,575	75,803	-	-	236,078	
Interest, rentals and other	158,700	-	(2,042)	(5,720)	-	(84,638)	-	
Administration	236,649	(85,500)	-	-	140,000	(409,396)	-	
Transfers	354,896	-	-	-	-	-	-	
	2,589,802	151,920	1,345,726	408,374	140,000	2,008,420	6,644,242	
Expenditures								
Salaries, wages and benefits	447,649	141,781	937,626	135,202	101,407	1,143,525	2,907,190	
Materials, supplies and capital	332,826	30,667	261,706	281,361	9,228	560,469	1,476,257	
Contracted services	223,644	7,732	36,632	75	44,571	157,550	470,204	
Rents and financial expenses	26,722	-	-	900	3,336	215,598	246,556	
Travel	66,524	1,127	16,110	11,773	2,788	120,492	218,814	
Amortization	976,645	-	-	-	-	55,801	1,032,446	
	2,074,010	181,307	1,252,074	429,311	161,330	2,253,435	6,351,467	
Excess (deficiency) of revenue over expenditures	\$ 515,792	\$ (29,387)	\$ 93,652	\$ (20,937)	\$ (21,330)	\$ (245,015)	\$ 292,775	