

Consolidated Financial Statements of

**BRUNSWICK HOUSE
FIRST NATION**

And Independent Auditors' Report thereon

Year ended March 31, 2019

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. 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 a system of internal accounting and administrative controls. 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.

Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council review the First Nation's consolidated financial statements and recommend their approval. Chief and Council meet to discuss and to review the annual report, the consolidated financial statements and the external auditors' report. Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the First Nation Members. Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the First Nation.

Chief

Councilor

Councilor

Councilor

Councilor

Councilor

Councilor



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INDEPENDENT AUDITORS' REPORT

To the Members of Brunswick House First Nation

Qualified Opinion

We have audited the consolidated financial statements of Brunswick House First Nation (the "First Nation"), which comprise:

- the consolidated statement of financial position as at March 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets (debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the consolidated notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB).

Basis for Qualified Opinion

The First Nation has not been provided with information for investments in certain First Nation business enterprises accounted for by the modified equity method. As a result, the investment in the First Nation business enterprises, net debt, excess of revenue over expenses and accumulated surplus for the year ended March 31, 2019 may be understated or overstated.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

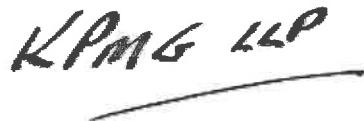
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the First Nation's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the Group First Nation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive style and is underlined with a thin black line.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

September 6, 2019

BRUNSWICK HOUSE FIRST NATION

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Year ended March 31, 2019

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BRUNSWICK HOUSE FIRST NATION

Consolidated Statement of Financial Position

March 31, 2019, with comparative information for 2018

	2019	2018
Financial Assets		
Cash	\$ 1,599,415	\$ 280,123
Restricted cash (note 2)	88,435	73,895
Portfolio investments (note 3)	110,360	110,360
Accounts receivable (note 4)	925,410	621,787
Due from Indigenous Services Canada	542,954	360,682
Investment in First Nation business enterprises (note 5)	329,671	544,262
Consolidated revenue trust fund	166,088	162,318
	<u>3,762,333</u>	<u>2,153,427</u>
Financial Liabilities		
Accounts payable and accrued liabilities	952,990	448,291
Deferred revenue (note 9)	974,166	476,005
Long-term debt (note 6)	2,352,072	1,657,762
Advances from Land Claim Trust (note 7)	2,500,000	2,500,000
	<u>6,779,228</u>	<u>5,082,058</u>
Net financial assets (debt)	(3,016,895)	(2,928,631)
Non-Financial Assets		
Tangible capital assets (note 8)	10,150,993	9,156,977
Prepaid expenses	27,845	10,000
	<u>10,178,838</u>	<u>9,166,977</u>
Accumulated surplus (note 10)	\$ 7,161,943	\$ 6,238,346

See accompanying notes to consolidated financial statements.

Approved:

Chief St. Deee

Kari L. Gray

BRUNSWICK HOUSE FIRST NATION

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2019, with comparative information for 2018

		2019	2018
Revenue:			
Government transfers	- Federal	\$ 3,077,837	\$ 3,834,952
	- Provincial	1,140,717	807,388
Investment income		3,770	3,373
Rental income		133,100	100,550
Share of earnings from First Nation business enterprises (note 5)		35,409	368,743
Other		3,250,320	1,845,946
		<u>7,641,153</u>	<u>6,960,952</u>
Expenses:			
Band Support		849,403	805,844
Social Assistance		814,992	638,380
Public Works		477,378	501,536
Education		1,180,012	1,268,610
Capital Programs		576,627	445,837
Health Services		603,599	625,093
Community Development		746,501	422,927
Economic Development		1,021,231	588,619
CMHC Housing		183,455	135,212
Band Operated Enterprises		264,358	173,207
		<u>6,717,556</u>	<u>5,605,265</u>
Excess of revenue over expenses		923,597	1,355,687
Accumulated surplus, beginning of year		6,238,346	4,882,659
Accumulated surplus, end of year		<u>\$ 7,161,943</u>	<u>\$ 6,238,346</u>

See accompanying notes to consolidated financial statements.

BRUNSWICK HOUSE FIRST NATION

Consolidated Statement of Changes in Net Financial Assets (Debt)

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Excess of revenue over expenses	\$ 923,597	\$ 1,355,687
Acquisition of tangible capital assets	(1,479,877)	(2,037,515)
<u>Amortization of tangible capital assets</u>	<u>485,861</u>	<u>350,861</u>
	(70,419)	(330,967)
Acquisition of prepaid expenses	(17,845)	(6,391)
Change in net financial assets (debt)	(88,264)	(337,358)
Net financial assets (debt), beginning of year	(2,928,631)	(2,591,273)
Net financial assets (debt), end of year	\$ (3,016,895)	\$ (2,928,631)

See accompanying notes to financial statements.

BRUNSWICK HOUSE FIRST NATION

Consolidated Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Operating transactions:		
Excess of revenue over expenses	\$ 923,597	\$ 1,355,687
Adjustment for:		
Amortization of tangible capital assets	485,861	350,861
Share of earnings from First Nation business enterprises	(35,409)	(368,743)
	<u>1,374,049</u>	<u>1,337,805</u>
Change in non-cash working capital:		
Increase in accounts receivable	(303,623)	(156,027)
Increase in prepaid expenses	(17,845)	(6,391)
Decrease (increase) in due from Indigenous Service Canada	(182,272)	57,467
Increase (decrease) in accounts payable and accrued liabilities	504,699	(127,014)
Increase (decrease) in deferred revenue	498,161	(273,734)
	<u>1,873,169</u>	<u>832,106</u>
Capital transactions:		
Purchase of tangible capital assets	(1,479,877)	(2,037,515)
Financing transactions:		
Principal payments on long-term debt	(153,076)	(41,201)
Long-term debt issued	847,386	661,918
	<u>694,310</u>	<u>620,717</u>
Investing transactions:		
Distribution from First Nation business enterprises	250,000	103,519
Increase in consolidated revenue trust fund	(3,770)	(3,373)
	<u>246,230</u>	<u>100,146</u>
Net (decrease) increase in cash	1,333,832	(484,546)
Cash, beginning of year	354,018	838,564
Cash, end of year	\$ 1,687,850	\$ 354,018
Cash position consists of:		
Cash	\$ 1,599,415	\$ 280,123
Restricted cash	88,435	73,895
	<u>\$ 1,687,850</u>	<u>\$ 354,018</u>

See accompanying notes to consolidated financial statements.

BRUNSWICK HOUSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

Brunswick House First Nation, located near Chapleau, Ontario, administers programs and provides services on behalf of its members.

1. Significant accounting policies:

These consolidated financial statements of Brunswick House First Nation (the "First Nation") are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these consolidated financial statements:

(a) Reporting entity:

The reporting entity includes the activities of all committees of Council and related entities under the control of the Chief and Council including:

- Three Nations Development LP
- 2454357 Ontario Inc.

The above entities are accounted for on the modified equity basis. Under the modified equity basis, the entity's accounting principles are not adjusted to conform with those of the First Nation and inter-organizational transactions and balances are not eliminated.

(b) Basis of accounting:

The First Nation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	10-15 years
Buildings	40-50 years
Equipment	5-10 years
Vehicles	5-10 years
Roads	50-75 years
Water systems	25-30 years
Furniture and fixtures	5 years
Computers	4 years

BRUNSWICK HOUSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

1. Significant accounting policies (continued):

(c) Non-financial assets (continued):

Annual amortization is charged at half in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(d) Revenue recognition:

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the consolidated statement of financial position.

(e) Portfolio investments:

Portfolio investments consisting of publicly traded shares are recorded at cost. Temporary declines in market value are not adjusted. Portfolio investments are written down to recognize declines in value that are other than temporary and the resulting losses are recognized in the consolidated statement of operations and accumulated surplus.

(f) Use of estimates:

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 at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(g) Consolidated revenue funds:

Funds held in trust are comprised of funds held in Ottawa Trust accounts and 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.

(h) Prior year funding adjustments:

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments, with audit adjustments repayable to the government.

Adjustments made under funding arrangements relating to prior years are charged to operations in the year during which the adjustments are made.

BRUNSWICK HOUSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

2. Restricted cash:

In accordance with the operating agreements between the First Nation and Canada Mortgage and Housing Corporation ("CMHC"), cash in the amount of \$88,435 (2018 - \$73,895) is restricted for this purpose. Under the agreement, the First Nation is required to set aside funding to maintain a replacement reserve bank account.

3. Portfolio investments:

	Cost	2019 Market	Cost	2018 Market
Goldcorp Inc.	\$ 110,360	\$ 259,956	\$ 110,360	\$ 302,857

4. Accounts receivable:

	2019	2018
Canada Mortgage and Housing Corporation	\$ 223,498	\$ 295,799
Nishnawbe-Aski Nation	34,584	33,807
Wabun Tribal Council	232,104	31,289
Ministry of Children, Community and Social Services	54,719	84,451
Wahkohtowin Development Limited Partnership	73,011	103,519
Community Water Waste Water Fund	64,625	—
Employee advances	20,702	42,354
Other	222,167	30,568
	\$ 925,410	\$ 621,787

5. Investment in First Nation business enterprises:

The First Nation has the following investments in business enterprises:

A direct 33.33% interest in the Three Nations Development LP ("TNDLP") and its general partner 2454357 Ontario Inc. ("TNDGP")

The investments as at March 31, 2019 consists of the following:

	TNDLP	TNDGP	Total
Balance, beginning of year	\$ 544,162	\$ 100	\$ 544,262
Partner distribution	(250,000)	—	(250,000)
Share of earnings	35,409	—	35,409
Total assets	\$ 329,571	\$ 100	\$ 329,671

BRUNSWICK HOUSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

5. Investment in First Nation business enterprises (continued):

Financial information for TNDLP and TNDGP was not available for the year ended March 31, 2019. Alternatively, the following financial position and results of operation is at March 31, 2018.

	TNDLP	TNDGP	2018 Total
Financial position:			
Current assets	\$ 1,576,637	\$ 2,028	\$ 1,578,665
Capital assets	592,647	—	592,647
Total assets	2,169,284	2,028	2,171,312
Total liabilities	427,942	1,728	429,670
Net assets	\$ 1,741,342	\$ 300	\$ 1,741,642
Attributable to:			
Brunswick House First Nation	\$ 579,571	\$ 100	579,671
Other	1,161,771	200	1,161,971
	\$ 1,741,342	\$ 300	\$ 1,741,642

	TNDLP	TNDGP	2018 Total
Results of operations:			
Revenues	\$ 1,279,210	\$ 1,971	\$ 1,281,181
Expenses	93,880	1,971	95,851
Net income	1,185,330	—	1,185,330
Attributable to:			
Brunswick House First Nation	394,453	—	394,453
Other	790,877	—	790,877
	\$ 1,185,330	\$ —	\$ 1,185,330

The First Nation owns units representing a 33.33% share of Three Nations Development LP, and shares representing a 33.33% investment in 2454357 Ontario Inc. (the general partner).

BRUNSWICK HOUSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

6. Long-term debt:

	2019	2018
CMHC Mortgage payable \$2,560 monthly including principal and interest, bearing interest at 1.31% per annum, maturing July 2026	\$ 211,409	\$ 238,701
CMHC Mortgage payable \$6,177 monthly including principal and interest, bearing interest at 2.13% per annum, maturing October 2042	1,374,601	1,419,061
Daimler Truck Financial loan payable \$4,401 monthly including principal and interest, bearing interest at 7.69% per annum, maturing August 2023	196,245	—
Caterpillar Financial Services Limited loan payable \$5,589 monthly Including principal and interest, bearing interest at 4.76% per annum, maturing August 2024	319,625	—
Caterpillar Financial Services Limited loan payable \$5,112 monthly Including principal and interest, bearing interest at 3.6% per annum, maturing August 2023	250,192	—
	<hr/>	<hr/>
	\$ 2,352,072	\$ 1,657,762

Principal payments due as follows:

2020	\$ 217,976
2021	227,022
2022	236,508
2023	246,525
2024	189,559
2025 and thereafter	1,234,502

7. Advances from Land Claim Trust:

Advances from the Land Claim Trust are non-interest bearing with terms of repayment specified by article 14.1 of the Trust agreement ("the agreement"). Under the terms of the agreement, amended on September 12th, 2016, a percentage of all benefits received under any and all impact benefit agreements of which the First Nation or any entity established by or under the control of the First Nation is a party must be transferred to the Trust as repayment of the First Nation's indebtedness to the Trust. The percentage of benefits received that are subject to repayment are as follows:

- 30% of aggregate payments up to \$150,000; plus
- 40% of aggregate payments between \$150,000 and \$500,000; plus
- 60% of aggregate payments in excess of \$500,000;

Amounts subject to repayment must be transferred to the Trust within 5 business days of receipt by the First Nation, or are subject to interest at a rate of prime + 2%.

As of March 31, 2019, \$315,865 (2018 – Nil) was repayable to the Trust under the terms of the agreement.

BRUNSWICK HOUSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

8. Tangible capital assets:

Cost	Balance at March 31, 2018	Additions	Disposals/ transfers	Balance at March 31, 2019
Land	\$ 1	-	-	1
Land improvements	54,630	-	-	54,630
Buildings	8,100,205	212,253	1,131,258	9,443,716
Equipment	258,019	142,720	-	400,739
Vehicles	402,758	971,386	-	1,374,144
Roads	789,149	-	-	789,149
Water systems	3,134,675	-	-	3,134,675
Furniture and fixtures	170,727	-	-	170,727
Computers	96,575	5,318	-	101,893
Assets under construction	983,058	148,200	(1,131,258)	-
Total	\$ 13,989,797	1,479,877	-	15,469,674
Accumulated Amortization	Balance at March 31, 2018	Disposals	Amortization	Balance at March 31, 2019
Land	\$ -	-	-	-
Land improvements	38,504	-	4,608	43,112
Buildings	1,901,026	-	192,173	2,093,199
Equipment	150,055	-	21,803	171,858
Vehicles	219,106	-	125,288	344,394
Roads	330,048	-	15,655	345,703
Water systems	1,978,657	-	109,708	2,088,365
Furniture and fixtures	164,032	-	1,913	165,945
Computers	51,392	-	14,713	66,105
Assets under construction	-	-	-	-
Total	\$ 4,832,820	-	485,861	5,318,681
	Net book value, March 31, 2018		Net book value, March 31, 2019	
Land	\$ 1		1	
Land improvements	16,126		11,518	
Buildings	6,199,179		7,350,517	
Equipment	107,964		228,881	
Vehicles	183,652		1,029,750	
Roads	459,101		443,446	
Water systems	1,156,018		1,046,310	
Furniture and fixtures	6,695		4,782	
Computers	45,183		35,788	
Assets under construction	983,058		-	
Total	\$ 9,156,977		10,150,993	

BRUNSWICK HOUSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

8. Tangible capital assets (continued):

Cost	Balance at March 31, 2017	Additions	Disposals/ transfers	Balance at March 31, 2018
Land	\$ 1	-	-	1
Land improvements	54,630	-	-	54,630
Buildings	5,828,377	849,090	1,422,738	8,100,205
Equipment	243,770	14,249	-	258,019
Vehicles	257,199	145,559	-	402,758
Roads	789,149	-	-	789,149
Water systems	3,134,675	-	-	3,134,675
Furniture and fixtures	170,727	-	-	170,727
Computers	51,016	45,559	-	96,575
Assets under construction	1,422,738	983,058	(1,422,738)	983,058
Total	\$ 11,952,282	2,037,515	-	13,989,797
Accumulated Amortization	Balance at March 31, 2017	Disposals	Amortization	Balance at March 31, 2018
Land	\$ -	-	-	-
Land improvements	33,896	-	4,608	38,504
Buildings	1,735,867	-	165,159	1,901,026
Equipment	137,491	-	12,564	150,055
Vehicles	186,205	-	32,901	219,106
Roads	314,394	-	15,654	330,048
Water systems	1,868,949	-	109,708	1,978,657
Furniture and fixtures	162,119	-	1,913	164,032
Computers	43,038	-	8,354	51,392
Assets under construction	-	-	-	-
Total	\$ 4,481,959	-	350,861	4,832,820
	Net book value, March 31, 2017		Net book value, March 31, 2018	
Land	\$ 1		1	
Land improvements	20,734		16,126	
Buildings	4,092,510		6,199,179	
Equipment	106,279		107,964	
Vehicles	70,994		183,652	
Roads	474,755		459,101	
Water systems	1,265,726		1,156,018	
Furniture and fixtures	8,608		6,695	
Computers	7,978		45,183	
Assets under construction	1,422,738		983,058	
Total	\$ 7,470,323		9,156,977	

BRUNSWICK HOUSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

9. Deferred revenue:

	2019	2018
Indigenous Services Canada	\$ 912,641	\$ 471,055
Goldcorp Borden Limited	61,525	—
Ministry of Finance	—	4,950
	\$ 974,166	\$ 476,005

10. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2019	2018
Surplus (deficit):		
Invested in capital assets	\$ 7,798,921	\$ 7,499,215
Operations	809,890	45,115
Investment in First Nation business enterprises	329,671	544,262
Unfunded Trust Liability	(2,500,000)	(2,500,000)
	6,438,482	5,588,592
Reserves set aside for specific purpose by Council:		
Consolidated revenue trust fund	166,088	162,318
Restricted	264,305	264,305
Ontario First Nations Limited Partnership	204,633	149,236
CMHC replacement reserves	88,435	73,895
	723,461	649,754
	\$ 7,161,943	\$ 6,238,346

11. Subsequent event:

Subsequent to year end, the First Nation invested \$113,011 in Wahkohtowin Development Limited Partnership ("WDLP") representing a 33.33% share of partnership units. The amount invested was comprised of a cash payment of \$40,000 and \$73,011 of accounts receivable previously owed to the First Nation from WDLP.

12. Comparative information:

Certain 2019 comparative information have been reclassified where necessary to conform to the presentation adopted in 2018.

BRUNSWICK HOUSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

13. Segmented information:

Brunswick House First Nation is a diversified governmental institution that provides a wide range of services to its Members, including band government, health services, education, social assistance, capital projects, public works and business operations in addition to also managing specific funds from others. For management reporting purposes the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by functional areas and their activities are reported in these funds. Certain functional areas that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Band Government

The band government functional area 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 and management and assistance for the related departments within the First Nation, as well as administration of all land claims on behalf of the First Nation.

Social Assistance

The social services department delivers a variety of programs including Ontario works and offers employment support services. In addition, the department manages the homemakers and national child benefit and child welfare prevention programs.

Public Works

The public works functional area provides public services that contribute to sustainability through the provision of maintenance and operating services such as roads, water and sanitation, fire protection, street lighting and community buildings.

Education

The education functional area administers tuition agreements with various school boards, manages the post-secondary program for its members and provides local transportation for the students.

Capital Programs

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

Health Services

The health services functional area provides a diverse bundle of services directed toward the well-being of the Members including such activities as student nutrition, integrated health and various other health related activities.

BRUNSWICK HOUSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

13. Segmented information (continued):

Other Subsidized Programs

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

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 allocations methodologies are employed in the preparation of segmented financial information, including transfers that 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.

Band Operated Enterprises

The enterprises functional area develops employment and training opportunities, along with identification of economic development initiatives for the First Nation and its members.

BRUNSWICK HOUSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

13. Segmented information (continued):

	Band Government	Social Assistance	Public Works	Education	Capital	Health Services	Other Programs	Band Operated Enterprises	2019 Total
Revenue	\$ 1,348,548	798,594	170,933	1,149,191	511,685	593,225	2,922,784	146,193	7,641,153
Expenses:									
Salaries, benefits and honoraria	544,291	64,186	74,220	116,170	246,492	249,798	574,326	84,802	1,954,285
Travel and training	129,408	6,951	7,000	119,925	5,297	33,591	232,896	300	535,368
Interest on long-term debt	10,233	-	-	-	-	-	32,623	17,068	59,924
Contractual and professional fees	104,832	-	78,587	51,157	75,711	47,979	410,912	-	769,178
Materials, supplies and rentals	(16,468)	7,394	15,070	64,656	142,674	207,133	415,720	32,700	868,879
Tuition and student allowances	-	-	-	788,722	-	-	-	-	788,722
Administration charges and other	59,070	736,461	115,410	24,185	38,111	54,725	211,141	16,235	1,255,338
Amortization of tangible capital assets	18,037	-	187,091	15,197	68,342	10,373	73,569	113,253	485,862
	849,403	814,992	477,378	1,180,012	576,627	603,599	1,951,187	264,358	6,717,556
Excess (deficiency) of revenue over expenses	\$ 499,145	(16,398)	(306,445)	(30,821)	(64,942)	(10,374)	971,597	(118,165)	923,597

BRUNSWICK HOUSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

13. Segmented information (continued):

	Band Government	Social Assistance	Public Works	Education	Capital	Health Services	Other Programs	Band Operated Enterprises	2018 Total
Revenue	\$ 1,127,928	628,554	169,255	1,248,661	1,392,566	609,536	1,683,925	100,527	6,960,952
Expenses:									
Salaries, benefits and honoraria	538,639	49,144	72,302	182,152	122,391	196,567	315,522	60,567	1,537,284
Travel and training	84,431	2,469	1,281	138,203	8,768	25,779	71,995	2,214	335,140
Interest on long-term debt	39,445	-	-	-	-	-	19,934	-	59,379
Contractual and professional fees	41,755	-	62,879	30,040	783,037	(13,945)	101,780	-	1,005,546
Materials, supplies and rentals	18,764	6,990	26,930	44,651	(529,276)	305,813	448,424	80,278	402,574
Tuition and student allowances	-	-	-	837,381	-	-	-	-	837,381
Administration charges and other	70,675	579,777	157,314	16,234	17,325	100,506	117,800	17,469	1,077,100
Amortization of tangible capital assets	12,135	-	180,830	19,949	43,592	10,373	71,303	12,679	350,861
	805,844	638,380	501,536	1,268,610	445,837	625,093	1,146,758	173,207	5,605,265
Excess (deficiency) of revenue over expenses	\$ 322,084	(9,826)	(332,281)	(19,949)	946,729	(15,557)	537,167	(72,680)	1,355,687