

GARDEN HILL FIRST NATION
INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016

GARDEN HILL FIRST NATION

MARCH 31, 2016

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying Consolidated financial statements of Garden Hill First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

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

The First Nation is responsible for maintaining 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 assets are appropriately accounted for and adequately safeguarded.

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

The Chief and Council reviews and approves the First Nation's Consolidated financial statements. The Chief and Council 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 financial statements and the external auditors' report. The Chief and Council also approves the engagement of the external auditors.

The Consolidated financial statements have been audited by PKBW GROUP Chartered Accountants & Business Advisors Inc. in accordance with Canadian generally accepted auditing standards. PKBW GROUP Chartered Accountants & Business Advisors Inc. have full and free access to the Chief and Council.

APPROVED BY CHIEF AND COUNCIL:

	Chief		Councillor
	Councillor		Councillor
	Councillor		Councillor
	Councillor		Councillor
	Councillor		Councillor



GROUP

CHARTERED ACCOUNTANTS
& BUSINESS ADVISORS INC.**INDEPENDENT AUDITORS' REPORT**

To The Members of Garden Hill First Nation, Chief and Council :

We have audited the accompanying Consolidated financial statements of Garden Hill First Nation, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in net financial assets, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Except as described in the basis for qualified opinion paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In the prior year the Daycare, Winter Road (Meekanaw) and two Band controlled bank accounts were not audited. Consequently, we were unable to determine whether any adjustments, if any, might be required to adjust the opening assets, liabilities, net debt, non-financial assets or prior years revenues and expenses related to the Daycare operations, Winter Road operations and the two Band controlled bank accounts.

Qualified Opinion

In our opinion, except for the effect of adjustments described in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Garden Hill First Nation as at March 31, 2016 and the consolidated statements of operations, changes in net debt, and cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Winnipeg, Manitoba
November 4, 2016

PKBW Group
CHARTERED ACCOUNTANTS
& BUSINESS ADVISORS INC.

**GARDEN HILL FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2016**

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash (Note 2)	\$ 3,574,905	1,871,886
Trust funds (Note 3)	11,591	10,499
Accounts receivable (Note 4)	<u>1,036,079</u>	<u>2,773,026</u>
	<u>4,622,575</u>	<u>4,655,411</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	10,511,899	10,677,076
Deferred revenue (Note 6)	481,763	919,565
Long-term debt (Note 7)	<u>13,082,551</u>	<u>14,235,270</u>
	<u>24,076,213</u>	<u>25,831,911</u>
NET DEBT	<u>(19,453,638)</u>	<u>(21,176,500)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	102,717,630	107,633,919
Construction in progress (Note 12)	3,204,132	1,081,132
Prepaid expenses	<u>1,009,077</u>	<u>1,056,331</u>
	<u>106,930,839</u>	<u>109,771,382</u>
ACCUMULATED SURPLUS	<u>\$ 87,477,201</u>	<u>88,594,882</u>

APPROVED BY CHIEF AND COUNCIL:

 _____ Chief	 _____ Councillor
 _____ Councillor	 _____ Councillor
 _____ Councillor	 _____ Councillor
 _____ Councillor	_____ Councillor

**GARDEN HILL FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2016**

	2016	2015
	<u>Budget</u>	<u>Actual</u>
REVENUE		<u>Actual</u>
Federal funding		
Indigenous and Northern Affairs		
Canada - Operating	\$ 24,833,928	30,635,210
Indigenous and Northern Affairs		
Canada - Capital	2,447,893	4,578,859
Canadian Mortgage and Housing Corporation		
- Operating	388,000	296,516
Canadian Mortgage and Housing Corporation		
- Capital	-	33,800
Health Canada	-	4,198,678
Service Canada	-	463,043
Other	<u>1,348,038</u>	<u>2,100,838</u>
	<u>29,017,859</u>	<u>42,306,944</u>
		<u>36,769,210</u>
EXPENSES		
Health	-	4,211,183
Education	12,022,615	12,320,930
Social	9,799,588	9,951,951
Economic Development	378,810	290,387
Public Works	4,032,173	7,588,489
Housing	602,500	324,779
Band government	1,455,421	2,739,269
Private enterprise	-	450,471
Amortization	<u>-</u>	<u>5,547,166</u>
	<u>28,291,107</u>	<u>43,424,625</u>
		<u>39,186,236</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 726,752</u>	<u>(1,117,681)</u>
		<u>(2,417,026)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	\$ 88,594,882	88,594,882
CORRECTION OF PRIOR PERIOD ERROR (Note 9)	<u>-</u>	<u>-</u>
		<u>120,735</u>
ACCUMULATED SURPLUS AS RESTATED	<u>-</u>	<u>88,594,882</u>
		<u>91,011,908</u>
ANNUAL SURPLUS (DEFICIT)	<u>726,752</u>	<u>(1,117,681)</u>
		<u>(2,417,026)</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 89,321,634</u>	<u>87,477,201</u>
		<u>88,594,882</u>

**GARDEN HILL FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2016**

	2016	2015
	<u>Budget</u>	<u>Actual</u>
	<u>Actual</u>	
ANNUAL SURPLUS (DEFICIT)	\$ <u>726,752</u>	<u>(1,117,681)</u>
Tangible capital assets		
Acquisition of capital assets	-	(630,876)
Amortization of tangible capital assets	<u>-</u>	<u>5,547,166</u>
	<u>-</u>	<u>5,038,439</u>
Other non-financial assets		
Consumption (acquisition) of construction in progress	-	(2,123,000)
Consumption (acquisition) of prepaid expenses	<u>-</u>	<u>47,253</u>
	<u>-</u>	<u>(2,075,747)</u>
DECREASE (INCREASE) IN NET DEBT	\$ <u>726,752</u>	<u>1,722,862</u>
NET DEBT, BEGINNING OF YEAR, as previously reported	\$ (21,176,500)	(21,176,500)
CORRECTION OF PRIOR PERIOD ERROR (Note 9)	<u>-</u>	<u>120,735</u>
NET DEBT, BEGINNING OF YEAR, as restated	-	(21,176,500)
DECREASE (INCREASE) IN NET DEBT	<u>726,752</u>	<u>1,722,862</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u>(20,449,748)</u>	<u>(19,453,638)</u>

**GARDEN HILL FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2016**

	<u>2016</u>	<u>2015</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Annual deficit	\$ (1,117,681)	(2,417,026)
Correction of prior period error (Note 9)	-	120,735
Reduction (increase) of prepaid expenses	47,253	386,513
Amortization of tangible capital assets	<u>5,547,166</u>	<u>5,490,885</u>
	4,476,738	3,581,107
Change in non-cash working capital:		
Accounts receivable	1,736,947	(2,065,232)
Accounts payable and accrued liabilities	(165,177)	412,631
Deferred revenue	<u>(437,802)</u>	<u>915,810</u>
	<u>5,610,706</u>	<u>2,844,316</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(630,876)	(452,446)
Consumption of construction in progress	<u>(2,123,000)</u>	<u>(1,081,132)</u>
	<u>(2,753,876)</u>	<u>(1,533,578)</u>
FINANCING ACTIVITIES		
Long-term debt advances (repayment)	<u>(1,152,719)</u>	<u>(1,237,793)</u>
INCREASE (DECREASE) IN CASH	1,704,111	72,945
CASH (BANK INDEBTEDNESS), BEGINNING OF YEAR	<u>1,882,385</u>	<u>1,809,440</u>
CASH, END OF YEAR	<u>\$ 3,586,496</u>	<u>1,882,385</u>
CASH IS REPRESENTED BY:		
Cash in bank	\$ 3,574,905	1,871,886
Trust funds	<u>11,591</u>	<u>10,499</u>
	<u>\$ 3,586,496</u>	<u>1,882,385</u>

**GARDEN HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The First Nation follows the INAC accounting guidelines as set out in the "Year End Reporting Handbook for First Nation Audited Financial Statements" - Fiscal Year period 2015-2016 which requires that the consolidated financial statements be prepared in accordance with Canadian generally accepted accounting principles for governments, as defined in the Chartered Professional Accountants (CPA) Public Sector Accounting Handbook.

(b) Reporting Entity

Garden Hill First Nation is a non-profit Indian Band as defined by Indigenous and Northern Affairs Canada (INAC). The objective of the First Nation is to operate as the governing entity in providing services on the reserve in all areas. The Garden Hill First Nation reporting entity includes all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. The First Nation operated under Third Party Management during the year.

(c) Basis of consolidation

All controlled entities are fully consolidated on a line-by-line basis. This method combines the accounts of distinct organizations. It requires uniform accounting policies for the organizations. Inter-organizational balances and transactions are eliminated under this method. This method reports the organizations as if they were one organization.

These consolidated financial statements include the assets, liabilities, net debt, non financial assets, accumulated surplus, revenue and expenses for the following entities controlled or owned by the First Nation:

Garden Hill First Nation
Garden Hill First Nation Third Party Management (BDO Canada LLP)
Garden Hill First Nation Health Authority (Kitiganwacheeng Health Services Inc.)
Garden Hill First Nation Housing Authority (CMHC)
Garden Hill First Nation Employment and Training
Mekanaw Winter Road
Awasis Daycare Centre

(d) Net Debt

The First Nation's 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 liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

(e) 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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, construction in progress, prepaid expenses and inventories of supplies.

(f) Inventory

Inventory is stated at the lower of cost and net realizable value with cost being determined using the first-in, first-out cost method.

**GARDEN HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) 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 or delivering services.

Tangible capital assets are reported at gross cost. Contributions received to assist in the acquisition of tangible capital assets are reported as deferred revenue and amortized to income at the same rate as the related asset.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Amortization of tangible capital assets is recognized as an expense in the Statement of Operations. Amortization is provided for on a declining balance basis at the rates in the table that follows. One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

Land improvements	20 years
Capital structures	40 years
Housing	25 years
Equipment	5 - 10 years
Roads	50 years
Roads	50 years
Bridge	30 years
Vehicles	10 - 15 years

(h) Deferred Revenue

Deferred revenue represents unspent Government transfers for programs, where the eligibility criteria has not been met at year end. The unspent revenue is carried forward to be recognized as eligibility criteria is met or until the funder deems the surpluses to be repayable at which time an amount payable is recognized.

(i) Revenue Recognition

Government transfers

Transfers from the Government of Canada are recognized as revenue in the year the entitlement has been authorized, when any eligibility criteria have been met and when the amount can be reasonably estimated.

Other revenue

Restricted other revenue is recognized as revenue in the year in which the related expenses are incurred and when the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted other revenue is recognized when:

- services have been performed, or
- goods have been delivered, or
- the amount has been received or is receivable,
- and when the amount can be reasonably estimated and collection is reasonably assured.

**GARDEN HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Segmented Information

The First Nation discloses segmented results of operations for the year in note 17 to the financial statements. The First Nation has segregated its activities into the following segments based on distinguishable groups of activities;

Health

Health programs

Education

Education facilities and programs

Social

Social services - basic needs, special needs and home support
Prevention programs

Economic Development

Economic development
Employment and training
Skills Link
Summer students

Public Works

Operations and maintenance
Policing and fire protection
Water
Waste water
Winter road

Band Government

Band administration
Emergency measures

Housing

Housing and capital
CMHC housing

Private enterprise

Daycare

2. CASH

	<u>2016</u>	<u>2015</u>
Unrestricted - operating	\$ 2,898,341	1,168,205
Externally restricted - CMHC	<u>676,564</u>	<u>690,501</u>
	<u>\$ 3,574,905</u>	<u>1,858,706</u>

Restrictions on cash

The First Nation is subject to restrictions placed on its cash due to an agreement with CMHC. As at March 31, 2016, \$676,564 (2015 - \$690,501) was restricted for expenditures to be approved by CMHC.

**GARDEN HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

3. TRUST FUNDS HELD BY THE FEDERAL GOVERNMENT

	<u>March 31, 2015</u>	<u>Additions 2015/2016</u>	<u>Withdrawals 2015/2016</u>	<u>March 31, 2016</u>
Revenue	\$ 10,499	1,092	-	11,591
Capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,499</u>	<u>1,092</u>	<u>-</u>	<u>11,591</u>

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 Section 63 to 69 of the Indian Act.

4. ACCOUNTS RECEIVABLE

	<u>PAYE</u>	<u>2016 Other</u>	<u>Total</u>
INAC			
Social Basic Needs	\$ -	159,750	159,750
Winter road	30,000	-	30,000
GSMWG Steps 7 - 9	-	200,000	200,000
TPM Fees	24,913	-	24,913
Tuition agreements	-	2,300	2,300
Province of Manitoba	-	166,051	166,051
Other	-	6,284	6,284
Daycare	-	103,942	103,942
Health	<u>-</u>	<u>342,839</u>	<u>342,839</u>
	<u>\$ 54,913</u>	<u>981,166</u>	<u>1,036,079</u>
	<u>PAYE</u>	<u>2015 Other</u>	<u>Total</u>
INAC			
Water and Sewer Retro-fit Project	\$ 151,466	40,967	192,433
Band Support TPM Services	-	28,673	28,673
GSMWG Steps 7 - 9	-	802,171	802,171
TPM Fees	-	52,642	52,642
Roads & Bridges	-	1,198,526	1,198,526
Student Transportation	-	40,000	40,000
Province of Manitoba	-	64,500	64,500
Other	-	2,341	2,341
Daycare	-	40,981	40,981
Health	<u>-</u>	<u>350,759</u>	<u>350,759</u>
	<u>\$ 151,466</u>	<u>2,621,560</u>	<u>2,773,026</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2016</u>	<u>2015</u>
Trade payables	\$ <u>10,511,899</u>	<u>10,677,076</u>

**GARDEN HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

6. DEFERRED REVENUE	Balance March 31, 2015	Funding Received 2015/2016	Revenue Recognized 2015/2016	Balance March 31, 2016
Federal Government				
Health Canada	\$ -	161,763	-	161,763
INAC				
Remediation	802,171	200,000	802,171	200,000
Roads & Bridges	117,394	-	117,394	-
RRAP funding	-	70,000	-	70,000
Other revenue - water & sewage retrofit	-	50,000	-	50,000
	<u>\$ 919,565</u>	<u>481,763</u>	<u>919,565</u>	<u>481,763</u>
7. LONG-TERM DEBT			2016	2015
North West Company contingency debt.			\$ -	148,492
400 Management Group contingency debt. See note 8.			3,875,000	3,875,000
Tribal Wi Chi Way Win loan, interest at 10%, due March 1, 2016, repayable in monthly installments of \$2,576, unsecured.			263,010	236,000
Peace Hills Trust Loan, interest at prime plus 1.50%, repayable in monthly installments of \$67,000, payments first applied to reduce principal outstanding then applied to delinquent interest.			4,188,667	4,978,411
Canada Mortgage and Housing Corporation, interest at 1.12%, due December 1, 2021, repayable in monthly installments of \$3,083, secured by a Ministerial Guarantee, and an assignment of fire insurance.			205,907	240,382
Canada Mortgage and Housing Corporation, interest at 2.11%, due November 1, 2033, repayable in monthly installments of \$6,873, secured by a Ministerial Guarantee, and an assignment of fire insurance.			1,216,321	1,272,539
Canada Mortgage and Housing Corporation, interest at 2.11%, due November 1, 2033, repayable in monthly installments of \$6,857, secured by a Ministerial Guarantee, and an assignment of fire insurance.			1,213,515	1,269,603
Canada Mortgage and Housing Corporation, interest at 2.11%, due December 31, 2033, repayable in monthly installments of \$5,890, secured by a Ministerial Guarantee, and an assignment of fire insurance.			1,046,367	1,094,457
Canada Mortgage and Housing Corporation, interest at 1.39%, due May 1, 2035, repayable in monthly installments of \$5,319, secured by a Ministerial Guarantee, and an assignment of fire insurance.			<u>1,073,764</u>	<u>1,120,386</u>
			<u>\$ 13,082,551</u>	<u>14,235,270</u>

**GARDEN HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

8. CONTINGENCIES

The Garden Hill First Nation is contingently liable in the amount of \$3,875,000 on three loans payable to a related group of companies known as the 400 Management Group. These loans are payable to 5976511 Manitoba Ltd. (Laundry Mat construction loan), to 6230148 Manitoba Ltd. (Gasoline Purchase loan) and to 6230156 Manitoba Ltd. (Band Office and Community Centre Construction loan). The assets such as inventory and completed construction, the expenditures and the loan balances have not been recognized in these statements as the allocation and use of the proceeds of these loans was not determinable.

9. CORRECTION OF PRIOR PERIOD ERROR

The prior period figures have been restated to record the actual opening balances of Awasis Daycare Centre at March 31, 2014. The cumulative effect of this adjustments were to increase the opening net assets \$120,735 and adjust the balance sheet accounts affected.

10. USE OF ESTIMATES

The preparation of the consolidated financial statements 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 periods presented. Actual results could differ from these estimates.

11. RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that a counterparty will default on its financial liabilities.

Financial assets which potentially subject the First Nation to credit risk and concentrations of credit risk consist principally of cash and accounts receivable.

Management manages credit risk associated with accounts receivable by pursuing collections when they are due.

(b) Liquidity risk

Liquidity risk is the risk that the First Nation will not be able to meet its financial obligations related to financial liabilities as they come due. Financial liabilities consist of demand loans, accounts payable and accrued liabilities, INAC contribution funding repayable and long-term debt. Accounts payable and accrued liabilities are paid in the normal course of operations and except under certain exceptions, no later than three months. The repayment terms of other financial liabilities are disclosed in notes above.

The First Nation's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. At March 31, 2016, the First Nation has a cash balance of \$3,574,905, (2015 - \$1,871,886), and a net debt position of \$19,453,638, (2015 - \$21,176,500). Accordingly, there exists significant risk that the First Nation will not be able to meet all its financial obligations as they come due.

(c) Interest Rate Price Risk

It is management's opinion that the First Nation is exposed to interest rate price risk due to long-term debt being at being at a fixed rate.

**GARDEN HILL FIRST NATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

12. TANGIBLE CAPITAL ASSETS

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE	
	Opening Balance	Additions (Disposals)	Transfers	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2016 Total 2015
Tangible Capital Assets								
CMHC housing	\$ 10,091,864	-	-	10,091,864	1,422,470	241,492	1,663,962	8,427,902 8,669,394
Arena	3,061,718	-	-	3,061,718	694,792	76,543	771,335	2,290,383 2,366,926
Public safety building	2,043,435	-	-	2,043,435	344,483	51,085	395,568	1,647,867 1,698,952
Equipment	799,163	189,822	-	988,985	672,860	50,558	723,418	265,567 126,303
Education facility	26,537,943	-	-	26,537,943	3,983,602	663,449	4,647,051	21,890,892 22,554,341
Water treatment plant	4,135,266	-	-	4,135,266	621,596	103,381	724,977	3,410,289 3,513,670
Health centre	167,052	-	-	167,052	167,052	-	167,052	- -
Bridge	562,310	-	-	562,310	524,823	18,744	543,567	18,743 37,487
Roads	6,581,395	-	-	6,581,395	4,304,366	130,313	4,434,679	2,146,716 2,277,029
Vehicles	1,792,378	-	-	1,792,378	665,014	122,814	787,828	1,004,550 1,127,364
Capital structures	49,745,019	-	-	49,745,019	18,094,521	1,308,528	19,403,049	30,341,970 31,650,498
Land improvements	880,381	-	-	880,381	664,188	30,885	695,073	185,308 216,193
Band housing	68,513,842	441,055	-	68,954,897	35,118,080	2,749,374	37,867,454	31,087,443 33,395,762
	<u>174,911,766</u>	<u>630,877</u>	<u>-</u>	<u>175,542,643</u>	<u>67,277,847</u>	<u>5,547,166</u>	<u>72,825,013</u>	<u>102,717,630</u> <u>107,633,919</u>
Assets Under Construction								
Roads and Bridges	<u>1,081,132</u>	<u>2,123,000</u>	<u>-</u>	<u>3,204,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,204,132</u> <u>1,081,132</u>
TOTAL	<u>\$ 175,992,898</u>	<u>2,753,877</u>	<u>-</u>	<u>178,746,775</u>	<u>67,277,847</u>	<u>5,547,166</u>	<u>72,825,013</u>	<u>105,921,762</u> <u>108,715,051</u>

**GARDEN HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

13. EXPENSES BY OBJECT

	<u>2016</u>	<u>2015</u>
Administration and office	\$ 1,051,301	961,297
Amortization	5,547,166	5,490,885
Debt servicing	97,688	120,250
Capital materials and equipment	735,337	1,145,999
Contracts and fees	1,377,134	1,268,986
Fuel	660,577	170,495
Business development	144,805	121,322
Insurance	228,913	287,663
Maintenance	1,998,834	1,718,327
Old debt and debt payments	1,064,276	1,263,408
Other	13,982,734	10,543,848
Professional services	6,000	120,250
Rental	41,410	32,686
Salaries and benefits	12,360,850	12,165,420
Staff development	289,321	134,705
Supplies and services	1,586,694	1,178,945
Telephone	174,572	181,456
Travel	613,649	578,618
Utilities	<u>1,463,364</u>	<u>1,701,676</u>
	<u>\$ 43,424,625</u>	<u>39,186,236</u>

14. GOVERNMENT TRANSFERS

	<u>Operating</u>	<u>Capital</u>	<u>Total 2016</u>
Indigenous and Northern Affairs Canada	\$ 30,635,210	4,578,859	35,214,069
Health Canada	4,198,678	-	4,198,678
Canada Mortgage and Housing Corporation	296,516	33,800	330,316
Service Canada	<u>463,043</u>	<u>-</u>	<u>463,043</u>
	<u>\$ 35,593,447</u>	<u>4,612,659</u>	<u>40,206,106</u>

Reconciliation of INAC funding:

Operating funding (above)	\$ 30,635,210
Capital funding (above)	<u>4,578,859</u>
Total INAC funding reported	35,214,069
Add: FNWWAP Water >1.5M	<u>50,000</u>
	35,264,069
Deduct: 2014/2015 Remediation - CSMWG Steps 7-9 Deferred recognized	(602,171)
2014/2015 Roads and Bridges Receivable recognized	(1,198,526)
2015/2016 Basic Needs Not on confirmation	(159,750)
2015/2016 Winter Roads - Fuel Revenue	<u>(24,631)</u>
Total per confirmation	<u>\$ 33,278,991</u>

**GARDEN HILL FIRST NATION
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YEAR ENDED MARCH 31, 2016**

14. GOVERNMENT TRANSFERS (Continued)

	<u>Operating</u>	<u>Capital</u>	<u>Total 2015</u>
Indigenous and Northern Affairs Canada	\$ 27,152,907	3,085,475	30,238,382
Health Canada	4,157,441	-	4,157,441
Canada Mortgage and Housing Corporation	307,093	38,700	345,793
Service Canada	<u>436,103</u>	<u>-</u>	<u>436,103</u>
	<u>\$ 32,053,544</u>	<u>3,124,175</u>	<u>35,177,719</u>

15. COMPARATIVE FIGURES

The comparative figures have been adjusted to reflect the presentation adopted for the current year.

16. BUDGETED FIGURES

The budgeted figures have not been entered when a budget was not prepared for a program in the fiscal year.

**GARDEN HILL FIRST NATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

17. SEGMENTED INFORMATION

	HEALTH			EDUCATION			SOCIAL		
	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015
REVENUES									
Federal Government									
Operating Transfers	\$ -	4,198,678	4,157,441	11,823,459	12,837,981	11,919,330	9,787,588	10,161,338	10,385,262
Capital Transfers	-	-	-	-	-	-	-	-	-
CMHC	-	-	-	-	-	-	-	-	-
Service Canada	-	-	-	-	-	-	-	-	-
Other	-	60,228	-	553,338	689,060	628,243	-	12,000	100
	-	4,258,906	4,157,441	12,376,797	13,527,041	12,547,573	9,787,588	10,173,338	10,385,362
EXPENSES									
Salaries and benefits	-	2,555,517	2,437,295	7,246,104	7,397,609	7,640,315	428,371	411,056	451,867
Debt servicing	-	-	-	-	-	-	-	-	-
Amortization	-	6,484	5,187	-	1,233,307	1,233,307	-	-	-
Other	-	1,655,666	1,823,284	4,776,511	4,923,321	3,977,501	9,371,217	9,540,895	10,178,563
	-	4,217,667	4,265,766	12,022,615	13,554,237	12,851,123	9,799,588	9,951,951	10,630,430
ANNUAL SURPLUS (DEFICIT)	\$ -	41,239	(108,325)	354,182	(27,196)	(303,550)	(12,000)	221,387	(245,068)

**GARDEN HILL FIRST NATION
NOTES TO FINANCIAL STATEMENTS
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17. SEGMENTED INFORMATION

	ECONOMIC DEVELOPMENT			PUBLIC WORKS			HOUSING		
	Budget 2016	2016	2015	Budget 2016	2016	2015	Budget 2016	2016	2015
REVENUES									
Federal Government									
Operating Transfers	\$ 378,810	383,984	328,578	\$ 1,630,571	6,014,154	3,267,248	-	-	-
Capital Transfers	-	-	-	2,447,893	4,578,859	3,085,475	-	33,800	38,700
CMHC	-	-	-	-	-	-	388,000	296,516	307,093
Service Canada	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	118,923	15,000	192,000	133,003	282,732
	<u>378,810</u>	<u>383,984</u>	<u>328,578</u>	<u>4,078,464</u>	<u>10,711,936</u>	<u>6,367,723</u>	<u>580,000</u>	<u>463,319</u>	<u>628,525</u>
EXPENSES									
Salaries and benefits	58,500	49,537	70,306	388,680	1,053,051	764,147	57,500	48,266	37,401
Debt servicing	-	-	-	-	-	-	380,000	97,688	120,250
Amortization	-	-	-	-	3,901,117	3,859,600	-	273,322	261,339
Other	<u>320,310</u>	<u>240,850</u>	<u>223,757</u>	<u>3,643,493</u>	<u>6,535,438</u>	<u>3,786,555</u>	<u>165,000</u>	<u>178,825</u>	<u>199,670</u>
	<u>378,810</u>	<u>290,387</u>	<u>294,063</u>	<u>4,032,173</u>	<u>11,489,606</u>	<u>8,410,302</u>	<u>602,500</u>	<u>598,101</u>	<u>618,660</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ -</u>	<u>93,597</u>	<u>34,515</u>	<u>46,291</u>	<u>(777,670)</u>	<u>(2,042,579)</u>	<u>(22,500)</u>	<u>(134,782)</u>	<u>9,865</u>

**GARDEN HILL FIRST NATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

17. SEGMENTED INFORMATION

REVENUES

Federal Government
Operating Transfers
Capital Transfers
CMHC
Service Canada
Other

	BAND GOVERNMENT			PRIVATE ENTERPRISE		
	Budget 2016	2016	2015	Budget 2016	2016	2015
\$	1,213,500	1,237,753	1,252,489	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	463,043	436,103
	602,700	1,087,624	663,660	-	-	1,756
	1,816,200	2,325,377	1,916,149	-	463,043	437,859

EXPENSES

Salaries and benefits
Debt servicing
Amortization
Other

551,745	519,327	431,478	-	326,487	332,611
-	-	-	-	-	-
-	132,936	131,452	-	-	-
903,676	2,219,942	1,116,402	-	123,984	103,949
<u>1,455,421</u>	<u>2,872,205</u>	<u>1,679,332</u>	<u>-</u>	<u>450,471</u>	<u>436,560</u>
\$ 360,779	(546,828)	236,817	-	12,572	1,299

ANNUAL SURPLUS (DEFICIT)

**GARDEN HILL FIRST NATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

17. SEGMENTED INFORMATION

	ADJUSTMENTS			CONSOLIDATED TOTAL		
	Budget 2016	2016	2015	Budget 2016	2016	2015
REVENUES						
Federal Government						
Operating Transfers	-	-	-	24,833,928	34,833,888	31,310,348
Capital Transfers	-	-	-	2,447,893	4,612,659	3,124,175
CMHC	-	-	-	388,000	296,516	307,093
Service Canada	-	-	-	-	463,043	436,103
Other	-	-	-	1,348,038	2,100,838	1,591,491
	-	-	-	29,017,859	42,306,944	36,769,210
EXPENSES						
Salaries and benefits	-	-	-	8,730,900	12,360,850	12,165,420
Debt servicing	-	-	-	380,000	97,688	120,250
Amortization	-	-	-	-	5,547,166	5,490,885
Other	-	-	-	19,180,207	25,418,921	21,409,681
	-	-	-	28,291,107	43,424,625	39,186,236
ANNUAL SURPLUS (DEFICIT)	-	-	-	726,752	(1,117,681)	(2,417,026)