

**Garden Hill First Nation
Consolidated Financial Statements**
March 31, 2018

Garden Hill First Nation Contents

For the year ended March 31, 2018

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Management's Responsibility

To the Members of Garden Hill First Nation:

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

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

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

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

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

March 15, 2019



Independent Auditors' Report

To the Members and Chief and Council of Garden Hill First Nation:

We have audited the accompanying consolidated financial statements of Garden Hill First Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

Garden Hill First Nation's consolidated statement of operations and accumulated surplus and consolidated statement of change in net debt do not present a comparison of the results for the accounting period with those originally planned which constitutes a departure from Canadian public sector accounting standards.

We did not observe the inventory count at the beginning or the end of the year and alternative means did not provide us with the necessary assurance. Since inventory enters into the determination of the results of operations, net debt and cash flows, we were unable to determine whether adjustments to inventory, accounts payable, expenses, annual surplus (deficit), accumulated surplus, net debt and cash provided from operations might be necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Garden Hill First Nation as at March 31, 2018 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of Garden Hill First Nation for the year ended March 31, 2017 were audited by another Chartered Professional Accounting firm who expressed an unqualified opinion on their report dated February 2, 2018.

Winnipeg, Manitoba

March 15, 2019

MNP LLP

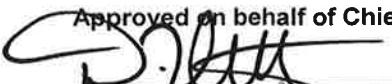
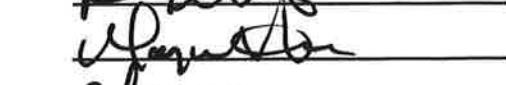
Chartered Professional Accountants

MNP

Garden Hill First Nation
Consolidated Statement of Financial Position
As at March 31, 2018

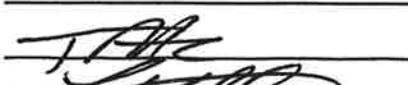
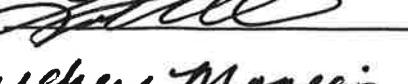
	2018	2017 (Restated)
Financial assets		
Cash	482,326	2,995,557
Accounts receivable (Note 4)	335,015	1,126,435
Restricted cash (Note 5)	669,277	663,883
	1,486,618	4,785,875
Liabilities		
Accounts payable and accruals (Note 6)	4,943,844	8,061,394
Deferred revenue (Note 7)	845,531	1,032,696
Long-term debt (Note 8)	4,325,538	4,600,125
	10,114,913	13,694,215
Net debt	(8,628,295)	(8,908,340)
Contingencies (Note 15)		
Non-financial assets		
Tangible capital assets (Schedule 1)	99,749,482	101,236,235
Inventories of supplies	585,000	-
Prepaid expenses	28,840	592,943
	100,363,322	101,829,178
Accumulated surplus (Note 9)	91,735,027	92,920,838

Approved on behalf of Chief and Council



Chief
Councillor
Councillor
Councillor


Vice-Chief
Councillor
Councillor

Garden Hill First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	<i>Schedules</i>	2018	2017 (Restated)
Revenue			
Indigenous Service Canada (ISC) (Note 12)		32,327,247	33,493,461
First Nations and Inuit Health (FNIH) (Note 13)		5,153,716	4,452,410
Manitoba Keewatinowi Okimakanak Inc.		1,071,855	1,090,028
Other revenue		2,288,740	867,534
Island Lake Tribal Council		655,067	462,256
Canada Mortgage and Housing Corporation		368,648	1,091,341
Province of Manitoba		41,865,273	41,457,030
Deferred revenue - prior year (Note 7)		655,238	487,856
Deferred revenue - current year (Note 7)		1,032,696	221,963
Funding recoveries		(845,531)	(1,032,696)
		(235,758)	-
		42,471,918	41,134,153
Segment expenses			
Governance and Administration	4	9,099,089	7,140,889
Education	5	12,910,279	12,813,353
Public Works	6	3,744,978	3,846,813
Social	7	9,879,255	10,150,373
Housing	8	724,209	1,071,273
Economic Development	9	1,302,018	1,648,128
Health	10	5,208,163	4,518,064
Daycare	11	567,489	464,301
Own Source	12	222,249	253,710
Total segment expenses		43,657,729	41,906,904
Deficit before other items		(1,185,811)	(772,751)
Other items			
Forgiveness of debt		-	2,574,335
Annual surplus (deficit)		(1,185,811)	1,801,584
Accumulated surplus, beginning of year, as previously stated		92,476,925	91,119,254
Correction of an error (Note 16)		443,913	-
Accumulated surplus, beginning of year, as restated		92,920,838	91,119,254
Accumulated surplus, end of year		91,735,027	92,920,838

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

Garden Hill First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2018

	2018	2017 (Restated)
Annual surplus (deficit)		
Purchases of tangible capital assets	(1,185,811)	1,801,584
Amortization of tangible capital assets	(4,284,428)	(1,998,003)
Acquisition of supplies inventories	5,771,181	5,602,398
Use of prepaid expenses	(585,000)	-
	564,103	416,134
Decrease in net debt	280,045	5,822,113
Net debt, beginning of year	(8,908,340)	(14,730,453)
Net debt, end of year	(8,628,295)	(8,908,340)

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

Garden Hill First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
	<i>(Restated)</i>	
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	(1,185,811)	1,801,584
Non-cash items		
Amortization	5,771,181	5,602,398
Forgiveness of debt	-	(2,574,335)
	4,585,370	4,829,647
Changes in working capital accounts		
Accounts receivable	791,420	(129,995)
Prepaid expenses	564,103	416,134
Inventory	(585,000)	-
Accounts payable and accruals	(3,117,550)	(3,464,178)
Deferred revenue	(187,165)	810,933
Restricted cash	(5,394)	(1,095)
	2,045,784	2,461,446
Financing activities		
Repayment of long-term debt	(274,587)	(428,436)
Capital activities		
Purchases of tangible capital assets	(4,284,428)	(1,998,003)
Increase (decrease) in cash resources	(2,513,231)	35,007
Cash resources, beginning of year	2,995,557	2,960,550
Cash resources, end of year	482,326	2,995,557

Garden Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

1. Operations

The Garden Hill First Nation (the "First Nation") is located in the province of Manitoba, and provides various services to its Members. Garden Hill First Nation includes the First Nation's government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Change in accounting policy

Effective April 1, 2017, the First Nation adopted the recommendations relating the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 Related Party Disclosures
- PS 3420 Inter-entity Transactions
- PS 3210 Assets
- PS 3320 Contingent Assets
- PS 3380 Contractual Rights

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements of adopting the new Sections.

3. Significant accounting policies

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

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. As at March 31, 2018 the First Nation does not have any investments in business entities. Trusts administered on behalf of third parties by Garden Hill First Nation are excluded from the First Nation reporting entity.

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

- 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
- Meekanaw Winter Road
- Awasis Daycare Center
- East Side Road Authority

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Basis of presentation

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

Cash resources

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

Garden Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Funds held in Ottawa Trust Fund

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

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

Asset classification

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

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 financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Tangible capital assets

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

Amortization

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

	Method	Rate
Buildings	straight-line	20-50 years
Housing	straight-line	25 years
Equipment	straight-line	5-10 years
Roads and Bridges	straight-line	30-50 years
Vehicles	straight-line	3-15 years
Land improvements	straight-line	20 years

Long-lived assets

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

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

Garden Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

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

Inventory

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

Revenue recognition

Government Transfers

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

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

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

Financial instruments

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

Measurement uncertainty

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

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

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

Garden Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Segments

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

Governance and Administration - includes administration, governance activities, and band operations.

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

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

Social - includes activities delivering social and employment assistance programming.

Housing - activities include the management and maintenance of Band owned houses for community members.

Economic Development - includes business development activities.

Health - deliver health services to the First Nation.

Daycare - exists to provide a safe and developmentally appropriate environment for the children.

Other Programs - includes all other programs and services of the First Nation.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 3 the *Significant accounting policies*.

Employee future benefits

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

4. Accounts receivable

	2018	2017
Indigenous Services Canada	84,451	551,533
Canada Mortgage and Housing Corporation	24,002	292,198
Other receivables	405,334	411,204
	<hr/>	<hr/>
	513,787	1,254,935
Less: allowance for doubtful accounts	<hr/>	<hr/>
	178,772	128,500
	<hr/>	<hr/>
	335,015	1,126,435
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Garden Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

5. Restricted cash

	2018	2017
CMHC operating surplus reserve	126,106	194,471
CMHC replacement reserve	529,326	456,726
Ottawa Trust Fund	13,845	12,686
	669,277	663,883

Ottawa Trust Fund

The Ottawa Trust Fund arises from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is similarly governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned, when it is measurable and when collection is reasonably assured. Capital and Revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with consent of the First Nation's Chief and Council.

Capital trust	\$0 (2017 - \$0); 2018 interest revenue - \$0 (2017 - \$0)
Revenue trust	\$13,845 (2017 - \$12,686); 2018 interest revenue - \$1,159 (2017 - \$1,095)

CMHC replacement reserve

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2018, the replacement reserve bank account was fully funded (2017 - fully funded).

CMHC operating surplus reserve

Under the terms of the agreements with CMHC, excess federal assistance payments received may be retained in an operating surplus reserve. The reserve is to be comprised of monies deposited in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in this account may only be used to meet future subsidy requirements of of income tested occupants. At year end, the bank account was underfunded by \$177,575 (2017 - underfunded by \$53,872).

6. Accounts payable and accruals

	2018	2017 (Restated)
Trade payables and accrued liabilities	1,437,581	1,525,211
Payable to ISC	77,791	8,370
Old debt payables	3,428,473	6,527,812
	4,943,844	8,061,394

7. Deferred revenue

	2018	2017
Island Lake Tribal Council Inc.	30,999	-
First Nation Inuit Health	199,225	101,763
Indigenous Services Canada	615,307	930,933
	845,531	1,032,696

Garden Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Long-term debt

	2018	2017
CMHC Mortgage repayable in blended monthly installments of \$3,082, including interest at 1.12%, maturity date of December 1, 2021, renewal date of February 1, 2020, secured by a Ministerial guarantee and assignment of fire insurance.	135,775	171,034
CMHC Mortgage repayable in blended monthly installments of \$6,873, including interest at 2.11%, maturity date of November 1, 2033, renewal date of January 1, 2019, secured by a Ministerial guarantee and assignment of fire insurance.	1,100,105	1,158,795
CMHC Mortgage repayable in blended monthly installments of \$6,857, including interest at 2.11%, maturity date of November 1, 2033, renewal date of January 1, 2019, secured by a Ministerial guarantee and assignment of fire insurance.	1,097,567	1,156,121
CMHC Mortgage repayable in blended monthly installments of \$5,890, including interest at 2.11%, maturity date of December 1, 2033, renewal date of January 1, 2019, secured by a Ministerial guarantee and assignment of fire insurance.	946,951	997,156
CMHC Mortgage repayable in blended monthly installments of \$5,319, including interest at 1.39%, maturity date of May 1, 2035, renewal date of June 1, 2020, secured by a Ministerial guarantee and assignment of fire insurance.	974,539	1,024,478
Loan payable in blended monthly installments of \$1,316, including at prime (3.45%) plus 4%, due April 2019, secured by related vehicle.	17,168	31,541
Loan payable in blended monthly installments of \$1,082, including interest at 7.93%, due March 2023, secured by related vehicle.	53,433	61,000
	4,325,538	4,600,125

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

	Total
2019	281,000
2020	273,700
2021	277,200
2022	273,700
2023	251,700

9. Accumulated surplus

Accumulated surplus is comprised of the following:

	2018	2017 (Restated)
Equity in Ottawa Trust Funds	13,845	12,686
CMHC replacement reserve	529,326	456,726
CMHC operating surplus reserve	303,681	248,343
Investment in tangible capital assets	95,423,944	96,636,110
Unrestricted accumulated deficit	(4,535,769)	(4,433,027)
	91,735,027	92,920,838

Garden Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

10. Comparative figures

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

11. Economic dependence

Garden Hill First Nation receives substantially all of its revenue from Indigenous Services Canada ("ISC") and Health Canada as a result of Treaties entered into with the Government of Canada. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

12. Reconciliation of funding from Indigenous Services Canada ("ISC")

The ISC revenue of \$32,327,247 on the consolidated statement of operations and accumulated surplus agrees to the ISC confirmation.

13. Reconciliation of funding from Health Canada

The Health Canada funding of \$5,153,716 on the consolidated statement of operations and accumulated surplus agrees to the Health Canada confirmation.

14. First Nations Financial Transparency and Accountability Act

The First Nation was required to post its consolidated financial statements on a website and submit the consolidated financial statements to Indigenous Services Canada by July 29, 2018. Since the audit report date is dated after this date, the First Nation has not complied with this requirement. The possible effect of this non-compliance has not yet been determined. The First Nation fully intends to post its consolidated financial statements on a website upon release of these consolidated financial statements.

15. Contingent liabilities

The First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements. If the First Nation's program spending exceeds the funding provided, the First Nation is also liable to cover these excess costs. As at March 31, 2018, the First Nation believes they are in compliance with the terms and conditions of these agreements.

ISC has confirmed that \$258,464 might be recovered. No repayments terms have been determined at this time and no accrual has been made.

Garden Hill First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

16. Correction of an error

The First Nation determined that the revenues and expense of the employment and training program were not included in the prior year financial statements. This resulted in an increase in revenues and expenses of \$1,090,028. The First Nation also determined that it had not included the tobacco tax rebates and the related expenses and payments to a vendor with these rebates in the prior year financial statements. This resulted in an increase in revenues of \$487,856, increase in expenses of \$43,943, increase in annual surplus and accumulated surplus of \$443,913 and decrease in accounts payable of \$443,913.

The following amounts have been restated as at and for the year ended March 31, 2017:

	As previously stated	Adjustments	Restated
Consolidated Statement of Financial Position			
Accounts payable	8,505,307	443,913	8,061,394
Accumulated surplus	92,476,925	443,913	92,920,838
Consolidated Statement of Operation			
Revenue	39,556,269	1,577,884	41,134,153
Expenses	40,772,933	1,133,971	41,906,904
Annual surplus (deficit)	1,357,671	443,913	1,801,584
Accumulated surplus, end of year	92,476,925	443,913	92,920,838

Garden Hill First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Buildings</i>	<i>Housing</i>	<i>Equipment</i>	<i>Road and Bridges</i>	<i>Vehicles</i>	<i>Land improvements</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	86,734,162	79,936,260	988,985	7,143,705	1,857,153	880,381	177,540,646
Acquisition of tangible capital assets	979,147	1,887,687	294,000	-	991,261	-	4,152,095
Balance, end of year	87,713,309	81,823,947	1,282,985	7,143,705	2,848,414	880,381	181,692,741
Accumulated amortization							
Balance, beginning of year	28,323,016	42,548,894	792,958	5,127,302	909,283	725,958	78,427,411
Annual amortization	2,237,737	3,073,022	98,940	130,313	200,284	30,885	5,771,181
Balance, end of year	30,560,753	45,621,916	891,898	5,257,615	1,109,567	756,843	84,198,592
Net book value of tangible capital assets	57,152,556	36,202,031	391,087	1,886,090	1,738,847	123,538	97,494,149
2017 Net book value of tangible capital assets	58,411,146	37,387,366	196,027	2,016,403	947,870	154,423	99,113,235

Garden Hill First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Construction in progress</i>	<i>2018</i>	<i>2017</i>
Cost				
Balance, beginning of year	177,540,646	2,123,000	179,663,646	177,665,643
Acquisition of tangible capital assets	4,152,095	132,333	4,284,428	1,998,003
Balance, end of year	181,692,741	2,255,333	183,948,074	179,663,646
Accumulated amortization				
Balance, beginning of year	78,427,411	-	78,427,411	72,825,013
Annual amortization	5,771,181	-	5,771,181	5,602,398
Balance, end of year	84,198,592	-	84,198,592	78,427,411
Net book value of tangible capital assets	97,494,149	2,255,333	99,749,482	101,236,235
2017 Net book value of tangible capital assets	99,113,235	2,123,000	101,236,235	

Garden Hill First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2018

	2018	2017 (Restated)
Expenses by object		
Allowances	616,548	597,817
Amortization	5,771,181	5,602,398
Bad debts	50,272	-
Bank charges and interest	515,172	57,260
Basic needs	7,746,964	7,889,828
Board travel, training and honouraria	32,900	41,300
Community and member assistance	209,322	328,899
Fuel and oil	226,650	300,256
Funeral	144,104	151,108
Honouraria	432,025	418,829
Hydro	1,750,046	1,608,205
Insurance	382,894	292,831
Interest on long-term debt	83,604	126,996
Office, supplies and other	2,721,754	2,989,009
Professional development	361,204	199,035
Professional fees	664,560	414,818
Projects and programming activities	1,841,475	1,791,882
Remediation	386,947	944,188
Repairs and maintenance	2,225,863	2,567,900
Salaries and benefits	14,140,945	13,382,426
Shelter allowance	168,654	189,282
Special needs assistance	275,338	284,604
Student accommodation services	61,124	73,978
Transportation	113,531	99,532
Travel	2,172,012	932,141
Tuition payments	278,912	312,069
User fees	55,697	61,382
Wood allowance	228,031	248,931
	43,657,729	41,906,904

Garden Hill First Nation
Schedule 3 - Consolidated Summary Schedule of Segment Revenue and Expenses
For the year ended March 31, 2018

	Schedule #	Total Revenue	Total Expenses	Current Surplus (Deficit)	Prior Year Surplus (Deficit) (Restated)
Segments					
Governance and Administration	4	3,882,997	9,099,089	(5,216,092)	(2,291,512)
Education	5	12,788,717	12,910,279	(121,562)	1,986,418
Public Works	6	7,866,271	3,744,978	4,121,293	1,822,117
Social	7	9,909,015	9,879,255	29,760	70,391
Housing	8	772,645	724,209	48,436	177,019
Economic Development	9	1,482,073	1,302,018	180,055	25,988
Health	10	4,962,741	5,208,163	(245,422)	(60,198)
Daycare	11	641,356	567,489	73,867	16,420
Own Source	12	166,104	222,249	(56,145)	54,941
		42,471,918	43,657,729	(1,185,811)	1,801,584

Garden Hill First Nation
Governance and Administration
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018	2017 (Restated)
Revenue		
Indigenous Service Canada	2,333,271	1,807,987
Other revenue	1,438,302	1,114
Province of Manitoba	655,238	487,856
Deferred revenue - prior year	129,999	221,963
Deferred revenue - current year	(51,683)	(129,999)
Funding recoveries	(141,554)	-
	4,363,573	2,388,921
Expenses		
Amortization	5,505,527	5,598,673
Bank charges and interest	502,770	35,280
Community and member assistance	174,139	299,169
Honouraria	255,700	268,311
Insurance	78,749	97,401
Interest on long-term debt	-	(435)
Office, supplies and other	129,040	118,113
Professional development	10,379	35,409
Professional fees	368,996	345,412
Projects and programming activities	220,439	15,490
Repairs and maintenance	95,000	-
Salaries and benefits	535,261	206,018
Travel	1,223,089	122,048
	9,099,089	7,140,889
Deficit before other items	(4,735,516)	(4,751,968)
Other items		
Debt forgiveness	-	2,574,335
Transfers between segments	(480,576)	(113,879)
Deficit	(5,216,092)	(2,291,512)

Garden Hill First Nation
Education
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Service Canada	12,193,769	14,744,028
Other revenue	60,000	129,004
Funding recoveries	(40,339)	-
	12,213,430	14,873,032
Expenses		
Allowances	487,760	440,556
Bank charges and interest	1,503	12,000
Board travel, training and honouraria	-	17,400
Fuel and oil	73,881	59,231
Honouraria	112,120	114,324
Hydro	283,366	194,092
Insurance	19,872	23,109
Office, supplies and other	1,912,088	2,040,089
Professional development	145,355	80,148
Professional fees	120,203	27,927
Projects and programming activities	450,021	562,379
Repairs and maintenance	410,170	445,959
Salaries and benefits	8,246,346	8,088,422
Student accommodation services	61,124	73,978
Transportation	9,216	18,927
Travel	298,342	302,743
Tuition payments	278,912	312,069
	12,910,279	12,813,353
Surplus (deficit) before transfers	(696,849)	2,059,679
Transfers between segments	575,287	(73,261)
Surplus (deficit)	(121,562)	1,986,418

Garden Hill First Nation
Public Works
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Service Canada	7,480,973	6,148,595
Other revenue	147,987	153,153
Deferred revenue - prior year	800,934	-
Deferred revenue - current year	(563,623)	(800,934)
	7,866,271	5,500,814
Expenses		
Fuel and oil	34,725	88,048
Honouraria	64,205	36,194
Hydro	485,741	511,885
Insurance	53,762	15,000
Office, supplies and other	173,215	198,155
Professional fees	49,447	-
Projects and programming activities	428,269	356,795
Remediation	386,947	944,188
Repairs and maintenance	1,313,697	1,003,966
Salaries and benefits	717,032	685,760
Travel	37,938	6,822
	3,744,978	3,846,813
Surplus before transfers	4,121,293	1,654,001
Transfers between segments	-	168,116
Surplus	4,121,293	1,822,117

Garden Hill First Nation
Social
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Service Canada	9,909,015	10,208,764
Expenses		
Basic needs	7,746,964	7,889,828
Funeral	118,754	151,108
Hydro	770,994	780,974
Office, supplies and other	9,873	22,908
Professional fees	64,905	-
Projects and programming activities	114,191	19,125
Salaries and benefits	317,476	485,562
Shelter allowance	168,654	189,282
Special needs assistance	275,338	284,604
Travel	8,378	16,669
User fees	55,697	61,382
Wood allowance	228,031	248,931
	9,879,255	10,150,373
Surplus before transfers	29,760	58,391
Transfers between segments	-	12,000
Surplus	29,760	70,391

Garden Hill First Nation
Housing
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018	2017
Revenue		
Canada Mortgage and Housing Corporation	368,648	1,091,341
Other revenue	423,797	189,282
	792,445	1,280,623
Expenses		
Amortization	242,480	3,725
Insurance	176,203	40,000
Interest on long-term debt	83,604	127,430
Professional fees	15,333	10,000
Projects and programming activities	78,969	57,631
Repairs and maintenance	77,480	793,623
Salaries and benefits	30,445	24,879
Travel	19,695	13,985
	724,209	1,071,273
Surplus before transfers	68,236	209,350
Transfers between segments	(19,800)	(32,331)
Surplus	48,436	177,019

Garden Hill First Nation
Economic Development
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018	2017 (Restated)
Revenue		
Indigenous Service Canada	410,218	584,088
Manitoba Keewatinowi Okimakanak Inc.	1,071,855	1,090,028
	1,482,073	1,674,116
Expenses		
Allowances	128,788	157,261
Office, supplies and other	69,661	113,696
Projects and programming activities	136,997	362,711
Salaries and benefits	808,342	926,905
Travel	158,230	87,555
	1,302,018	1,648,128
Surplus	180,055	25,988

Garden Hill First Nation
Health
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018	2017
Revenue		
First Nations and Inuit Health (FNIH)	5,153,716	4,452,410
Other revenue	35,263	67,864
Deferred revenue - prior year	101,763	-
Deferred revenue - current year	(199,225)	(101,763)
Funding recoveries	(53,865)	-
	5,037,652	4,418,511
Expenses		
Amortization	23,174	-
Bank charges and interest	9,828	9,479
Board travel, training and honouraria	32,900	23,900
Fuel and oil	115,044	127,626
Hydro	202,014	113,793
Insurance	41,584	113,162
Office, supplies and other	306,936	399,765
Professional development	196,346	48,361
Professional fees	35,925	23,388
Projects and programming activities	407,597	386,917
Repairs and maintenance	329,516	324,353
Salaries and benefits	2,988,725	2,497,459
Transportation	104,316	80,605
Travel	414,258	369,256
	5,208,163	4,518,064
Deficit before transfers	(170,511)	(99,553)
Transfers between segments	(74,911)	39,355
Deficit	(245,422)	(60,198)

Garden Hill First Nation
Daycare
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018	2017
Revenue		
Island Lake Tribal Council	655,067	462,256
Other revenue	17,288	18,465
Deferred revenue - current year	(30,999)	-
	641,356	480,721
Expenses		
Bad debts	50,272	-
Bank charges and interest	396	404
Hydro	7,931	7,461
Insurance	12,723	4,159
Office, supplies and other	110,353	69,726
Professional development	9,124	35,117
Professional fees	5,250	5,000
Salaries and benefits	370,296	341,710
Travel	1,144	724
	567,489	464,301
Surplus	73,867	16,420

Garden Hill First Nation
Own Source
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018	2017
Revenue		
Other revenue	166,104	308,651
Expenses		
Bank charges and interest	676	96
Community and member assistance	35,183	29,730
Fuel and oil	3,000	25,351
Funeral	25,350	-
Office, supplies and other	10,588	26,557
Professional fees	4,500	3,091
Projects and programming activities	4,992	30,835
Salaries and benefits	127,023	125,712
Travel	10,937	12,338
	222,249	253,710
Surplus (deficit)	(56,145)	54,941