

**GARDEN HILL FIRST NATION
CONSOLIDATED
FINANCIAL STATEMENTS
MARCH 31, 2019**

GARDEN HILL FIRST NATION

MARCH 31, 2019

CONTENTS

	Page
MANAGEMENT'S RESPONSIBILITY	1
AUDITORS' REPORT	2-3
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Changes in Net Debt	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 19
Consolidated Schedule of Expenses by Object	20
Consolidated Summary of Operations by Segment	21
CONSOLIDATED SCHEDULES OF OPERATIONS BY SEGMENT	
Schedule 1 - Governance and Administration	22
Schedule 2 - Social	23
Schedule 3 - Health	24
Schedule 4 - Housing	25
Schedule 5 - Economic Development	26
Schedule 6 - Education	27
Schedule 7 - Operations and Maintenance	28
Schedule 8 - Daycare	29
Schedule 9 - Own Source	30
REVIEW ENGAGEMENT REPORT - SALARIES, HONORARIA AND TRAVEL FOR ELECTED AND ELECTED SENIOR OFFICIALS	31
Schedule of Salaries, Honoraria and Travel for Elected Officials	32
REVIEW ENGAGEMENT REPORT - SALARIES, HONORARIA AND TRAVEL - UNELECTED OFFICIALS	33
Schedule of Salaries, Honoraria and Travel for Unelected Officials	34

MANAGEMENT'S RESPONSIBILITY

To the Members of the Garden Hill First Nation:

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 Chief and Council.

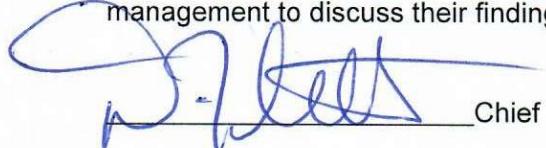
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based upon estimates and judgments. When alternative accounting methods exist, management has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

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

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

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

Zaplitny and Zamrykut, Chartered Professional Accountants were appointed by the Chief and Council to audit the consolidated financial statements and report directly to them and the members of the First Nation; 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 findings.



Chief



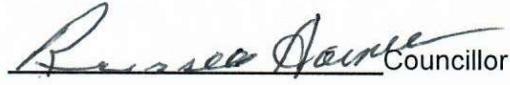
Councillor



Councillor



Councillor



Councillor



Councillor



Anchey Monias



Gerry Sudd

AUDITORS' REPORT

To the Members of the Garden Hill First Nation:

Qualified Opinion

We have audited the accompanying consolidated financial statements of the Garden Hill First Nation which comprise of the statement of consolidated financial position as at March 31, 2019 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.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Garden Hill First Nation as at March 31, 2019, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The prior year comparatives were audited by another firm of chartered professional accountants who issued a qualified opinion.

Basis for Qualified Opinion

We are unable to obtain sufficient appropriate evidence relating tangible capital assets acquired in prior years which affected our ability to address the existence, completeness and valuation for capital assets. As a result, we were unable to determine whether adjustments to tangible capital assets, amortization expense and accumulated surplus might be necessary.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Program in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for 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.

In preparing the consolidated financial statements, management is responsible for assessing the Program'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 Program or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Program's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee than 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 these consolidated 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:

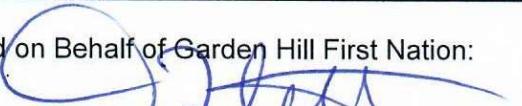
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional 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 purpose of expressing an opinion on the effectiveness of the Program'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 events or conditions that may cast significant doubt on the Program's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Program to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

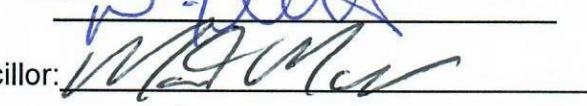
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

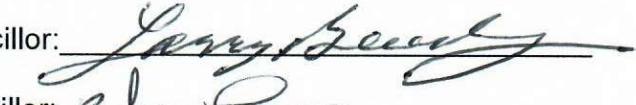
GARDEN HILL FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

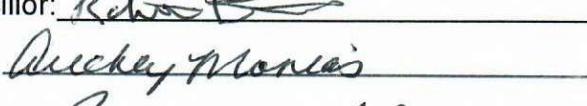
	2019	2018
FINANCIAL ASSETS		
Cash	\$ 1,152,238	\$ 482,326
Restricted Cash - Note 3	489,236	669,277
Accounts Receivable - Note 4	1,104,670	335,015
	2,746,144	1,486,618
FINANCIAL LIABILITIES		
Accounts Payable and Accrued Liabilities - Note 5	7,296,081	4,943,844
Deferred Revenue - Note 6	2,162,379	845,531
Long Term Debt - Note 7	4,065,546	4,325,538
	13,524,006	10,114,913
NET DEBT	(10,777,862)	(8,628,295)
NON-FINANCIAL ASSETS		
Tangible Capital Assets - Note 9	99,263,276	99,749,482
Inventories of Supplies	1,319,262	585,000
Prepaid Expenses	99,621	28,840
	100,682,159	100,363,322
ACCUMULATED SURPLUS - NOTE 8	\$ 89,904,297	\$ 91,735,027

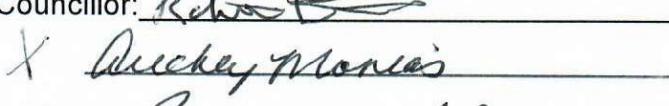
Approved on Behalf of Garden Hill First Nation:

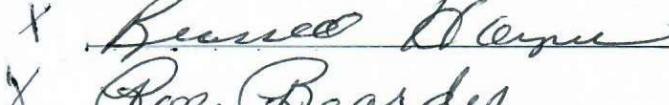
Chief: 

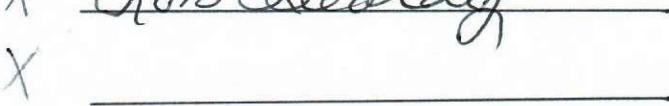
Councillor: 

Councillor: 

Councillor: 

X 

X 

X 

X 

(The accompanying notes are an integral part of these financial statements.)

GARDEN HILL FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2019

	<i>(Unaudited)</i> 2019		
	Budget	2019	2018
REVENUE			
Indigenous Services Canada (ISC)	\$ -	\$ 38,940,250	\$ 32,327,247
First Nations and Inuit Health (FNIH)	5,536,749	5,518,277	5,153,716
Manitoba Keewatinowi Okimakanak Inc.	-	1,048,648	1,071,855
Other Revenue	-	934,047	1,864,943
Island Lake Tribal Council	-	937,090	655,067
Rent	-	256,200	423,797
Canada Mortgage and Housing Corporation (CMHC)	-	455,975	368,648
Province of Manitoba	-	-	655,238
Deferred Revenue - Prior Year	-	845,531	1,032,696
Deferred Revenue - Current Year	-	(2,162,379)	(845,531)
Funding Recoveries	-	(118,308)	(235,758)
	5,536,749	46,655,331	42,471,918
EXPENSES			
Governance and Administration	-	8,543,342	9,099,089
Social	-	10,747,944	9,879,255
Health	5,569,548	5,565,353	5,208,163
Housing	-	593,140	724,209
Economic Development	-	1,231,823	1,302,018
Education	-	13,385,340	12,910,279
Operations and Maintenance	-	7,465,317	3,744,978
Own Source	-	279,367	222,249
Daycare	-	441,606	567,489
	5,569,548	48,253,232	43,657,729
ANNUAL SURPLUS (DEFICIT)	\$ (32,799)	(1,597,901)	(1,185,811)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		91,735,027	92,476,925
PRIOR PERIOD ADJUSTMENT - NOTE 12		(232,829)	443,913
ACCUMULATED SURPLUS, END OF YEAR	\$ 89,904,297	\$ 91,735,027	

(The accompanying notes are an integral part of these financial statements.)

GARDEN HILL FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
ANNUAL SURPLUS (DEFICIT)	\$ (1,597,901)	\$ (1,185,811)
Acquisition of Tangible Capital Assets	(5,296,431)	(4,284,428)
Amortization of Tangible Capital Assets	5,782,637	5,771,181
Change in Prepaid Expenses	(70,781)	564,103
Acquisitions of Supplies of Inventories	(734,262)	(585,000)
Prior Period Adjustment - Note 12	(232,829)	443,913
CHANGE IN NET DEBT	(2,149,567)	723,958
NET DEBT, BEGINNING OF YEAR	(8,628,295)	(9,352,253)
NET DEBT, END OF YEAR	\$ (10,777,862)	\$ (8,628,295)

(The accompanying notes are an integral part of these financial statements.)

GARDEN HILL FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

MARCH 31, 2019

	2019	2018
CASH PROVIDED BY OPERATING ACTIVITIES		
Annual Surplus (Deficit)	\$ (1,597,901)	\$ (1,185,811)
Items not requiring an outlay of cash:		
Amortization	5,782,637	5,771,181
	<hr/> 4,184,736	<hr/> 4,585,370
CHANGES IN NON-CASH WORKING CAPITAL		
Accounts Receivable	(769,655)	791,420
Prepaid Expenses	(70,781)	564,103
Inventory	(734,262)	(585,000)
Accounts Payable and Accruals	2,119,408	(3,117,550)
Deferred Revenue	1,316,848	(187,165)
Restricted Cash	180,041	(5,394)
	<hr/> 2,041,599	<hr/> (2,539,586)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<hr/> 6,226,335	<hr/> 2,045,784
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Debt Repayments	(259,992)	(274,587)
CASH FROM INVESTING ACTIVITIES		
Property, Plant and Equipment Purchases	(5,296,431)	(4,284,428)
NET INCREASE IN CASH AND CASH EQUIVALENTS	<hr/> 669,912	<hr/> (2,513,231)
NET CASH AND CASH EQUIVALENTS, beginning of year	482,326	2,995,557
NET CASH AND CASH EQUIVALENTS, end of year	<hr/> \$ 1,152,238	<hr/> \$ 482,326

(The accompanying notes are an integral part of these financial statements.)

GARDEN HILL FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

1. NATURE OF ENTITY

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. SUMMARY OF 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, 2019 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 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

MARCH 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

GARDEN HILL FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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, 2019.

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.

GARDEN HILL FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

MARCH 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

Operations and Maintenance - 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.

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 2 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.

GARDEN HILL FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

3. RESTRICTED CASH

	2019	2018
CMHC Operating Surplus Reserve	\$ 22,886	\$ 126,106
CMHC Replacement Reserve	451,244	529,326
Ottawa Trust Fund	15,106	13,845
	<hr/>	<hr/>
	\$ 489,236	\$ 669,277

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 (2018 - \$0); 2018 interest revenue - \$0 (2018 - \$0) Revenue trust \$15,106 (2018 - \$13,845); 2018 interest revenue - \$1,261 (2018 - \$1,159)

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, 2019, the replacement reserve bank account was fully funded (2018 - 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 \$311,935 (2018 - underfunded by \$177,575).

GARDEN HILL FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

4. ACCOUNTS RECEIVABLE

	2019	2018
Indigenous Services Canada	\$ 1,062,603	\$ 84,451
Canada Mortgage and Housing Corporation	-	24,002
Health Canada	59,718	-
Other Receivables	9,812	405,334
	1,132,133	513,787
Less: Allowance for Doubtful Accounts	27,463	178,772
	\$ 1,104,670	\$ 335,015

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Trade	\$ 7,000,240	\$ 4,860,350
Due to Indigenous Services Canada	289,353	77,791
Accrued Liabilities	6,488	5,703
	\$ 7,296,081	\$ 4,943,844

6. DEFERRED REVENUE

	2019	2018
Island Lake Tribal Council Inc.	\$ 9,812	\$ 30,999
First Nation Inuit Health	128,743	199,225
Indigenous Services Canada	2,023,824	615,307
	\$ 2,162,379	\$ 845,531

GARDEN HILL FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

7. LONG TERM DEBT

These loans are secured by a ministerial guarantee by the Government of Canada unless otherwise noted.

	2019	2018
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,082 including interest Interest: 1.12% Maturity Date: December 1, 2021	\$ 100,119	\$ 135,775
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$6,873 including interest Interest: 2.11% Maturity Date: November 1, 2033	1,040,172	1,100,105
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$6,857 including interest Interest: 2.11% Maturity Date: November 1, 2033	1,037,772	1,097,567
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$5,890 including interest Interest: 2.11% Maturity Date: December 1, 2033	895,681	946,951
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$5,319 including interest Interest: 1.39% Maturity Date: May 1, 2015	923,903	974,539
Term Loan Payable Terms: Monthly payments of \$1,230 including interest Interest: 0.99% Maturity Date: March 20, 2020	43,545	70,601
Term Loan Payable Terms: Monthly payments of \$1,304 including interest Interest: 7.93%	24,354	-
	<hr/> \$ 4,065,546	<hr/> \$ 4,325,538

GARDEN HILL FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

8. ACCUMULATED SURPLUS

	2019	2018
Equity in Ottawa Trust Funds	\$ 15,106	\$ 13,845
CMHC Replacement Reserve	428,358	529,326
CMHC Operating Surplus Reserve	334,821	303,681
Investment in Tangible Capital Assets	92,085,587	95,423,944
Unrestricted Accumulated Deficit	(2,959,575)	(4,535,769)
	<hr/> \$ 89,904,297	<hr/> \$ 91,735,027

GARDEN HILL FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

9. TANGIBLE CAPITAL ASSETS

	Vehicles	Buildings	Equipment	Roads and Bridges	Land Improvements	Housing	2019
COST							
Balance, Beginning of Year	\$ 2,848,414	\$ 89,968,642	\$ 1,282,985	\$ 7,143,705	\$ 880,381	\$81,823,947	\$183,948,074
Acquisition of Tangible Capital Assets	685,619	3,081,659	905,362	62,190	-	561,601	5,296,431
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	3,534,033	93,050,301	2,188,347	7,205,895	880,381	82,385,548	189,244,505
ACCUMULATED AMORTIZATION							
Balance, Beginning of Year	1,109,567	30,560,753	891,898	5,257,615	756,843	45,621,916	84,198,592
Amortization	337,408	2,254,334	189,476	132,386	30,885	2,838,148	5,782,637
Balance, End of Year	1,446,975	32,815,087	1,081,374	5,390,001	787,728	48,460,064	89,981,229
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS							
	\$ 2,087,058	\$ 60,235,214	\$ 1,106,973	\$ 1,815,894	\$ 92,653	\$33,925,484	\$ 99,263,276

GARDEN HILL FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

9. TANGIBLE CAPITAL ASSETS

	Vehicles	Buildings	Equipment	Roads and Bridges	Land Improvements	Housing	2018
COST							
Balance, Beginning of Year	\$ 1,857,153	\$ 86,734,162	\$ 988,985	\$ 7,143,705	\$ 880,381	\$79,936,260	\$177,540,646
Acquisition of Tangible Capital Assets	991,261	3,234,480	294,000	-	-	1,887,687	6,407,428
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	2,848,414	89,968,642	1,282,985	7,143,705	880,381	81,823,947	183,948,074
ACCUMULATED AMORTIZATION							
Balance, Beginning of Year	909,283	28,323,016	792,958	5,127,302	725,958	42,548,894	78,427,411
Amortization	200,284	2,237,737	98,940	130,313	30,885	3,073,022	5,771,181
Balance, End of Year	1,109,567	30,560,753	891,898	5,257,615	756,843	45,621,916	84,198,592
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 1,738,847	\$ 59,407,889	\$ 391,087	\$ 1,886,090	\$ 123,538	\$36,202,031	\$ 99,749,482

GARDEN HILL FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

10. INDIGENOUS SERVICES CANADA FUNDING RECONCILIATION

Funding as per 2018-19 ISC Funding Confirmation	\$ 37,911,070
Basic Needs Funding Shortfall - 2018-19	1,029,180
Adjusted Balance	38,940,250
<u>Funding as per 2018-19 Consolidated Financial Statements</u>	<u>\$ 38,940,250</u>

11. ECONOMIC DEPENDENCE

The First Nation receives a significant portion of its revenues pursuant to a funding arrangement with the Government of Canada.

12. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was recorded in the current fiscal year to adjust opening balances. The result of this adjustment was a increase in accounts payable of \$6,266, a decrease in accounts receivable of \$226,563, and a decrease in opening accumulated surplus of \$232,829.

13. PRIOR YEAR COMPARATIVES

Certain prior year comparatives have been restated to conform to the current years presentation. The prior year comparatives were audited by another firm of Chartered Professional Accountants.

GARDEN HILL FIRST NATION

SCHEDULE 1 - SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
Allowances	\$ 633,555	\$ 616,548
Amortization	6,039,975	5,771,181
Bad Debts	-	50,272
Bank Charges and Interest	344,416	515,172
Basic Needs	9,925,621	8,030,692
Board Travel, Training and Honoraria	392,449	464,925
Community and Band Member Assistance	197,502	353,426
Insurance	337,439	382,894
Interest on Long Term Debt	85,201	83,604
Office	632,594	2,721,754
Professional Development	356,979	361,204
Professional Fees	645,551	664,560
Projects and Program Costs	2,113,430	1,841,475
Repairs and Maintenance	4,393,181	2,612,810
Salaries and Benefits	18,398,438	14,140,945
Shelter Allowance	90,457	168,654
Special Needs	268,365	275,338
Student Accommodations	148,388	61,124
Travel	2,097,815	2,512,193
Tuition	491,003	278,912
Utilities	660,873	1,750,046
	<hr/> \$ 48,253,232	<hr/> \$ 43,657,729

GARDEN HILL FIRST NATION

SCHEDULE 2 - CONSOLIDATED SUMMARY SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2019

Segments	Schedule #	Total Revenue	Total Expenses	Surplus/Deficit	2017-2018 Surplus/Deficit
Governance and Administration	3	\$ 3,765,873	\$ 8,543,342	\$ (4,777,469)	\$ (5,216,092)
Social	4	10,720,852	10,747,944	(27,092)	29,760
Health	5	5,590,049	5,565,353	24,696	(245,422)
Housing	6	624,063	593,140	30,923	48,436
Economic Development	7	1,337,721	1,231,823	105,898	180,055
Education	8	14,084,357	13,385,340	699,017	(121,562)
Operations and Maintenance	9	9,406,135	7,465,317	1,940,818	4,121,293
Daycare	10	972,308	441,606	530,702	73,867
Own Source	11	153,973	279,367	(125,394)	(56,145)
		\$ 46,655,331	\$ 48,253,232	\$ (1,597,901)	\$ (1,185,810)