

**BARREN LANDS FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2016**

# BARREN LANDS FIRST NATION

MARCH 31, 2016

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## MANAGEMENT'S RESPONSIBILITY

To the Members of Barren Lands First Nation:

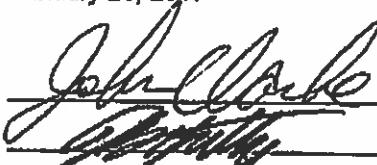
Management is responsible for the preparation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting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

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

Zaplinsky and Zamrykut, Chartered Professional Accountants, an independent firm of Chartered Professional Accountants, is appointed by the Council 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 Council and management to discuss their audit findings.

January 26, 2017

  
John Clarke  
Chief  
Councillor

  
Darlene Clarke  
Councillor

## INDEPENDENT AUDITORS' REPORT

To the Members of Barren Lands First Nation:

We have audited the consolidated statement of financial position of the Barren Lands First Nation as at March 31, 2016 and the consolidated statements of operations, changes in net debt, cash flows, and the consolidated schedule of tangible capital assets (Schedule 1) 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 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 entity's preparation and fair representation 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 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 financial statements.

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

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Barren Lands First Nation as at March 31, 2016 and the results of its operations and accumulated surplus, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The information presented in the supplementary schedules is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplemental information has been subjected only to auditing procedures applied in the audit of the basic financial statements, taken as a whole.



Zempleny and Zamrykut,  
Chartered Professional Accountants

Dauphin, Manitoba  
January 26, 2017

# BARREN LANDS FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2016

	2016	2015
<b>FINANCIAL ASSETS</b>		
Restricted Cash - Note 3	\$ 252,018	\$ 234,057
Accounts Receivable - Note 4	264,069	274,744
Fuel Inventory	423,777	477,994
Long-Term Investments - Note 5	10	10
Due from TLE Trust	236,620	236,974
	<hr/> 1,176,494	<hr/> 1,223,779
<b>LIABILITIES</b>		
Bank Indebtedness	326,170	340,302
Accounts Payable and Accrued Liabilities - Note 6	1,004,872	1,006,553
Deferred Revenue - Note 7	237,840	161,144
Long-Term Debt - Note 8	1,949,260	1,920,839
	<hr/> 3,518,142	<hr/> 3,428,838
<b>NET DEBT</b>	<hr/> (2,341,648)	<hr/> (2,205,059)
<b>NON-FINANCIAL ASSETS</b>		
Prepaid Expenses	2,835	-
Tangible Capital Assets - Schedule 1	5,960,417	6,311,878
	<hr/> 5,963,252	<hr/> 6,311,878
<b>ACCUMULATED SURPLUS - NOTE 11</b>	<hr/> \$ 3,621,604	<hr/> \$ 4,106,819

Contingent Liabilities - Note 9

Approved on Behalf of the Council

 John Clark  
Chief

 Darlene Clark  
Councillor

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

# BARREN LANDS FIRST NATION

## CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development			
Canada (AANDC)	\$ 5,061,164	\$ 2,924,431	\$ 2,830,176
First Nation and Inuit Health (FNIH)	1,015,422	1,513,827	1,464,812
Canada Mortgage and Housing Corporation (CMHC)	192,216	193,026	126,530
Other	544,302	261,281	361,930
Keewatin Tribal Council	224,569	238,719	156,535
Fuel Sales	193,038	150,901	172,217
Public Safety Canada	-	-	42,953
Province of Manitoba	149,775	262,747	272,262
Rent	51,846	87,894	92,628
Interest	18	95	343
Revenue Deferred in Prior Year - Note 6	-	161,144	-
Revenue Deferred to Subsequent Year-Note 6	-	(237,840)	(161,144)
	<b>7,432,350</b>	<b>5,556,225</b>	<b>5,359,242</b>
<b>EXPENSES</b>			
Governance and Administration	662,995	660,291	664,505
Social	1,093,485	1,401,252	1,460,889
Health	1,152,881	1,555,230	1,457,495
Housing	131,650	301,222	167,853
Economic Development	78,191	46,846	56,722
Education	2,356,381	171,974	160,246
Operations and Maintenance	1,277,341	1,006,571	1,049,744
Training and Other	1,632,832	898,054	743,056
	<b>8,385,756</b>	<b>6,041,440</b>	<b>5,760,510</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (953,406)</b>	<b>(485,215)</b>	<b>(401,268)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<b>4,106,819</b>	<b>4,508,087</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>\$ 3,621,604</b>	<b>\$ 4,106,819</b>

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

# BARREN LANDS FIRST NATION

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015
<b>ANNUAL DEFICIT</b>	\$ (485,215)	\$ (401,268)
Acquisition of Capital Assets	(97,610)	(52,596)
Amortization of Capital Assets	389,169	382,733
Prepaid Expenses	(2,835)	6,754
Loss on Disposition of Housing Unit	59,902	-
<b>DECREASE (INCREASE) IN NET DEBT</b>	(136,589)	(64,377)
<b>NET DEBT, BEGINNING OF YEAR</b>	(2,205,059)	(2,140,682)
<b>NET DEBT, END OF YEAR</b>	\$ (2,341,648)	\$ (2,205,059)

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

# BARREN LANDS FIRST NATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

MARCH 31, 2016

	2016	2015
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Excess (Deficiency) of Revenues Over Expenses	\$ (485,215)	\$ (401,268)
Loss on Disposition of Housing Unit	59,902	-
Amortization	389,169	382,733
Accounts Receivable	10,675	256,091
Inventory	54,217	47,777
Accounts Payable and Accrued Liabilities	(1,681)	(476,726)
Deferred Revenue	76,696	161,144
Prepaid Expenses	(2,835)	6,754
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>100,928</b>	<b>(23,495)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term Financing	250,000	-
Repayment of Long-Term Debt	(221,579)	(120,189)
<b>CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>28,421</b>	<b>(120,189)</b>
<b>CASH FROM INVESTING ACTIVITIES</b>		
Purchase of Capital Assets	(97,610)	(52,596)
Advances from TLE Trust	354	356
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>(97,256)</b>	<b>(52,240)</b>
<b>NET CASH INCREASE IN BANK INDEBTEDNESS</b>	<b>32,093</b>	<b>(195,924)</b>
<b>BANK BALANCE (INDEBTEDNESS), beginning of year</b>	<b>(106,245)</b>	<b>89,679</b>
<b>BANK BALANCE (INDEBTEDNESS), end of year</b>	<b>\$ (74,152)</b>	<b>\$ (106,245)</b>
<b>Bank Balance (Indebtedness) consists of:</b>	<b>2016</b>	<b>2015</b>
Restricted Cash	\$ 252,018	\$ 234,057
Bank Indebtedness	(326,170)	(340,302)
	<b>\$ (74,152)</b>	<b>\$ (106,245)</b>

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

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

### 1. OPERATIONS

The Barren Lands First Nation (The "First Nation") is located in the province of Manitoba and provides various services to its members. Barren Lands First Nation includes the government, and all related entities that are either owned or controlled by the First Nation.

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

#### *Basis of presentation*

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

#### *Reporting entity*

The consolidated financial statements are presented on a consolidated basis which includes the unincorporated business operations which are owned and/or controlled by the First Nation and programs for which separate financial statements are issued as listed in the significant accounting policies notes under the *segments* heading.

There are no incorporated business entities which are owned or controlled by the First Nation.

#### *Cash*

Cash includes balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### *Fuel Inventory*

Fuel Inventory consists of heating oil and gasoline. Inventory is valued at the lower of cost or net realizable value using the first in, first out method.

#### *Tangible capital assets*

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible capital assets are recorded at their fair value at the date of contribution. Tangible capital assets are amortized using the straight line method at rates intended to amortize the cost of the assets over their estimated useful lives:

Band Houses	5% declining balance
Buildings	5% declining balance
CMHC Houses	5% declining balance
Equipment	20% declining balance
Fuel Depot	30% declining balance
Motor Vehicles	20% declining balance
Roads	5% declining balance
Water and Wastewater Systems	5% declining balance

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

### 2. SIGNIFICANT ACCOUNTING POLICIES - continued

#### *Long-lived assets*

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described 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 amount of an asset exceeds the value of future economic benefits associated with the asset. Impairment is measured as the amount by which the assets' carrying amount exceeds the residual value of the assets' service potential to the First Nation. Any impairment is included in operations for the year.

#### *Net Debt*

The First Nation's consolidated 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 is comprised of two components, non-financial assets and accumulated surplus.

#### *Non-financial assets*

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the First Nation unless they are sold.

#### *Financial Instruments*

Financial instruments include cash, restricted cash, accounts receivable, bank indebtedness, 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 risk arising from the 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 long term debt.

#### *Revenue recognition*

Government transfer revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the statement of financial position in the year of receipt, and is matched with the related department expenses in the year of their occurrence. Other revenue is recognized by the First Nation when the services are provided or goods are shipped.

#### *Other Revenue*

Rent is recorded in the year it is earned. At the end of each year, management evaluates the extent of the collectibility of its rent revenue and records a bad debt expense and allowance for doubtful accounts for amounts designated as unlikely to be collected.

Other revenue is recognized by the First Nation when services are provided or goods are shipped and collectibility is reasonably assured.

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

### 2. SIGNIFICANT ACCOUNTING POLICIES - continued

#### *Measurement uncertainty*

The preparation of consolidated financial statements in accordance 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 expenditures during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where necessary. Amortization is based on the estimated useful lives of the related tangible capital assets. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

#### *Segments*

The First Nation conducts its business through 9 reportable segments as reported 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.

The First Nation's segments are as follows:

- Governance and Administration - reports on governance and administration activities
- Social - reports on social assistance programs
- Health - reports on health and wellness programs funded by FNIH
- Housing - reports on activities related to developing and sustaining housing including CMHC subsidized housing
- Economic Development - reports on services that facilitate economic development
- Education - reports on the operations of education programs
- Operations and Maintenance - reports on general operations and maintenance programs in the First Nation
- Ottawa Trust - reports on funding held in the Ottawa Trust
- Training and Other - reports on training and other activities

Inter-segment transfers are recorded at their exchange amount. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Significant Accounting Policies.

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

### 2. SIGNIFICANT ACCOUNTING POLICIES - continued

#### *Liability for Contaminated Site*

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 on March 31, 2016.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized are 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.

### 3. RESTRICTED CASH

	2016	2015
CMHC Replacement Reserve	\$ 242,844	\$ 224,978
Ottawa Trust	9,174	9,079
	<hr/> <b>\$ 252,018</b>	<hr/> <b>\$ 234,057</b>

#### *CMHC Replacement Reserve*

Under the terms of the operating agreements with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve account is to be credited an annual amount based on the number and type of houses available for use. These funds, along with accumulated interest, 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. The First Nation is currently in contravention of its major funding agreement with CMHC. At year end the specified replacement reserve bank account was underfunded by \$242,844 (2014/15 - \$220,712).

#### *Ottawa Trust*

The Ottawa Trust funds are held in trust in the consolidated revenue fund of the Government of Canada and subject to audit by the office of the Auditor General of Canada. Funds held in trust on behalf of First Nation members by the Government of Canada are reported on the statement of financial position with an offsetting amount in members' equity and consist of:

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

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

### 4. ACCOUNTS RECEIVABLE

	2016	2015
AANDC, per confirmation	\$ -	\$ 5,420
Other	264,069	269,324
	<b>\$ 264,069</b>	<b>\$ 274,744</b>

### 5. LONG TERM INVESTMENTS

The investment in the Barren Lands Construction Co. Ltd. is accounted for using the cost method. The First Nation holds a 10% interest in the company.

### 6. ACCOUNTS PAYABLE

	2016	2015
AANDC, prior year recoveries	\$ -	\$ -
Source Deductions	42,271	52,928
Other	962,601	953,625
	<b>\$ 1,004,872</b>	<b>\$ 1,006,553</b>

### 7. DEFERRED REVENUE

	2016	2015
AANDC - Capital Water Systems	\$ 20,833	\$ 20,833
AANDC - Capital Fire Protection	27,000	27,000
AANDC - Capital Major Renovations, Ext. & Repairs	65,873	113,311
AANDC - Capital Garbage Truck	14,804	-
AANDC - Capital Playground Equipment	31,000	-
AANDC - Capital Water Systems Inlet	17,700	-
AANDC - Capital Wastewater Systems Lagoon	60,630	-
	<b>\$ 237,840</b>	<b>\$ 161,144</b>

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

### 8. LONG TERM DEBT

	2016	2015
First Nation Bank, with annual payments of \$50,000 interest at 5 .00%, maturing October 2018. The loan is secured by a Band Council Resolution guaranteeing repayment	\$ 138,130	\$ -
CMHC mortgage, with payments of \$5,526 per month including interest at 1.92%, maturing June 2023, with a scheduled renewal date of September 2019, secured by a ministerial guarantee	450,165	506,567
CMHC mortgage, with payments of \$5,013 per month including interest at 1.80%, maturing October 2036, with a scheduled renewal date of October 2016, secured by a ministerial guarantee	1,033,748	1,074,919
CMHC mortgage, with payments of \$1,478 per month including interest at 1.68%, maturing April 2038, with a scheduled renewal date of April 2018, secured by a ministerial guarantee	327,217	339,353
	<hr/> \$ 1,949,260	<hr/> \$ 1,920,839

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2016-17	\$ 155,338
2017-18	159,632
2018-19	164,075
2019-20	121,441
2020-21	121,028
Thereafter	1,227,746

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

### 9. CONTINGENT LIABILITIES

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. At year end, it was not yet determined to what extent any funding amounts related to the year ending March 31, 2016 might be recovered by these agencies.

At March 31, 2016, the First Nation has determined that some contaminated sites exist, however, no determination has been made as to whether the contamination exceeds an environmental standard that the First Nation is required to comply with. Also, the First Nation does not consider themselves to be responsible and have not accepted responsibility. As a result, no liability regarding the contaminated sites is recorded in these financial statements. If and when it is determined that a liability exists, the liability will be recorded in the period in which such a determination is made, in accordance with the accounting policy in Note 2.

The First Nation is required to post its consolidated financial statements on a website and submit the consolidated financial statements to AANDC by July 29, 2016. Since the audit report is dated after this date, the First Nation has not complied with the requirement. The possible effect of this non-compliance has not yet been determined.

### 10. SEGMENT INFORMATION ON TANGIBLE CAPITAL ASSETS

Tangible capital assets are assigned to the First Nation's segments in accordance with management's determination, as to the activities and services that will be facilitated as a result of ongoing ownership of the assets. The net book value of tangible capital assets assigned to each segment in as follows:

	2016	2015
Housing	\$ 4,037,848	\$ 4,526,186
Health	75,921	42,881
Operations and Maintenance	1,846,648	1,742,811
	<u>\$ 5,960,417</u>	<u>\$ 6,311,878</u>

### 11. ACCUMULATED SURPLUS

	2016	2015
Invested in Capital Assets	\$ 4,149,287	\$ 4,391,039
Ottawa Trust	9,174	9,079
CMHC Reserves	242,844	220,712
Accumulated Deficit from Operations	(779,701)	(514,011)
	<u>\$ 3,621,604</u>	<u>\$ 4,106,819</u>

### 12. AANDC REVENUE

AANDC revenue recorded on the financial statements in the year ended March 31, 2016 and in the year ended March 31, 2015 agrees to the amounts stated on the year end AANDC funding confirmation.

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

### 13. FNIH REVENUE

FNIH revenue recorded on the financial statements in the year ended March 31, 2016 and in the year ended March 31, 2015 agrees to the amounts stated on the year end FNIH funding confirmation.

### 14. PROVISION FOR SITE REHABILITATION

The Manitoba Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under this environmental law, there is a requirement for closure and post-closure care of solid waste sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance.

As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year end, the extent to which the First Nation is bound by environmental laws of The Manitoba Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these financial statements.

### 15. EXPENSES BY OBJECT

	2016	2015
Amortization	\$ 389,169	\$ 382,733
Interest	96,203	34,174
Member Services	59,612	99,404
Purchased Goods and Services	2,542,719	2,119,827
Salaries and Benefits	1,468,508	1,439,176
Social Assistance	1,199,235	1,367,467
Training	104,816	101,363
Travel	181,178	216,366
	<hr/> \$ 6,041,440	<hr/> \$ 5,760,510

# **BARREN LANDS FIRST NATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2016**

### **16. ECONOMIC DEPENDENCE**

The First Nation receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada ("AANDC") and First Nations and Inuit Health ("FNIH") as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC and FNIH under the terms and conditions of the Indian Act. The ability of the First Nations to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

### **17. FEDERAL ASSISTANCE PAYMENTS**

The First Nation has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 95 of the National Housing Act to reduce the mortgage interest expense to 2.0% to enable the First Nation to provide housing to low income individuals.

### **18. DEFINED CONTRIBUTION PENSION PLAN**

The First Nation has a defined contribution pension plan covering all full-time employees in the Education segment. The First Nation remits monthly contributions to the administrator of the plan and remittances were current at year end.

### **19. BUDGET INFORMATION**

The budget figures are presented as supplementary information to the financial statements and have not been audited.

# BARREN LANDS FIRST NATION

## SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED MARCH 31, 2016

	Buildings	Vehicles and Equipment	Roads	Water and Sewer	Band Housing	CMHC Housing	Equipment	Fuel Depot	2016	2015
<b>COST</b>										
Balance, Beginning of Year	\$ 1,874,647	\$ 1,523,790	\$ 162,369	\$ 928,454	\$ 3,166,398	\$ 3,361,520	\$ 180,983	\$ 342,016	\$ 11,540,177	\$ 11,487,581
Acquisitions	-	97,610	-	-	-	-	-	-	97,610	52,596
Disposals & Write Downs	-	-	-	-	-	(111,072)	-	-	(111,072)	-
Balance, End of Year	1,874,647	1,621,400	162,369	928,454	3,166,398	3,256,448	180,983	342,016	11,526,715	11,540,177
<b>ACCUMULATED AMORTIZATION</b>										
Balance, Beginning of Year	892,153	1,154,092	121,566	370,928	1,448,803	768,010	140,363	332,384	5,228,299	4,845,566
Amortization	48,328	83,701	27,877	2,040	86,675	126,680	10,978	2,890	389,169	382,733
Disposals & Write Downs	-	-	-	-	-	(51,170)	-	-	(51,170)	-
Balance, End of Year	940,481	1,237,793	149,443	372,968	1,535,478	843,520	151,341	335,274	5,566,298	5,228,299
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>										
2015 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 934,166	\$ 383,607	\$ 12,926	\$ 555,486	\$ 1,630,920	\$ 2,406,928	\$ 29,642	\$ 6,742	\$ 5,960,417	\$ 6,311,878
2015 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 982,494	\$ 369,698	\$ 40,803	\$ 557,526	\$ 1,717,595	\$ 2,593,510	\$ 40,620	\$ 9,632		

# BARREN LANDS FIRST NATION

## SCHEDULE 2 - CONSOLIDATED SUMMARY SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2016

	Schedule #	AANDC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Transfers	2016	2015
Governance and Administration	3	\$ 376,963	\$ 105,984	\$ -	\$ 482,947	\$ (660,291)	\$ -	\$ (177,344)	\$ (163,509)
Social	4	\$ 1,474,867	\$ -	\$ 1,474,867	\$ 1,474,867	\$ (1,401,252)	\$ -	\$ 73,615	\$ (115,721)
Health	5	\$ -	\$ 1,513,827	\$ -	\$ 1,513,827	\$ (1,555,230)	\$ -	\$ (41,403)	\$ 68,722
Housing	6	\$ -	\$ 280,920	\$ -	\$ 280,920	\$ (301,222)	\$ -	\$ (20,302)	\$ 51,305
Economic Development	7	\$ 65,300	\$ -	\$ 65,300	\$ (46,846)	\$ -	\$ -	\$ 18,454	\$ 18,369
Education	8	\$ 213,948	\$ -	\$ 213,948	\$ (171,974)	\$ -	\$ -	\$ 41,974	\$ 77,858
Operations and Maintenance	9	\$ 793,353	\$ 5,768	\$ (76,696)	\$ 722,425	\$ (1,006,571)	\$ -	\$ (284,146)	\$ (419,549)
Ottawa Trust	10	\$ -	\$ 95	\$ -	\$ 95	\$ -	\$ -	\$ 95	\$ 343
Training and Other	12	\$ -	\$ 801,896	\$ -	\$ 801,896	\$ (898,054)	\$ -	\$ (96,158)	\$ 80,914
		<b>2,924,431</b>	<b>2,708,490</b>	<b>(76,696)</b>	<b>5,556,225</b>	<b>(6,041,440)</b>	<b>-</b>	<b>(485,215)</b>	<b>(401,268)</b>

# BARREN LANDS FIRST NATION

## SCHEDULE 3 - GOVERNANCE AND ADMINISTRATION CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development			
Canada (AANDC)	\$ 429,444	\$ 376,963	\$ 373,361
Other	117,149	71,622	84,682
Province of Manitoba	42,953	34,362	-
Public Safety Canada	-	-	42,953
	<b>589,546</b>	<b>482,947</b>	<b>500,996</b>
<b>EXPENSES</b>			
Bank Charges and Interest	14,012	22,484	15,685
Co-Management Fees	-	116,024	35,755
Community Events	3,000	-	-
Equipment Rental	8,651	2,808	4,284
Freight and Delivery	2,950	999	257
Fuel	-	-	4,063
Funding Recoveries	-	9,099	27,297
Insurance	8,255	12,587	11,627
Member Support	-	47,658	52,892
Other Program Expenses	45,974	3,505	4,984
Professional Fees	151,491	32,946	68,405
Salaries and Benefits	275,393	324,335	318,268
Supplies	42,250	4,404	5,086
Telephone	26,395	20,745	21,013
Training	1,200	325	-
Travel	71,271	62,372	89,909
Vehicle Operating Costs	12,153	-	4,980
	<b>662,995</b>	<b>660,291</b>	<b>664,505</b>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS</b>	<b>(73,449)</b>	<b>(177,344)</b>	<b>(163,509)</b>
<b>TRANSFERS</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (73,449)</b>	<b>(177,344)</b>	<b>(163,509)</b>
<b>ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR</b>		<b>(1,097,446)</b>	<b>(933,937)</b>
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>		<b>\$ (1,274,790)</b>	<b>\$ (1,097,446)</b>

# BARREN LANDS FIRST NATION

## SCHEDULE 4 - SOCIAL

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development			
Canada (AANDC)	\$ 1,205,883	\$ 1,474,867	\$ 1,345,168
Other Revenue	8,842	-	-
	<b>1,214,725</b>	<b>1,474,867</b>	<b>1,345,168</b>
<b>EXPENSES</b>			
Basic Needs	900,000	1,199,235	1,218,989
Hydro	48,000	54,765	58,000
Office	1,145	2,537	4,560
Other Expenses	105	-	1,330
Salaries and Benefits	71,913	67,792	72,585
Shelter Allowance	-	40,236	40,236
Special Needs	30,000	30,192	50,242
Supplies	36,251	-	12,600
Travel	6,071	6,495	2,347
	<b>1,093,485</b>	<b>1,401,252</b>	<b>1,460,889</b>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS</b>			
	121,240	73,615	(115,721)
<b>TRANSFERS</b>			
ANNUAL SURPLUS (DEFICIT)	\$ 121,240	73,615	(115,721)
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR		96,878	212,599
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR		\$ 170,493	\$ 96,878

# BARREN LANDS FIRST NATION

## SCHEDULE 5 - HEALTH

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
<b>REVENUE</b>			
Health Canada	\$ 1,015,422	\$ 1,513,827	\$ 1,464,812
Other	9,571	-	61,405
	1,024,993	1,513,827	1,526,217
<b>EXPENSES</b>			
Administration	106,483	80,423	72,269
Amortization	-	16,371	5,715
Community Events	60,946	131,676	124,519
Insurance	-	-	7,552
Office	30	4,901	9,599
Other Expenses	35,657	-	-
Professional Fees	5,700	21,314	30,542
Repairs & Maintenance	2,904	621	-
Salaries and Benefits	501,962	600,520	562,852
Sub-Contracts	-	-	22,650
Supplies	115,015	56,066	41,571
Telephone	866	-	-
Training	9,319	-	-
Travel	138,269	74,916	80,482
Utilities	-	543,010	476,006
Vehicle	175,730	25,412	23,738
	1,152,881	1,555,230	1,457,495
<b>ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS</b>	(127,888)	(41,403)	68,722
<b>TRANSFERS</b>	-	-	-
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (127,888)	(41,403)	68,722
<b>ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR</b>		60,791	(7,931)
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>	\$ 19,388	\$ 60,791	

# BARREN LANDS FIRST NATION

## SCHEDULE 6 - HOUSING

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
<b>REVENUE</b>			
Canada Mortgage and Housing Corporation (CMHC)	\$ 192,216	\$ 193,026	\$ 126,530
Rent	51,846	87,894	92,628
	<b>244,062</b>	<b>280,920</b>	<b>219,158</b>
<b>EXPENSES</b>			
Administration	-	9,334	9,100
Amortization	62,630	126,680	107,929
Insurance	11,554	17,616	15,808
Interest on Long Term Debt	35,032	33,161	31,516
Professional Fees	-	3,500	3,500
Repairs and Maintenance	22,434	51,030	-
Loss on Disposition of Housing Unit	-	59,901	-
	<b>131,650</b>	<b>301,222</b>	<b>167,853</b>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS</b>			
	112,412	(20,302)	51,305
<b>TRANSFERS</b>			
ANNUAL SURPLUS (DEFICIT)	\$ 112,412	(20,302)	51,305
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR		121,150	69,845
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	\$ 100,848	\$ 121,150	

# BARREN LANDS FIRST NATION

## SCHEDULE 7 - ECONOMIC DEVELOPMENT

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 65,300	\$ 65,300	\$ 75,091
<b>EXPENSES</b>			
Other Expenses	14,003	4,522	4,000
Professional Fees	5,675	-	8,901
Salaries and Benefits	32,079	38,671	39,609
Supplies	1,592	468	490
Travel	24,842	3,185	3,722
	78,191	46,846	56,722
<b>ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS</b>	(12,891)	18,454	18,369
<b>TRANSFERS</b>	-	-	-
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (12,891)	\$ 18,454	\$ 18,369
<b>ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR</b>		27,760	9,391
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>	\$ 46,214	\$ 27,760	

# BARREN LANDS FIRST NATION

## SCHEDULE 8 - EDUCATION

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development			
Canada (AANDC)	\$ 2,309,514	\$ 213,948	\$ 245,217
Other	2,877	-	-
	<b>2,312,391</b>	<b>213,948</b>	<b>245,217</b>
<b>EXPENSES</b>			
Community Events	7,350	-	10,000
Insurance	2,111	3,004	2,888
Member Support	7,639	-	-
Other Program Expenses	30,734	4,320	956
Professional Fees	2,500	-	-
Repairs and Maintenance	-	30,022	26,019
Salaries and Benefits	90,887	117,426	93,090
Supplies	10,909	734	5,093
Training	998	-	-
Travel	43,509	14,996	23,340
Tuition	2,157,580	-	-
Vehicle	2,164	1,472	7,003
	<b>2,356,381</b>	<b>171,974</b>	<b>168,389</b>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS</b>			
	(43,990)	41,974	76,828
<b>TRANSFERS</b>			
ANNUAL SURPLUS (DEFICIT)	\$ (43,990)	41,974	76,828
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR		109,654	32,826
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR		\$ 151,628	\$ 109,654

# BARREN LANDS FIRST NATION

## SCHEDULE 9 - OPERATIONS AND MAINTENANCE CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development			
Canada (AANDC)	\$ 1,051,023	\$ 793,353	\$ 791,339
User Fees	-	5,768	-
Revenue Deferred in Prior Year - Note 7	-	161,144	-
Revenue Deferred to Subsequent Year-Note 7	-	(237,840)	(161,144)
	<b>1,051,023</b>	<b>722,425</b>	<b>630,195</b>
<b>EXPENSES</b>			
Amortization	-	246,118	269,089
Bank Charges and Interest	1,784	-	-
Barge Contracts	7,620	-	-
Equipment Rental	5,588	-	-
Freight and Delivery	11,266	-	-
Fuel	92,555	32,261	152,287
Insurance	12,514	21,290	6,540
Other Expenses	11,270	300	-
Professional Fees	24,005	6,750	-
Repairs and Maintenance	711,306	248,109	296,198
Salaries and Benefits	285,825	154,797	134,804
Supplies	81,931	125,007	24,823
Telephone	-	2,594	2,659
Training	958	-	-
Travel	30,719	1,250	3,574
Utilities	-	168,095	159,770
	<b>1,277,341</b>	<b>1,006,571</b>	<b>1,049,744</b>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS</b>	<b>(226,318)</b>	<b>(284,146)</b>	<b>(419,549)</b>
<b>TRANSFERS</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (226,318)</b>	<b>(284,146)</b>	<b>(419,549)</b>
<b>ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR</b>		<b>3,241,134</b>	<b>3,660,683</b>
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>		<b>\$ 2,956,988</b>	<b>\$ 3,241,134</b>

# BARREN LANDS FIRST NATION

## SCHEDULE 10 - OTTAWA TRUST

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
<b>REVENUE</b>			
Interest	\$ -	\$ 95	\$ 343
<b>ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS</b>		95	343
<b>TRANSFERS</b>	-	-	-
<b>ANNUAL SURPLUS (DEFICIT)</b>	-	95	343
<b>ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR</b>	-	9,079	8,736
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>	\$ -	\$ 9,174	\$ 9,079

# BARREN LANDS FIRST NATION

## SCHEDULE 11 - TRAINING AND OTHER CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget (Unaudited)	2016	2015
<b>REVENUE</b>			
Keewatin Tribal Council	\$ 224,569	\$ 238,719	\$ 156,535
Fuel Sales	193,038	150,901	172,217
Interest	18	-	-
Province of Manitoba	149,775	228,385	272,262
Other	405,863	183,891	215,843
	<b>973,263</b>	<b>801,896</b>	<b>816,857</b>
<b>EXPENSES</b>			
Bank Charges and Interest	5,770	40,558	12,085
Community Events	59,842	31,530	31,687
Equipment Rental	10,165	1,352	1,742
Freight and Delivery	2,254	939	333
Fuel	706,458	456,337	261,613
Insurance	2,854	4,062	3,905
Member Services	177,104	11,954	46,512
Other Expenses	27,990	35,119	24,222
Professional Fees	64,960	770	419
Repairs and Maintenance	46,284	7,888	1,030
Salaries and Benefits	257,058	164,967	217,968
Supplies	113,643	17,179	18,759
Telephone	1,999	753	1,283
Tobacco Tax Commission	10,000	-	-
Travel	122,883	17,964	12,992
Training	23,120	104,491	101,363
Utilities	448	2,191	-
	<b>1,632,832</b>	<b>898,054</b>	<b>735,913</b>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS</b>	<b>(659,569)</b>	<b>(96,158)</b>	<b>80,914</b>
<b>TRANSFERS</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (659,569)</b>	<b>(96,158)</b>	<b>80,914</b>
<b>ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR</b>		<b>(1,077,299)</b>	<b>(1,158,213)</b>
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>		<b>\$ (1,173,457)</b>	<b>\$ (1,077,299)</b>