

**BARREN LANDS FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2017**

# BARREN LANDS FIRST NATION

MARCH 31, 2017

## CONTENTS

	Page
<b>MANAGEMENT'S RESPONSIBILITY</b>	1
<b>AUDITORS' REPORT</b>	2
<b>FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Changes in Net Debt	5
Consolidated Statement of Cash Flows	6
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	7
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	16
<b>SCHEDULES OF CONSOLIDATED SEGMENT REVENUE AND EXPENSES AND SURPLUS (DEFICIT)</b>	
Schedule 2 - Summary Schedule of Segment Revenue and Expenses	17
Schedule 3 - Governance and Administration	18
Schedule 4 - Social	19
Schedule 5 - Health	20
Schedule 6 - Housing	21
Schedule 7 - Economic Development	22
Schedule 8 - Education	23
Schedule 9 - Operations and Maintenance	24
Schedule 10 - Ottawa Trust	25
Schedule 11 - Training and Other	26

## 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 fulfills 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.

Zaplitny 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.

March 14, 2018

 John Clark	Chief	 Bill Dillott	Councillor
 Councillor		 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, 2017 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.

### Basis for Qualified Opinion

We were unable to satisfy ourselves with the year end physical count of the fuel inventory held as at March 31, 2017. As a result, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories, and the elements making up the consolidated statement of income, changes in net financial assets and cash flows.

### Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, these consolidated financial statements present fairly, in all material respects, the financial position of the Barren Lands First Nation as at March 31, 2017 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.

  
Zaplitny and Zamrykul,  
Chartered Professional Accountants

Dauphin, Manitoba  
March 14, 2018

# BARREN LANDS FIRST NATION

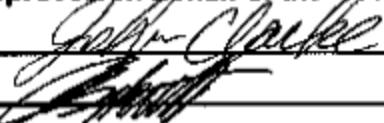
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

	2017	2016
<b>FINANCIAL ASSETS</b>		
Restricted Cash - Note 3	\$ 274,419	\$ 252,018
Accounts Receivable - Note 4	204,298	264,069
Fuel Inventory	401,666	423,777
Long-Term Investments - Note 5	10	10
Due from TLE Trust	236,265	236,620
	<u>1,116,658</u>	<u>1,176,494</u>
<b>LIABILITIES</b>		
Bank Indebtedness	443,991	326,170
Accounts Payable and Accrued Liabilities - Note 6	306,201	1,004,872
Deferred Revenue - Note 7	606,409	237,840
Long-Term Debt - Note 8	1,786,244	1,949,260
	<u>3,142,845</u>	<u>3,518,142</u>
<b>NET DEBT</b>	<u>(2,026,187)</u>	<u>(2,341,648)</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid Expenses	-	2,835
Tangible Capital Assets - Schedule 1	5,672,795	5,960,417
	<u>5,672,795</u>	<u>5,963,252</u>
<b>ACCUMULATED SURPLUS - NOTE 11</b>	<u>\$ 3,646,608</u>	<u>\$ 3,621,604</u>

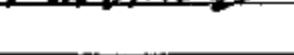
Contingent Liabilities - Note 9

Approved on Behalf of the Council

  
\_\_\_\_\_  


Chief

Councillor

  
\_\_\_\_\_  


Councillor

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, 2017

	2017 Budget (Unaudited)	2017	2016
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada (INAC)	\$ 2,706,845	\$ 4,433,047	\$ 2,924,431
First Nation and Inuit Health (FNIH)	1,015,422	1,492,402	1,513,827
Canada Mortgage and Housing Corporation (CMHC)	193,206	219,860	193,026
Other	198,872	534,672	261,281
Keewatin Tribal Council	42,963	245,340	238,719
Fuel Sales	307,170	142,789	150,901
Province of Manitoba	187,067	297,959	262,747
Rent	40,236	87,984	87,894
Interest	-	269	95
Revenue Deferred in Prior Year - Note 7	-	237,840	161,144
Revenue Deferred to Subsequent Year-Note 7	-	(606,408)	(237,840)
	4,691,781	7,085,754	5,556,225
<b>EXPENSES</b>			
Governance and Administration	578,318	721,485	660,291
Social	1,049,837	1,429,367	1,413,211
Health	1,152,881	1,543,860	1,555,230
Housing	200,915	306,840	301,222
Economic Development	48,002	61,743	46,846
Education	173,714	223,070	171,974
Operations and Maintenance	753,603	2,028,626	1,006,571
Training and Other	933,391	745,759	886,095
	4,890,661	7,060,750	6,041,440
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (198,880)</b>	<b>25,004</b>	<b>(485,215)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<b>3,621,604</b>	<b>4,106,819</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>\$ 3,646,608</b>	<b>\$ 3,621,604</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, 2017

	2017	2016
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 25,004	\$ (485,215)
Acquisition of Capital Assets	(86,116)	(97,610)
Amortization of Capital Assets	373,738	389,169
Prepaid Expenses	2,835	(2,835)
Loss on Disposition of Housing Unit	-	59,902
<b>DECREASE (INCREASE) IN NET DEBT</b>	<b>315,461</b>	<b>(136,589)</b>
<b>NET DEBT, BEGINNING OF YEAR</b>	<b>(2,341,648)</b>	<b>(2,205,059)</b>
<b>NET DEBT, END OF YEAR</b>	<b>\$ (2,026,187)</b>	<b>\$ (2,341,648)</b>

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

# BARREN LANDS FIRST NATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

MARCH 31, 2017

	2017	2016
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Annual Surplus (Deficit)	\$ 25,004	\$ (485,215)
Loss on Disposition of Housing Unit	- -	59,902
Amortization	373,738	389,169
Accounts Receivable	59,771	10,675
Inventory	22,111	54,217
Accounts Payable and Accrued Liabilities	(698,671)	(1,681)
Deferred Revenue	368,569	76,696
Prepaid Expenses	2,835	(2,835)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>153,357</b>	<b>100,928</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term Financing	- -	250,000
Repayment of Long-Term Debt	(163,016)	(221,579)
<b>CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>(163,016)</b>	<b>28,421</b>
<b>CASH FROM INVESTING ACTIVITIES</b>		
Purchase of Capital Assets	(86,116)	(97,610)
Advances from TLE Trust	355	354
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>(85,761)</b>	<b>(97,256)</b>
<b>NET CASH INCREASE (DECREASE) IN BANK INDEBTEDNESS</b>	<b>(95,420)</b>	<b>32,093</b>
<b>BANK INDEBTEDNESS, beginning of year</b>	<b>(74,152)</b>	<b>(106,245)</b>
<b>BANK INDEBTEDNESS, end of year</b>	<b>\$ (169,572)</b>	<b>\$ (74,152)</b>
<b>Bank Indebtedness consists of:</b>	<b>2017</b>	<b>2016</b>
Restricted Cash	\$ 274,419	\$ 252,018
Bank Indebtedness	(443,991)	(326,170)
	<b>\$ (169,572)</b>	<b>\$ (74,152)</b>

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

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

### 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, 2017

### 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, 2017

### 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, 2017

### 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

	2017	2016
CMHC Replacement Reserve	\$ 264,976	\$ 242,844
Ottawa Trust	9,443	9,174
	\$ 274,419	\$ 252,018

#### *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 \$264,976 (2015/16 - \$242,844).

#### *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, 2017

### 4. ACCOUNTS RECEIVABLE

	2017	2016
INAC, per confirmation	\$ 16,180	\$ -
Other	188,118	264,069
	<b>\$ 204,298</b>	<b>\$ 264,069</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 AND ACCRUED LIABILITIES

	2017	2016
INAC, prior year recoveries	\$ -	\$ -
Source Deductions	18,972	42,271
Other	287,229	962,601
	<b>\$ 306,201</b>	<b>\$ 1,004,872</b>

### 7. DEFERRED REVENUE

	2017	2016
INAC - Capital Water Systems	\$ 20,833	\$ 20,833
INAC - Capital Fire Protection	-	27,000
INAC - Capital Major Renovations, Ext. & Repairs	-	65,873
INAC - Capital Garbage Truck	-	14,804
INAC - Capital Playground Equipment	-	31,000
INAC - Capital Water Systems Inlet	-	17,700
INAC - Capital Wastewater Systems Lagoon	166,390	60,630
INAC - Capital Wastewater Systems	143,662	-
INAC - Capital Duplex	248,358	-
INAC - Economic Development	27,166	-
	<b>\$ 606,409</b>	<b>\$ 237,840</b>

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

### 8. LONG TERM DEBT

	2017	2016
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	\$ 88,130	\$ 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	391,516	450,165
CMHC mortgage, with payments of \$5,013 per month including interest at 1.80%, maturing October 2036, with a scheduled renewal date of May 2017, secured by a ministerial guarantee	991,747	1,033,748
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	314,851	327,217
	\$ 1,786,244	\$ 1,949,260

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

2017-18	\$ 160,004
2018-19	159,288
2019-20	118,823
2020-21	121,041
2021-22	123,297
Thereafter	1,103,791

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

### 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, 2017 might be recovered by these agencies.

At March 31, 2017, 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 INAC by July 31, 2017. 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:

	2017	2016
Housing	\$ 5,586,679	\$ 4,037,848
Health	4,567	75,921
Operations and Maintenance	81,549	1,846,648
	<u>\$ 5,672,795</u>	<u>\$ 5,960,417</u>

### 11. ACCUMULATED SURPLUS

	2017	2016
Invested in Capital Assets	\$ 3,974,681	\$ 4,149,287
Ottawa Trust	9,174	9,174
CMHC Reserves	264,976	242,844
Accumulated Deficit from Operations	(602,223)	(779,701)
	<u>\$ 3,646,608</u>	<u>\$ 3,621,604</u>

### 12. INAC REVENUE

INAC revenue recorded on the financial statements in the year ended March 31, 2017 and in the year ended March 31, 2016 agrees to the amounts stated on the year end INAC funding confirmation.

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

### 13. FNIH REVENUE

FNIH revenue recorded on the financial statements in the year ended March 31, 2017 and in the year ended March 31, 2016 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

	2017	2016
Amortization	\$ 373,738	\$ 389,169
Interest	82,201	96,203
Member Services	60,668	59,612
Purchased Goods and Services	3,140,859	2,542,719
Salaries and Benefits	1,916,278	1,468,508
Social Assistance	1,014,559	1,199,235
Training	231,719	104,816
Travel	240,728	181,178
	<b>\$ 7,060,750</b>	<b>\$ 6,041,440</b>

# **BARREN LANDS FIRST NATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2017**

### **16. ECONOMIC DEPENDENCE**

The First Nation receives a significant portion of its revenue from Indigenous and Northern Affairs Canada ("INAC") and First Nations and Inuit Health ("FNIH") as a result of Treaties entered into with the Government of Canada. These treaties are administered by INAC 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, 2017

	Buildings	Vehicles and Equipment	Roads	Water and Sewer	Band Housing	CMHC Housing	Equipment	Fuel Depot	2017	2016
<b>COST</b>										
Balance, Beginning of Year	\$ 1,874,647	\$ 1,621,400	\$ 162,369	\$ 928,454	\$ 3,166,398	\$ 3,250,448	\$ 180,983	\$ 342,016	\$ 11,526,715	\$ 11,540,177
Acquisitions	40,000	39,200	-	-	-	-	6,916	-	86,116	97,610
Disposals & Write Downs	-	-	-	-	-	-	-	-	-	(111,072)
Balance, End of Year	1,914,647	1,660,600	162,369	928,454	3,166,398	3,250,448	187,899	342,016	11,612,831	11,526,715
<b>ACCUMULATED AMORTIZATION</b>										
Balance, Beginning 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
Amortization	46,913	83,060	1,938	26,483	82,342	120,345	10,634	2,023	373,738	389,168
Disposals & Write Downs	-	-	-	-	-	-	-	-	-	(51,170)
Balance, End of Year	987,394	1,320,853	151,381	399,451	1,617,820	963,865	161,975	337,297	5,940,036	5,566,298
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>										
	\$ 927,253	\$ 339,747	\$ 10,988	\$ 529,003	\$ 1,548,578	\$ 2,286,583	\$ 25,924	\$ 4,719	\$ 5,672,795	\$ 5,960,417
<b>2016 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>										
	\$ 934,166	\$ 383,607	\$ 12,926	\$ 555,486	\$ 1,630,920	\$ 2,406,928	\$ 29,642	\$ 6,742		

# BARREN LANDS FIRST NATION

## SCHEDULE 2 - CONSOLIDATED SUMMARY SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2017

	Schedule #	INAC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Transfers	2017	2016
Governance and Administration	3	\$ 392,274	\$ 144,531	\$ -	\$ 536,805	\$ (721,485)	\$ -	\$ (184,680)	\$ (177,344)
Social	4	\$ 1,440,977	\$ -	\$ 1,492,402	\$ 1,440,977	\$ (1,429,367)	\$ -	\$ 11,610	\$ 73,615
Health	5	\$ -	\$ -	\$ -	\$ 1,492,402	\$ (1,542,860)	\$ -	\$ (51,458)	\$ (41,403)
Housing	6	\$ -	\$ 307,844	\$ -	\$ 307,844	\$ (306,840)	\$ -	\$ 1,004	\$ (20,302)
Economic Development	7	\$ 103,000	\$ -	\$ (27,165)	\$ 75,835	\$ (61,743)	\$ -	\$ 14,092	\$ 18,454
Education	8	\$ 241,093	\$ -	\$ -	\$ 241,093	\$ (223,070)	\$ -	\$ 18,023	\$ 41,974
Operations and Maintenance	9	\$ 2,255,703	\$ 69,077	\$ (341,403)	\$ 1,983,377	\$ (2,028,626)	\$ -	\$ (45,249)	\$ (284,146)
Ottawa Trust	10	\$ -	\$ 269	\$ -	\$ 269	\$ -	\$ -	\$ 269	\$ 95
Training and Other	12	\$ -	\$ 1,007,152	\$ -	\$ 1,007,152	\$ (745,759)	\$ -	\$ 261,393	\$ (96,158)
		<b>4,453,047</b>	<b>3,021,275</b>	<b>(368,568)</b>	<b>7,085,754</b>	<b>(7,060,750)</b>	<b>-</b>	<b>25,004</b>	<b>(485,215)</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, 2017

	2017 Budget (Unaudited)	2017	2016
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada (INAC)	\$ 376,963	\$ 392,274	\$ 376,963
Other	153,859	95,422	71,622
Province of Manitoba	34,362	49,109	34,362
	<b>565,184</b>	<b>536,805</b>	<b>482,947</b>
<b>EXPENSES</b>			
Bank Charges and Interest	21,500	31,191	22,484
Co-Management Fees	73,051	16,965	116,024
Community Events	10,070	-	-
Equipment Rental	2,808	2,525	2,808
Freight and Delivery	999	2,394	999
Funding Recoveries	-	-	9,099
Insurance	-	11,860	12,587
Member Support	12,307	59,868	47,658
Other Program Expenses	16,625	7,197	3,505
Professional Fees	33,384	37,310	32,946
Salaries and Benefits	332,360	362,800	324,335
Supplies	4,404	19,646	4,404
Telephone	20,745	40,067	20,745
Training	-	-	325
Travel	50,065	129,662	62,372
	<b>578,318</b>	<b>721,485</b>	<b>660,291</b>
<b>ANNUAL DEFICIT</b>	<b>\$ (13,134)</b>	<b>(184,680)</b>	<b>(177,344)</b>
<b>ACCUMULATED DEFICIT, BEGINNING OF YEAR</b>		<b>(1,274,790)</b>	<b>(1,097,446)</b>
<b>ACCUMULATED DEFICIT, END OF YEAR</b>		<b>\$ (1,459,470)</b>	<b>\$ (1,274,790)</b>

# BARREN LANDS FIRST NATION

## SCHEDULE 4 - SOCIAL

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget (Unaudited)	2017	2016
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada (INAC)	\$ 1,359,611	\$ 1,440,977	\$ 1,474,867
<b>EXPENSES</b>			
Basic Needs	940,041	1,014,559	1,199,235
Freight & Delivery	78	-	-
Hydro	-	250,765	54,765
Member Services	-	-	6,480
Office	454	2,905	2,537
Other Expenses	654	4,605	12
Salaries and Benefits	69,918	71,955	67,792
Shelter Allowance	-	48,072	40,236
Special Needs	30,192	33,135	30,192
Supplies	2,005	2,000	5,467
Travel	6,495	1,371	6,495
	1,049,837	1,429,367	1,413,211
<b>ANNUAL SURPLUS</b>	\$ 309,774	11,610	61,656
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		158,534	96,878
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 170,144	\$ 158,534	

# BARREN LANDS FIRST NATION

## SCHEDULE 5 - HEALTH

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget (Unaudited)	2017	2016
<b>REVENUE</b>			
First Nation and Inuit Health Canada	\$ 1,015,422	\$ 1,492,402	\$ 1,513,827
Other	9,571	-	-
	<b>1,024,993</b>	<b>1,492,402</b>	<b>1,513,827</b>
<b>EXPENSES</b>			
Administration	107,349	80,906	80,423
Amortization	-	22,074	16,371
Community Events	60,946	155,973	131,676
Office	30	-	4,901
Other Expenses	35,657	-	-
Professional Fees	5,700	15,438	21,314
Repairs & Maintenance	2,904	260	621
Salaries and Benefits	501,962	624,540	600,520
Supplies	115,015	26,961	56,066
Training	9,319	180	-
Travel	138,269	63,748	74,916
Utilities	-	538,756	543,010
Vehicle	175,730	15,024	25,412
	<b>1,152,881</b>	<b>1,543,860</b>	<b>1,555,230</b>
<b>ANNUAL DEFICIT</b>	<b>\$ (127,888)</b>	<b>(51,458)</b>	<b>(41,403)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<b>19,388</b>	<b>60,791</b>
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>		<b>\$ (32,070)</b>	<b>\$ 19,388</b>

# BARREN LANDS FIRST NATION

## SCHEDULE 6 - HOUSING CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget (Unaudited)	2017	2016
<b>REVENUE</b>			
Canada Mortgage and Housing Corporation (CMHC)	\$ 193,206	\$ 219,860	\$ 193,026
Rent	40,236	87,984	87,894
	<b>233,442</b>	<b>307,844</b>	<b>280,920</b>
<b>EXPENSES</b>			
Administration	-	9,334	9,334
Amortization	112,205	120,346	126,680
Bank Charges and Interest	119	-	-
Insurance	14,093	15,223	17,616
Interest on Long Term Debt	32,000	31,024	33,161
Professional Fees	-	10,100	3,500
Repairs and Maintenance	42,498	84,699	51,030
Salaries and Benefits	-	33,536	-
Travel	-	2,578	-
Loss on Disposition of Housing Unit	-	-	59,901
	<b>200,915</b>	<b>306,840</b>	<b>301,222</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 32,527</b>	<b>1,004</b>	<b>(20,302)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<b>100,848</b>	<b>121,150</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>\$ 101,852</b>	<b>\$ 100,848</b>

# BARREN LANDS FIRST NATION

## SCHEDULE 7 - ECONOMIC DEVELOPMENT CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget (Unaudited)	2017	2016
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada (INAC)	\$ 70,720	\$ 103,000	\$ 65,300
Revenue Deferred to Subsequent Year-Note 7	- 70,720	(27,165) 75,835	- 65,300
<b>EXPENSES</b>			
Other Expenses	4,990	11,526	4,522
Salaries and Benefits	39,827	36,809	38,671
Supplies	- 3,185	10,573 2,835	468 3,185
Travel	48,002	61,743	46,846
<b>ANNUAL SURPLUS</b>	\$ 22,718	\$ 14,092	\$ 18,454
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		46,214	27,760
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 60,306	\$ 46,214	

# BARREN LANDS FIRST NATION

## SCHEDULE 8 - EDUCATION

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget (Unaudited)	2017	2016
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada (INAC)	\$ 213,948	\$ 241,093	\$ 213,948
<b>EXPENSES</b>			
Insurance	3,595	2,883	3,004
Other Program Expenses	675	1,994	4,320
Repairs and Maintenance	30,022	46,671	30,022
Salaries and Benefits	120,138	146,322	117,426
Supplies	1,939	8,299	734
Travel	17,107	15,585	14,996
Vehicle	238	1,316	1,472
	173,714	223,070	171,974
<b>ANNUAL SURPLUS</b>	\$ 40,234	18,023	41,974
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		151,628	109,654
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		\$ 169,651	\$ 151,628

# BARREN LANDS FIRST NATION

## SCHEDULE 9 - OPERATIONS AND MAINTENANCE

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget (Unaudited)	2017	2016
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada (INAC)	\$ 685,603	\$ 2,255,703	\$ 793,353
User Fees	-	47,383	5,768
Province of Manitoba	-	21,694	-
Revenue Deferred in Prior Year - Note 7	-	237,840	161,144
Revenue Deferred to Subsequent Year-Note 7	-	(579,243)	(237,840)
	<b>685,603</b>	<b>1,983,377</b>	<b>722,425</b>
<b>EXPENSES</b>			
Amortization	-	231,318	246,118
Bank Charges and Interest	13	175	-
Barge Contracts	48,198	25,000	-
Equipment Rental	2,800	1,360	-
Fuel	-	32,261	32,261
Insurance	17,473	15,285	21,290
Other Expenses	50,672	413	300
Professional Fees	6,750	2,670	6,750
Repairs and Maintenance	208,259	987,229	248,109
Salaries and Benefits	305,020	504,996	154,797
Supplies	78,303	65,439	125,007
Telephone	2,794	2,246	2,594
Travel	7,168	10,893	1,250
Utilities	26,153	149,341	168,095
	<b>753,603</b>	<b>2,028,626</b>	<b>1,006,571</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (68,000)</b>	<b>(45,249)</b>	<b>(284,146)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<b>2,956,988</b>	<b>3,241,134</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>\$ 2,911,739</b>	<b>\$ 2,956,988</b>

# BARREN LANDS FIRST NATION

## SCHEDULE 10 - OTTAWA TRUST CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget (Unaudited)	2017	2016
<b>REVENUE</b>			
Interest	\$ -	\$ 269	\$ 95
<b>ANNUAL SURPLUS</b>	-	269	95
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	-	9,174	9,079
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ -	\$ 9,443	\$ 9,174

# BARREN LANDS FIRST NATION

## SCHEDULE 11 - TRAINING AND OTHER CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget (Unaudited)	2017	2016
<b>REVENUE</b>			
Keewatin Tribal Council	\$ 42,963	\$ 245,340	\$ 238,719
Fuel Sales	307,170	142,789	150,901
Province of Manitoba	187,067	227,156	228,385
Other	35,442	391,867	183,891
	<b>572,642</b>	<b>1,007,152</b>	<b>801,896</b>
<b>EXPENSES</b>			
Bank Charges and Interest	5	19,986	40,558
Community Events	31,530	31,145	31,530
Equipment Rental	1,352	1,000	1,352
Freight and Delivery	839	381	939
Fuel	438,638	143,329	456,337
Insurance	-	3,864	4,062
Member Services	11,954	800	5,474
Other Expenses	230,586	17,650	35,107
Professional Fees	10,795	15,809	770
Repairs and Maintenance	3,055	71,042	7,888
Salaries and Benefits	169,380	168,856	164,967
Supplies	14,939	1,524	11,712
Telephone	753	1,033	753
Travel	17,964	16,634	17,964
Training	-	231,719	104,491
Utilities	1,601	20,987	2,191
	<b>933,391</b>	<b>745,759</b>	<b>886,095</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (360,749)</b>	<b>261,393</b>	<b>(96,158)</b>
<b>ACCUMULATED DEFICIT, BEGINNING OF YEAR</b>		<b>(1,173,457)</b>	<b>(1,077,299)</b>
<b>ACCUMULATED DEFICIT, END OF YEAR</b>		<b>\$ (912,064)</b>	<b>\$ (1,173,457)</b>