

**BARREN LANDS FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2019**

# BARREN LANDS FIRST NATION

MARCH 31, 2019

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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 judgment is required.

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

December 3, 2019

_____	Chief	_____	Councillor
_____	Councillor	_____	Councillor

**MANAGEMENT'S RESPONSIBILITY**

To the Members of Barron Lands First Nation:



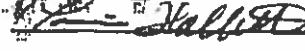

Management is responsible for the preparation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting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

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

Zapitry and Zanyiput, 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.

December 3, 2019

 Chief  Councilor  
 Councilor  Councilor

## INDEPENDENT AUDITORS' REPORT

To the Members of the Barren Lands First Nation:

### Qualified Opinion

We have audited the accompanying consolidated financial statements of the Barren Lands First Nation (the "Nation") which comprise of the consolidated statement of 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 notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter 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 the Barren Lands First Nation as at March 31, 2019, and the results of its consolidated operations, change in its consolidated net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### 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, 2019. 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.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management's responsibility for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the 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 Nation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Nation or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibility for the Audit of the Consolidated 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 that 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 Nation'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 Nation'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 consolidated 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 Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



**ZAPLITNY & ZAMRYKUT,**  
Chartered Professional Accountants

Dauphin, Manitoba  
December 3, 2019

# BARREN LANDS FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash	\$ 348,745	\$ 482,644
Restricted Cash - Note 3	309,202	351,575
Accounts Receivable - Note 4	1,133,848	212,163
Fuel Inventory	617,287	573,131
Long-Term Investments - Note 5	10	10
Due from TLE Trust	235,557	235,911
	<b>2,644,649</b>	<b>1,855,434</b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities - Note 6	612,569	652,225
Deferred Revenue - Note 7	1,648,872	995,851
Long-Term Debt - Note 8	1,492,732	1,655,038
	<b>3,754,173</b>	<b>3,303,114</b>
<b>NET DEBT</b>	<b>(1,109,524)</b>	<b>(1,447,680)</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid Expenses	-	76,134
Construction in Progress	-	2,153,442
Tangible Capital Assets - Schedule 1	9,349,309	6,912,314
	<b>9,349,309</b>	<b>9,141,890</b>
<b>ACCUMULATED SURPLUS - NOTE 11</b>	<b>\$ 8,239,785</b>	<b>\$ 7,694,210</b>

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 FINANCIAL POSITION****AS AT MARCH 31, 2019**

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash	\$ 348,745	\$ 482,844
Restricted Cash - Note 8	308,202	381,575
Accounts Receivable - Note 4	1,133,848	212,183
Prepaid Inventory	517,287	573,131
Long-Term Investments - Note 6	10	10
Due from TLE Trust	235,557	235,911
	<b>2,644,649</b>	<b>1,655,434</b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities - Note 6	612,559	652,225
Deferred Revenue - Note 7	1,848,872	885,851
Long-Term Debt - Note 8	1,692,732	1,656,039
	<b>3,754,173</b>	<b>3,303,114</b>
<b>NET DEBT</b>	<b>(1,109,524)</b>	<b>(1,447,680)</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid Expenses	-	75,194
Construction in Progress	-	2,153,442
Tangible Capital Assets - Schedule 1	9,349,309	9,912,314
	<b>9,349,309</b>	<b>9,141,890</b>
<b>ACCUMULATED SURPLUS - NOTE 11</b>	<b>\$ 8,239,735</b>	<b>\$ 7,694,210</b>
<b>Contingent Liabilities - Note 9</b>		

Approved on Behalf of the Council

*[Signature]* Chief  
*[Signature]* Councilor

*[Signature]* Councilor  
*[Signature]* Councilor

(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, 2019

	2019 Budget (Unaudited)	2019	2018
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ 2,706,845	\$ 4,208,684	\$ 5,915,158
ISC - Recoveries	-	(91,003)	-
First Nation and Inuit Health (FNIH)	1,015,422	2,331,744	2,135,761
Canada Mortgage and Housing Corporation (CMHC)	193,206	342,230	361,428
Other	198,872	195,976	476,093
Keewatin Tribal Council	42,963	304,561	342,299
Fuel Sales	307,170	115,411	133,598
Province of Manitoba	187,067	312,043	290,375
Rent	40,236	116,934	87,984
Interest	-	221	209
Revenue Deferred in Prior Year - Note 7	-	995,850	606,408
Revenue Deferred to Subsequent Year-Note 7	-	(1,648,872)	(995,850)
	4,691,781	7,183,779	9,353,463
<b>EXPENSES</b>			
Governance and Administration	578,318	920,520	608,594
Social	1,049,837	1,352,201	1,394,861
Health	1,152,881	1,984,640	2,046,709
Housing	200,915	361,660	364,671
Economic Development	48,002	143,049	152,522
Education	173,714	169,667	179,951
Operations and Maintenance	753,603	911,792	1,106,991
Training and Other	933,391	794,675	634,238
	4,890,661	6,638,204	6,488,537
<b>ANNUAL SURPLUS</b>	\$ (198,880)	545,575	2,864,926
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		7,694,210	3,646,608
<b>PRIOR PERIOD ADJUSTMENTS - Note 20</b>		-	1,182,676
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		\$ 8,239,785	\$ 7,694,210

(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, 2019

	2019	2018
<b>ANNUAL SURPLUS</b>	\$ 545,575	\$ 2,864,926
Acquisition of Capital Assets	(2,954,861)	(1,641,696)
Decrease (Increase) in Construction in Progress	2,153,442	(2,153,443)
Amortization of Capital Assets	517,866	402,178
Prepaid Expenses	76,134	(76,134)
Prior Period Adjustments - Note 21	-	1,182,676
<b>DECREASE (INCREASE) IN NET DEBT</b>	338,156	578,507
<b>NET DEBT, BEGINNING OF YEAR</b>	(1,447,680)	(2,026,187)
<b>NET DEBT, END OF YEAR</b>	\$ (1,109,524)	\$ (1,447,680)

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

# BARREN LANDS FIRST NATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

MARCH 31, 2019

	2019	2018
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Annual Surplus	\$ 545,575	\$ 2,864,926
Prior Period Adjustment - Note 21	-	1,182,676
Amortization of Capital Assets	517,866	402,178
Accounts Receivable	(921,685)	(7,865)
Fuel Inventory	(44,156)	(171,465)
Accounts Payable and Accrued Liabilities	(39,656)	346,024
Deferred Revenue	653,021	389,442
Prepaid Expenses	76,134	(76,134)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>787,099</b>	<b>4,929,782</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Long-Term Debt	(162,306)	(131,206)
<b>CASH FROM INVESTING ACTIVITIES</b>		
Purchase of Capital Assets	(2,954,861)	(1,641,696)
(Increase) Decrease in Construction in Progress	2,153,442	(2,153,443)
Advances from TLE Trust	354	354
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>(801,065)</b>	<b>(3,794,785)</b>
<b>NET CASH INCREASE (DECREASE) IN BANK INDEBTEDNESS</b>	<b>(176,272)</b>	<b>1,003,791</b>
<b>BANK INDEBTEDNESS, beginning of year</b>	<b>834,219</b>	<b>(169,572)</b>
<b>BANK INDEBTEDNESS, end of year</b>	<b>\$ 657,947</b>	<b>\$ 834,219</b>
<b>Bank Indebtedness consists of:</b>	<b>2019</b>	<b>2018</b>
Cash	\$ 348,745	\$ 482,644
Restricted Cash	309,202	351,575
	<b>\$ 657,947</b>	<b>\$ 834,219</b>

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

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

### 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, 2019

### 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, 2019

### 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, 2019

### 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, 2019.

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

	2019	2018
CMHC Replacement Reserve	\$ 299,329	\$ 341,923
Ottawa Trust	9,873	9,652
	<u>\$ 309,202</u>	<u>\$ 351,575</u>

#### *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 \$291,926 (2017/18 - \$268,843).

#### *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, 2019

### 4. ACCOUNTS RECEIVABLE

	2019	2018
ISC, per confirmation	\$ 942,615	\$ 2,025
Other	191,233	210,138
	<u>\$ 1,133,848</u>	<u>\$ 212,163</u>

### 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

	2019	2018
Source Deductions	\$ 3,725	\$ 4,509
Other	608,844	647,716
	<u>\$ 612,569</u>	<u>\$ 652,225</u>

### 7. DEFERRED REVENUE

	2019	2018
ISC - Prevention Projects	\$ 6,300	\$ -
ISC - Community Based Initiative	107,176	-
ISC - Professional and Institutional Development	97,853	-
ISC - Capital Water Systems	20,833	20,833
ISC - Capital Wastewater Systems	48,980	48,980
ISC - Economic Development	-	37,344
ISC - Capital Major Renovations and Extensions	90,771	100,000
ISC - Capital Renovations	371,348	-
ISC - Capital Community Buildings	50,000	-
ISC - Capital Duplexes	278,486	692,958
ISC - Additions to Reserve	399,960	-
ISC - Housing Repairs	149,205	-
ISC - Capital Band Office Repairs	17,960	25,000
ISC - Equipment	10,000	-
Keewatin Tribal Council - Daycare Capital	-	70,736
	<u>\$ 1,648,872</u>	<u>\$ 995,851</u>



# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

### 8. LONG TERM DEBT

	2019	2018
First Nation Bank, with monthly payments of \$3,672 plus interest at 5.2%, maturing November 2019. The loan is secured by a Band Council Resolution guaranteeing repayment	\$ 29,377	\$ 73,442
CMHC mortgage, with payments of \$5,526 per month including interest at 1.82%, maturing June 2023, with a scheduled renewal date of September 2019, secured by a ministerial guarantee	271,017	331,812
CMHC mortgage, with payments of \$4,805 per month including interest at 1.35%, maturing October 2036, with a scheduled renewal date of May 2022, secured by a ministerial guarantee	902,316	947,494
CMHC mortgage, with payments of \$1,617 per month including interest at 2.68%, maturing April 2038, with a scheduled renewal date of October 1, 2023 secured by a ministerial guarantee	290,022	302,290
	<b>\$ 1,492,732</b>	<b>\$ 1,655,038</b>

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

2019-20	\$ 148,807
2020-21	121,508
2021-22	123,623
2022-23	125,776
2023-24	77,946
Thereafter	895,072

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

### 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, 2019 might be recovered by these agencies.

At March 31, 2019, 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 ISC by July 31, 2019. 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:

	2019	2018
Housing	\$ 7,243,743	\$ 7,158,143
Health	323,385	100,282
Operations and Maintenance	1,782,181	1,807,331
	<u>\$ 9,349,309</u>	<u>\$ 9,065,756</u>

### 11. ACCUMULATED SURPLUS

	2019	2018
Invested in Capital Assets	\$ 5,419,582	\$ 3,974,681
Ottawa Trust	9,873	9,174
CMHC Reserves	299,329	268,843
Accumulated Deficit from Operations	2,511,001	3,441,512
	<u>\$ 8,239,785</u>	<u>\$ 7,694,210</u>

### 12. INDIGENOUS SERVICES CANADA REVENUE

ISC revenue recorded on the financial statements in the year ended March 31, 2019 and in the year ended March 31, 2018 agrees to the amounts stated on the year end ISC funding confirmation.

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

### 13. FIRST NATION INUIT HEALTH REVENUE

FNIH revenue recorded on the financial statements in the year ended March 31, 2019 and in the year ended March 31, 2018 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

	2019	2018
Amortization	\$ 517,866	\$ 402,177
Interest	54,514	51,073
Member Services	139,148	117,047
Purchased Goods and Services	2,543,953	2,067,685
Salaries and Benefits	1,842,453	2,381,782
Social Assistance	1,002,211	998,429
Training	176,090	151,375
Travel	361,969	318,969
	<b>\$ 6,638,204</b>	<b>\$ 6,488,537</b>

# BARREN LANDS FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

### 16. ECONOMIC DEPENDENCE

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

### 20. PRIOR PERIOD ADJUSTMENTS

#### Northern Stores Pay Account

A prior period adjustment for \$20,020 was made as a reflect adjustments made by the Northwest Company to reverse interest charges and cover errors made by their staff in posting transactions.

#### 4 Duplex Housing Units 2016/17

The First Nation started on constructing 4 duplex housing units in 2016. The costs relating to these units were expensed in the 2016/17 fiscal year. The project was completed in the summer 2017 and \$1,411,014 in costs were capitalized under Band Housing. Included in this amount were \$1,162,656 in costs that were expensed in error in 2016/17 that should have been recorded as Construction in Progress.

# BARREN LANDS FIRST NATION

## SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED MARCH 31, 2019

	Buildings	Vehicles and Equipment	Roads	Water and Sewer	Band Housing	CMHC Housing	Equipment	Fuel Depot	2019	2018
<b>COST</b>										
Balance, Beginning of Year	\$ 1,979,313	\$ 1,826,616	\$ 162,369	\$ 928,454	\$ 4,577,412	\$ 3,250,448	\$ 187,899	\$ 342,016	\$ 13,254,527	\$ 11,612,831
Acquisitions	170,884	216,063	-	-	2,567,914	-	-	-	2,954,861	1,641,696
Disposals & Write Downs	-	-	-	-	-	-	-	-	-	-
Balance, End of Year	2,150,197	2,042,679	162,369	928,454	7,145,326	3,250,448	187,899	342,016	16,209,388	13,254,527
<b>ACCUMULATED AMORTIZATION</b>										
Balance, Beginning of Year	1,020,932	1,411,230	153,222	424,609	1,744,965	1,078,194	170,348	338,713	6,342,213	5,940,035
Amortization	41,755	115,307	1,749	23,901	220,260	108,612	5,291	991	517,866	402,178
Disposals & Write Downs	-	-	-	-	-	-	-	-	-	-
Balance, End of Year	1,062,687	1,526,537	154,971	448,510	1,965,225	1,186,806	175,639	339,704	6,860,079	6,342,213
<b>2019 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>										
	\$ 1,087,510	\$ 516,142	\$ 7,398	\$ 479,944	\$ 5,180,101	\$ 2,063,642	\$ 12,260	\$ 2,312	\$ 9,349,309	\$ 6,912,314
<b>2018 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>										
	\$ 958,381	\$ 415,386	\$ 9,147	\$ 503,845	\$ 2,832,447	\$ 2,172,254	\$ 17,551	\$ 3,303		

# BARREN LANDS FIRST NATION

## SCHEDULE 2 - CONSOLIDATED SUMMARY SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2019

	Schedule #	ISC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Transfers	2019	2018
Governance and Administration	3	\$ 877,849	\$ 170,566	\$ (205,029)	\$ 843,386	\$ (920,520)	\$ 83,660	\$ 6,526	\$ 116,602
Social	4	1,452,515	-	(6,300)	1,446,215	(1,352,201)	-	94,014	(32,077)
Health	5	-	2,343,979	-	2,343,979	(1,984,640)	(83,660)	275,679	253,354
Housing	6	-	430,214	-	430,214	(361,660)	-	68,554	84,741
Economic Development	7	65,300	29,082	37,344	131,726	(143,049)	-	(11,323)	-
Education	8	286,908	-	-	286,908	(169,667)	-	117,241	101,485
Operations and Maintenance	9	1,526,112	5,661	(549,772)	982,001	(1,002,795)	-	(20,794)	2,229,141
Ottawa Trust	10	-	221	-	221	-	-	221	209
Training and Other	12	-	810,132	-	810,132	(794,675)	-	15,457	111,471
		4,208,684	3,789,855	(723,757)	7,274,782	(6,729,207)	-	545,575	2,864,926

# BARREN LANDS FIRST NATION

## SCHEDULE 3 - GOVERNANCE AND ADMINISTRATION

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT

FOR THE YEAR ENDED MARCH 31, 2019

	2019 Budget (Unaudited)	2019	2018
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ 376,963	\$ 877,849	\$ 535,686
Other	153,859	56,996	6,635
Province of Manitoba	34,362	84,620	73,183
Rent	-	28,950	-
Revenue Deferred to Subsequent Year-Note 7	-	(205,029)	-
	565,184	843,386	615,504
<b>EXPENSES</b>			
Bank Charges and Interest	21,500	24,600	21,330
Co-Management Fees	73,051	-	51,230
Community Events	10,070	8,950	-
Equipment Rental	2,808	3,684	2,916
Freight and Delivery	999	3,727	3,513
Insurance	-	10,769	12,183
Member Support	12,307	20,255	22,013
Other Program Expenses	16,625	11,626	-
Professional Fees	33,384	203,179	20,228
Repairs & Maintenance	-	225	-
Salaries and Benefits	332,360	435,013	381,499
Supplies	4,404	23,124	6,249
Telephone	20,745	28,847	13,238
Travel	50,065	146,521	74,195
	578,318	920,520	608,594
<b>ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS</b>	(13,134)	(77,134)	6,910
<b>TRANSFERS</b>	-	83,660	109,692
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (13,134)	6,526	116,602
<b>ACCUMULATED DEFICIT, BEGINNING OF YEAR</b>		(1,342,868)	(1,459,470)
<b>ACCUMULATED DEFICIT, END OF YEAR</b>		\$ (1,336,342)	\$ (1,342,868)

# BARREN LANDS FIRST NATION

## SCHEDULE 4 - SOCIAL

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT

FOR THE YEAR ENDED MARCH 31, 2019

	2019 Budget (Unaudited)	2019	2018
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ 1,359,611	\$ 1,452,515	\$ 1,362,784
Revenue Deferred to Subsequent Year-Note 7	-	(6,300)	-
	1,359,611	1,446,215	1,362,784
<b>EXPENSES</b>			
Bank Charges and Interest	-	30	288
Basic Needs	940,041	1,002,211	998,429
Freight & Delivery	78	-	-
Hydro	-	239,610	281,658
Member Services	-	3,100	-
Office	454	2,106	3,856
Other Expenses	654	-	-
Salaries and Benefits	69,918	61,308	71,680
Special Needs	30,192	37,605	32,898
Supplies	2,005	765	215
Travel	6,495	5,466	5,837
	1,049,837	1,352,201	1,394,861
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 309,774</b>	<b>94,014</b>	<b>(32,077)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<b>138,067</b>	<b>170,144</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>\$ 232,081</b>	<b>\$ 138,067</b>



# BARREN LANDS FIRST NATION

## SCHEDULE 5 - HEALTH

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT

FOR THE YEAR ENDED MARCH 31, 2019

	2019 Budget (Unaudited)	2019	2018
<b>REVENUE</b>			
First Nation and Inuit Health Canada	\$ 1,015,422	\$ 2,331,744	\$ 2,135,761
Other	9,571	12,235	164,302
	1,024,993	2,343,979	2,300,063
<b>EXPENSES</b>			
Administration	107,349	56,997	137,857
Amortization	-	47,523	27,648
Capital Acquisitions	-	1,700	1,680
Community Events	60,946	250,348	185,783
Honorariums	-	20,257	34,915
Insurance	-	-	1,758
Office	30	-	-
Other Expenses	35,657	-	1,245
Professional Fees	5,700	28,265	30,929
Rent	-	24,000	24,000
Repairs & Maintenance	2,904	2,579	17,980
Salaries and Benefits	501,962	785,365	717,170
Supplies	115,015	62,017	132,425
Telephone	-	-	8,725
Training	9,319	-	1,162
Travel	138,269	150,083	157,954
Utilities	-	535,000	544,214
Vehicle	175,730	20,506	21,264
	1,152,881	1,984,640	2,046,709
<b>ANNUAL SURPLUS (DEFICIT) BEFORE TRANSFERS</b>	(127,888)	359,339	253,354
<b>TRANSFERS</b>	-	(83,660)	-
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (127,888)	275,679	253,354
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		221,284	(32,070)
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>		\$ 496,963	\$ 221,284

# BARREN LANDS FIRST NATION

## SCHEDULE 6 - HOUSING

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2019

	2019 Budget (Unaudited)	2019	2018
<b>REVENUE</b>			
Canada Mortgage and Housing Corporation (CMHC)	\$ 193,206	\$ 342,230	\$ 361,428
Rent	40,236	87,984	87,984
	233,442	430,214	449,412
<b>EXPENSES</b>			
Amortization	112,205	108,613	114,329
Bank Charges and Interest	119	-	-
Insurance	14,093	22,000	14,979
Interest on Long Term Debt	32,000	24,243	25,283
Other Expenses	-	121	302
Professional Fees	-	1,550	2,500
Repairs and Maintenance	42,498	114,367	180,397
Salaries and Benefits	-	77,822	19,896
Travel	-	12,944	6,985
	200,915	361,660	364,671
<b>ANNUAL SURPLUS</b>	\$ 32,527	68,554	84,741
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		186,593	101,852
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		\$ 255,147	\$ 186,593

# BARREN LANDS FIRST NATION

## SCHEDULE 7 - ECONOMIC DEVELOPMENT

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT

FOR THE YEAR ENDED MARCH 31, 2019

	2019 Budget (Unaudited)	2019	2018
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ 70,720	\$ 65,300	\$ 162,700
Province of Manitoba	-	29,082	-
Revenue Deferred to Subsequent Year-Note 7	-	37,344	27,165
Revenue Deferred to Subsequent Year-Note 7	-	-	(37,343)
	70,720	131,726	152,522
<b>EXPENSES</b>			
Administration	-	-	9,000
Band Member Support	-	-	209
Other Expenses	4,990	9,000	4,405
Salaries and Benefits	39,827	125,840	84,767
Supplies	-	258	20,624
Travel	3,185	7,951	33,517
	48,002	143,049	152,522
<b>ANNUAL SURPLUS</b>	\$ 22,718	(11,323)	-
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		60,306	60,306
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		\$ 48,983	\$ 60,306

# BARREN LANDS FIRST NATION

## SCHEDULE 8 - EDUCATION

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2019

	2019 Budget (Unaudited)	2019	2018
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ 213,948	\$ 286,908	\$ 281,436
<b>EXPENSES</b>			
Community Events	-	-	11,635
Insurance	3,595	-	-
Member Support	-	2,033	-
Other Program Expenses	675	557	-
Repairs and Maintenance	30,022	-	22,988
Salaries and Benefits	120,138	133,261	129,444
Supplies	1,939	2,302	1,142
Training	-	750	-
Travel	17,107	30,764	14,116
Vehicle	238	-	626
	173,714	169,667	179,951
<b>ANNUAL SURPLUS</b>	\$ 40,234	117,241	101,485
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		271,136	169,651
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		\$ 388,377	\$ 271,136

# BARREN LANDS FIRST NATION

## SCHEDULE 9 - OPERATIONS AND MAINTENANCE CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2019

	2019 Budget (Unaudited)	2019	2018
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ 685,603	\$ 1,526,112	\$ 3,572,552
Indigenous Services Canada Clawback	-	(91,003)	-
User Fees	-	5,661	46,208
Other	-	-	25,900
Revenue Deferred in Prior Year - Note 7	-	887,771	579,243
Revenue Deferred to Subsequent Year-Note 7	-	(1,437,543)	(887,771)
	685,603	890,998	3,336,132
<b>EXPENSES</b>			
Amortization	-	361,730	260,200
Bank Charges and Interest	13	-	10
Barge Contracts	48,198	-	-
Equipment Rental	2,800	-	-
Fuel	-	93,126	1,100
Insurance	17,473	22,782	12,957
Other Expenses	50,672	1,106	1,993
Professional Fees	6,750	-	-
Repairs and Maintenance	208,259	141,497	515,174
Salaries and Benefits	305,020	161,292	197,200
Supplies	78,303	25,106	36,219
Telephone	2,794	2,504	1,834
Travel	7,168	2,915	15,533
Utilities	26,153	99,734	64,771
	753,603	911,792	1,106,991
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (68,000)</b>	<b>(20,794)</b>	<b>2,229,141</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<b>5,140,880</b>	<b>2,911,739</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>\$ 5,120,086</b>	<b>\$ 5,140,880</b>

# BARREN LANDS FIRST NATION

## SCHEDULE 10 - OTTAWA TRUST CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2019

	2019 Budget (Unaudited)	2019	2018
<b>REVENUE</b>			
Interest	\$ -	\$ 221	\$ 209
<b>ANNUAL SURPLUS</b>	-	221	209
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	-	9,652	9,443
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ -	\$ 9,873	\$ 9,652

# BARREN LANDS FIRST NATION

## SCHEDULE 11 - TRAINING AND OTHER CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES AND DEFICIT FOR THE YEAR ENDED MARCH 31, 2019

	2019 Budget (Unaudited)	2019	2018
<b>REVENUE</b>			
Keewatin Tribal Council	\$ 42,963	\$ 304,561	\$ 342,299
Fuel Sales	307,170	115,411	133,598
Province of Manitoba	187,067	198,341	217,192
Other	35,442	121,083	123,356
Revenue Deferred from Prior Year - Note 7	-	70,736	-
Revenue Deferred to Subsequent Year-Note 7	-	-	(70,736)
	572,642	810,132	745,709
<b>EXPENSES</b>			
Bank Charges and Interest	5	5,671	4,460
Community Events	31,530	1,600	32,964
Equipment Rental	1,352	150	-
Freight and Delivery	839	708	2,289
Fuel	438,638	299,198	197,882
Insurance	-	2,319	1,579
Member Services	11,954	118,893	95,034
Other Expenses	230,586	14,608	22,025
Professional Fees	10,795	-	-
Repairs and Maintenance	3,055	2,188	1,674
Salaries and Benefits	169,380	140,374	103,207
Supplies	14,939	5,374	5,029
Telephone	753	854	1,034
Travel	17,964	18,269	15,017
Training	-	176,090	151,375
Utilities	1,601	978	669
Training	-	7,401	-
	933,391	794,675	634,238
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (360,749)	15,457	111,471
<b>ACCUMULATED DEFICIT, BEGINNING OF YEAR</b>		(800,593)	(912,064)
<b>ACCUMULATED DEFICIT, END OF YEAR</b>		\$ (785,136)	\$ (800,593)