
MARCEL COLOMB FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

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MARCH 31, 2016

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Marcel Colomb First Nation are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.


Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

The external auditors, Collins Barrow HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Marcel Colomb First Nation and meet when required.



Chief



Council



Council

Council

INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Membership
Marcel Colomb First Nation

We have audited the accompanying consolidated financial statements of Marcel Colomb First Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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.

Auditors' Responsibility

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

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

Basis for Qualified Opinion

Marcel Colomb Development Corporation

Due to the unavailability of proper and complete records relating to Marcel Colomb Development Corporation, we were not able to determine what adjustments might have been necessary to record the Development Corporation's revenue, expenditures, receivables and payables in these consolidated financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion Paragraph, the financial statements present fairly, in all material respects, the financial position of the Marcel Colomb First Nation as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

Our previous report dated July 11, 2017 has been withdrawn and reissued on August 2, 2017 as a result of additional information provided by management for audit. Note 16 and 17 to the consolidated financial statements discuss the amendments made to the financial statements.

The financial statements of the Marcel Colomb First Nation for the year ended March 31, 2015, were audited by another auditor who expressed an unqualified opinion on August 31, 2015.

Collins Barrow HMA LLP
Chartered Professional Accountants

Winnipeg, Manitoba

July 11, 2017, except for Notes 16 and 17, which are as of August 2, 2017.

MARCEL COLOMB FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2016	2015 <i>Restated</i>
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FINANCIAL ASSETS

Cash (Note 3, 4)	\$ 147,123	\$
Accounts receivable (Note 5)	<u>100,777</u>	<u>209,875</u>
Total financial assets	<u>247,900</u>	<u>209,875</u>

LIABILITIES

Bank indebtedness		28,488
Accounts payable and accrued liabilities (Note 5)	364,746	390,743
Due to federal government transfers	20,099	39,477
Income tax payable		20,763
Deferred revenue (Note 7)	1,265	1,265
Long term debt (Note 8)	<u>2,746,190</u>	<u>2,847,297</u>
Total liabilities	<u>3,132,300</u>	<u>3,328,033</u>
Net debt	(2,884,400)	(3,118,158)

NON-FINANCIAL ASSETS

Tangible capital assets (Note 9)	<u>19,659,750</u>	<u>20,131,060</u>
Accumulated surplus	<u>\$ 16,775,350</u>	<u>\$ 17,012,902</u>
Contingencies (Note 10)		

Approved on behalf of Chief and Council

Marcel Colomb
 Chief
Angel L. L...
 Council

Evelyn Sinclair
 Council
 Council

MARCEL COLOMB FIRST NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 6	2 0 1 5 <i>Restated</i>
REVENUE			
Federal government transfers - I.N.A.C. (Note 11)	\$	\$ 1,347,069	\$ 3,506,130
Federal government transfers - Health Canada		407,454	337,080
Provincial government transfers - Energy and Mines			21,054
Canada Mortgage and Housing Corporation - Subsidy		141,210	164,745
Rental Revenue - Housing		54,941	68,124
Convenience Store sales			15,740
Marcel Colomb Development Corporation fees		1,228,377	133,314
Other Programs - Miscellaneous	-	248,814	251,481
	-	<u>3,427,865</u>	<u>4,497,668</u>
EXPENDITURES			
Governance and Administration		905,444	1,095,203
Social		386,349	465,721
Education		139,699	170,112
Operations and Maintenance		302,242	525,412
Health Authority		463,824	460,692
Economic Development		50,060	46,551
CMHC Housing		208,737	225,314
Employment and Training			21,174
Capital			19,200
Marcel Colomb Development Corporation	-	1,227,062	324,416
	-	<u>3,683,417</u>	<u>3,353,795</u>
ANNUAL SURPLUS (DEFICIT)		(255,552)	1,143,873
Allocation to replacement reserves	-	18,000	23,249
ACCUMULATED SURPLUS, <i>beginning of year</i>	17,012,902	17,012,902	16,197,921
Prior period adjustment (Note 16)	-	-	(352,141)
ACCUMULATED SURPLUS, <i>end of year</i>	\$ 17,012,902	\$ 16,775,350	\$ 17,012,902

MARCEL COLOMB FIRST NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 6	2 0 1 5 <i>Restated</i>
Annual surplus (deficit)	\$ -	\$(255,552)	\$ 1,143,873
Acquisition of tangible capital assets and construction in progress		(109,976)	(1,478,127)
Decrease in prepaid expenses			6,848
Amortization of tangible capital assets	-	581,286	604,355
	-	471,310	(866,924)
CHANGE IN NET DEBT FOR YEAR		215,758	276,949
Allocation to replacement reserves	-	18,000	23,249
NET DEBT, <i>beginning of year</i>	(3,118,158)	(3,118,158)	(3,418,356)
NET DEBT, <i>end of year</i>	\$(3,118,158)	\$(2,884,400)	\$(3,118,158)

MARCEL COLOMB FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2016	2015
CASH FLOW FROM		
OPERATING ACTIVITIES		
Cash received from funding and other sources	\$ 3,524,957	\$ 4,406,385
Cash paid to suppliers and employees	(3,087,297)	(2,818,161)
Interest paid	(50,966)	(53,965)
	<u>386,694</u>	<u>1,534,259</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets and construction in progress	(109,976)	(1,478,127)
FINANCING ACTIVITIES		
Repayment of long term debt	(101,107)	(99,543)
Advances to (from) related parties - net	-	4,310
	<u>(101,107)</u>	<u>(95,233)</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	175,611	(39,101)
CASH (DEFICIT) , beginning of year	(28,488)	10,613
CASH (DEFICIT) , end of year	<u>\$ 147,123</u>	<u>\$ (28,488)</u>
CASH (DEFICIENCY) COMPRISED OF		
Cash	\$ 147,123	\$
Bank indebtedness	-	(28,488)
	<u>\$ 147,123</u>	<u>\$ (28,488)</u>

MARCEL COLOMB FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

1. NATURE OF OPERATION

Marcel Colomb First Nation (the "First Nation") is a non-profit, non-taxable entity and is engaged in the social, cultural and economic development of its members.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are the representation of management, and have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

REPORTING ENTITY

The consolidated financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity. The First Nation consolidates the assets, liabilities and results of operations for the following entities and departments:

- Marcel Colomb Development Corporation
- Marcel Colomb First Nation Housing Authority

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

The financial information for the above entities/departments included in these consolidated financial statements is for the year ended March 31, 2016.

ASSET CLASSIFICATION

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

SHORT TERM INVESTMENTS

Short term investments are recorded at lower of cost and market value.

INVESTMENTS

Portfolio investments are recorded at cost, less an allowance to reflect any decline in value. The First Nation's investments in various commercial enterprises are accounted for using the modified equity method. Under the modified equity method, the cost of the investments are adjusted for the First Nation's share of the commercial enterprises' income or loss less dividends.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**NET DEBT*

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its liabilities less its financial assets. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are stated at cost and recorded in the capital assets. Social housing assets acquired under Canada Mortgage and Housing Corporation sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long term debt. Amortization of tangible capital assets is recorded on a declining balance basis, except for roads, bridges and other infrastructure which is amortized on straight line basis, at the following annual rates:

Buildings	5%
Computers	30%
Equipment	20%
Roads, bridges and other infrastructure	40 years
Vehicles	30%

SEGMENTS

The First Nation conducts its business through a number of reportable segments. 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.

REVENUE RECOGNITION

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

FINANCIAL INSTRUMENTS

Financial instruments include cash, accounts receivable, accounts payable and accrued liabilities and long term debt. Unless otherwise stated, it is management's opinion that the First Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the carrying value of First Nation's financial assets and liabilities approximates their fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**FAIR VALUE*

Due to the short term nature of all financial instruments other than long term debt and long term investments, the carrying values as presented in these financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so any difference would be accounted for in the period in which it becomes known. For long term investments and long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates.

3. CASH

Cash is comprised of the following:

	2 0 1 6	2 0 1 5
Operating accounts	\$ 59,133	\$(100,872)
Marcel Colomb Development Corporation	5,233	(225)
Restricted cash <i>(Note 4)</i>	<u>82,757</u>	<u>72,609</u>
	<u>\$ 147,123</u>	<u>\$ (28,488)</u>

4. RESTRICTED CASH

CMHC Replacement Reserve

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to tangible capital assets. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2016, \$47,000 (2015 - \$30,370) had been deposited into separate account leaving an unfunded balance of \$4,000 (2015 - \$2,630).

Ottawa Trust Fund

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

	2016	2015
CMHC Replacement Reserve	\$ 47,000	\$ 30,370
Ottawa Trust Fund	5,235	5,235
Capital - Water treatment project		1,265
Capital - 6 bay car garage		28,062
Internally Restricted Reserves and Funds		
Bus replacement reserve	<u>30,522</u>	<u>7,677</u>
	<u>\$ 82,757</u>	<u>\$ 72,609</u>
5. ACCOUNTS RECEIVABLE		
	2016	2015
I.N.A.C.	\$ 1,750	\$ 72,557
Health Canada		23,390
Advances receivable	7,820	7,820
Goods and services tax		682
CMHC subsidy	11,767	
Wawatay LP	80,052	80,052
Trade and other	<u>34,464</u>	<u>52,630</u>
Subtotal	135,853	237,131
Less: Allowance for doubtful accounts		
Trade and other	<u>(35,076)</u>	<u>(27,256)</u>
	<u>\$ 100,777</u>	<u>\$ 209,875</u>
6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		
	2016	2015
I.N.A.C.		
Basic needs and in-home care recovery	\$ 28,081	\$ 50,024
Accrued liabilities	77,871	
Trade and other	<u>258,794</u>	<u>340,719</u>
	<u>\$ 364,746</u>	<u>\$ 390,743</u>
7. DEFERRED REVENUE		
	2016	2015
I.N.A.C.		
Water treatment project	<u>\$ 1,265</u>	<u>\$ 1,265</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

8. LONG TERM DEBT

	2016	2015
C.M.H.C. mortgage, 1.67%, repayable in monthly installments of \$12,320 (P & I), due June 2038, secured by Ministerial Guarantee and registered mortgage on housing units.	\$ 2,746,190	\$ 2,847,297
Less current portion	(102,758)	(101,053)
	<u>\$ 2,643,432</u>	<u>\$ 2,746,244</u>

The scheduled principal amounts payable within the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2017	\$ 102,758
2018	104,487
2019	106,245
2020	108,033
2021	109,851

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

9. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2016	Total 2015 (Restated)
Buildings	\$ 266,090	\$	\$ 266,090	\$ 72,534	\$ 9,678	\$ 82,212	\$ 183,878	\$ 193,556
Houses	3,409,265		3,409,265	167,315	101,107	268,422	3,140,843	3,241,950
Infrastructure	14,085,638		14,085,638	704,282	352,141	1,056,423	13,029,215	13,381,356
Equipment and fixtures	108,292		108,292	36,469	14,365	50,834	57,458	71,823
Vehicles	340,477	52,700	393,177	217,517	38,864	256,381	136,796	122,960
Computers	86,887		86,887	66,718	6,051	72,769	14,118	20,169
Roads and bridges	2,363,200		2,363,200	709,081	59,080	768,161	1,595,039	1,654,119
6 bay garage	1,445,127	57,276	1,502,403	-	-	-	1,502,403	1,445,127
	<u>\$ 22,104,976</u>	<u>\$ 109,976</u>	<u>\$ 22,214,952</u>	<u>\$ 1,973,916</u>	<u>\$ 581,286</u>	<u>\$ 2,555,202</u>	<u>\$ 19,659,750</u>	<u>\$ 20,131,060</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

10. CONTINGENCIES

The legal counsel for the First Nation communicated that the First Nation underwent an election dispute over a series of elections that took place in 2015 and 2016. In November of 2016, the Federal Court of Canada held that Priscilla Colomb was the rightful Chief with Evelyn Sinclair, Angel Castel and Sarah Copopay being the rightful Councilors. Reasons for the decision were placed on both Federal Court dockets: T-1335-16 and T-1442-16. The litigation created a number of potential claims against those who played a part, knowingly or not. These potential claims are either in the process of being settled on a full and final basis (no documents have been signed), or the potential claims were not pursued at all. The settlement proceeds from the claims that have been pursued are anticipated to be under \$45,000. The issues that remain outstanding include: final agreement on settlements, costs owed on T-1335-16 and T-1442-16, and a final resolution of T-1442-16. Since the final outcome of the matters is not yet determined, no amounts have been recorded in these consolidated financial statements.

11. RECONCILIATION OF INDIGENOUS AND NORTHERN AFFAIRS CANADA REVENUE

	2016	2015
Agreement: #1516-MB-000027	\$ 1,375,150	\$ 2,903,058
Plus: Revenue deferred from previous years		603,072
Less: Recovery from basic needs	(28,050)	
Recovery of in-home care	(31)	-
TOTAL I.N.A.C. REVENUE PER FINANCIAL STATEMENTS	\$ <u>1,347,069</u>	\$ <u>3,506,130</u>

12. ECONOMIC DEPENDENCE

Marcel Colomb First Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous and Northern Affairs Canada and First Nations Inuit Health.

13. RELATED PARTY TRANSACTIONS

In the normal course of business the First Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

14. SUBSEQUENT EVENT

Subsequent to the year-end, the Chief and Council passed a resolution on February 14, 2017 to dissolve Marcel Colomb Development Corporation. The implementation of the resolution has not yet commenced as at the date of the auditor's report, therefore the consolidated financial statements include the financial information for Marcel Colomb Development Corporation for the year then ended.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

15. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 1 6	2 0 1 5 (Restated)
Administration	\$ 35,427	\$ 9,000
Amortization	581,286	604,355
Bad debts	42,056	27,256
Replacement reserve allocation	18,000	29,964
Contracted services	48,201	455,308
Equipment purchase	89,881	106,974
Fuel costs	79,224	121,950
Honoraria - Chief and Council	89,800	106,000
Honoraria		1,400
Interest and bank charges	50,966	53,965
Insurance	55,922	69,184
Membership assistance	33,297	2,926
Office general	2,657	18,273
Other		56,321
Professional and consulting fees	267,555	258,185
Social services	303,551	368,074
Student allowances	18,069	(804)
Supplies	71,822	60,087
Telephone	17,524	19,702
Travel	132,016	57,721
Training and workshops	17,190	37,484
User fees	3,199	7,645
Utilities	67,162	82,015
Vehicle lease		6,848
Wages and benefits	431,550	469,546
Subtotal	2,456,355	3,029,379
Marcel Colomb Development Corporation	1,227,062	324,416
	<u>\$ 3,683,417</u>	<u>\$ 3,353,795</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

16. PRIOR PERIOD ADJUSTMENT AND PRIOR PERIOD RESTATEMENT

Prior period adjustment represent amortization expense for the year from period April 1, 2013 to March 31, 2014 for infrastructure development on the reserve which was completed in March 2013, but amortization was not recorded thereon.

Comparative amounts in consolidated statements of operations and changes in net debt have been restated by including amortization expense on infrastructure development for the year from April 1, 2014 to March 31, 2015.

The following table outlines the impact of these changes on the prior period:

	As previously reported	Increase (Decrease)	Restated
Capital assets	\$ 20,835,342	\$	\$ 20,835,342
Less: Additional amortization of capital assets	<u>-</u>	<u>(704,282)</u>	<u>(704,282)</u>
	<u>\$ 20,835,342</u>	<u>\$ (704,282)</u>	<u>\$ 20,131,060</u>
Revenues, expenditures and accumulated surplus			
Total revenue	\$ 4,497,668	\$ -	\$ 4,497,668
Total expenditures	3,001,654		3,001,654
Add: Amortization of capital assets	<u>-</u>	<u>352,141</u>	<u>352,141</u>
	<u>3,001,654</u>	<u>352,141</u>	<u>3,353,795</u>
Excess of revenue over expenditures	<u>\$ 1,496,014</u>	<u>\$ (352,141)</u>	<u>\$ 1,143,873</u>
ACCUMULATED SURPLUS, <i>beginning of year</i>	\$ 16,197,921	\$	\$ 16,197,921
Excess of revenue over expenditures	1,496,014	(352,141)	1,143,873
Allocation to replacement reserve	23,249		23,249
Amortization on infrastructure for the year 2014	<u>-</u>	<u>(352,141)</u>	<u>(352,141)</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 17,717,184</u>	<u>\$ (704,282)</u>	<u>\$ 17,012,902</u>

17. OTHER MATTERS

Since the issuance of consolidated financial statements and auditors' report on July 11, 2017, management has provided following new information:

- bank statements and transactions for two bank accounts relating to capital projects
- tangible capital assets' statement of accounts for infrastructure development and 6 bay garage
- details on accounts payable and accrued liabilities
- updated legal status on contingencies for and against the First Nation

Upon review of above information, we believe that we have sufficient evidence to change our opinion from disclaimer, as previously reported on July 11, 2017, to a qualified opinion on these consolidated financial statements.

18. COMPARATIVE FIGURES

Certain prior year comparative amounts have been reclassified where necessary to conform to the presentation adopted for the current year.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

19. SEGMENT DISCLOSURE

Marcel Colomb First Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 2. The segment results for the year are as follows:

	Government and Administration		Social		Education		Operations and Maintenance		Health	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues										
Federal Government										
INAC	\$ 410,080	\$ 308,826	\$ 380,275	\$ 494,322	\$ 209,660	\$ 209,660	\$ 296,841	\$ 558,529	\$ 377,837	\$ 337,080
FNIH										
CMHC										
ESDC										
Other	-	-	-	-	-	-	-	-	-	-
Subtotal	410,080	308,826	380,275	494,322	209,660	209,660	296,841	558,529	377,837	337,080
Other revenue	58,688	65,489	-	-	-	6,715	-	5,577	29,617	16,200
Total revenue	468,768	374,315	380,275	494,322	209,660	216,375	296,841	564,106	407,454	353,280
Expenses										
Amortization	480,179	504,812								
Debt servicing	4,116	5,205								
Other	413,042	560,285	351,439	465,466	107,386	107,935	170,647	435,123	239,400	232,258
Salaries and benefits	8,107	24,901	34,910	255	32,313	62,177	131,595	90,289	224,424	228,434
Total expenses	905,444	1,095,203	386,349	465,721	139,699	170,112	302,242	525,412	463,824	460,692
Surplus (Deficit)	<u>\$ (436,676)</u>	<u>\$ (720,888)</u>	<u>\$ (6,074)</u>	<u>\$ 28,601</u>	<u>\$ 69,961</u>	<u>\$ 46,263</u>	<u>\$ (5,401)</u>	<u>\$ 38,694</u>	<u>\$ (56,370)</u>	<u>\$ (107,412)</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

19. SEGMENT DISCLOSURE (continued)

	Economic Development		CMHC		Marcel Colomb Dev. Corp		Capital	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues								
Federal Government								
INAC	\$ 21,000	\$ 21,000	\$	\$	\$	\$	\$ 29,213	\$ 1,310,721
CMHC			141,210	164,745				
ESDC								
Other	-	-	-	-	-	-	-	-
Subtotal	21,000	21,000	141,210	164,745	-	-	29,213	1,310,721
Other revenue	<u>190,126</u>	<u>173,240</u>	<u>54,941</u>	<u>68,124</u>	<u>1,228,377</u>	<u>133,314</u>	<u>-</u>	<u>603,072</u>
Total revenue	<u>211,126</u>	<u>194,240</u>	<u>196,151</u>	<u>232,869</u>	<u>1,228,377</u>	<u>133,314</u>	<u>29,213</u>	<u>1,913,793</u>
Expenses								
Amortization			101,107	99,543				
Debt servicing		120	46,850	48,640				
Other	50,060	36,199	60,780	77,131	1,227,062	324,416		19,200
Salaries and benefits	-	<u>10,232</u>	-	-	-	-	-	-
Total expenses	<u>50,060</u>	<u>46,551</u>	<u>208,737</u>	<u>225,314</u>	<u>1,227,062</u>	<u>324,416</u>	<u>-</u>	<u>19,200</u>
Surplus (Deficit)	<u>\$ 161,066</u>	<u>\$ 147,689</u>	<u>\$ (12,586)</u>	<u>\$ 7,555</u>	<u>\$ 1,315</u>	<u>\$ (191,102)</u>	<u>\$ 29,213</u>	<u>\$ 1,894,593</u>

MARCEL COLOMB FIRST NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

19. SEGMENT DISCLOSURE (continued)

	Employment & Training			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
				(Restated)
Revenues				
Federal Government				
INAC	\$	\$	\$ 1,347,069	\$ 2,903,058
FNIH			377,837	337,080
CMHC			141,210	164,745
ESDC				
Other	-	-	-	-
Subtotal	-	-	1,866,116	3,404,883
Other revenue	-	21,054	1,561,749	1,092,785
Total revenue	-	21,054	3,427,865	4,497,668
Expenses				
Amortization			581,286	604,355
Debt Servicing			50,966	53,965
Other		2,616	2,619,816	2,260,629
Salaries and benefits	-	18,558	431,349	434,846
Total expenses	-	21,174	3,683,417	3,353,795
Surplus (Deficit)	\$ -	\$ (120)	\$ (255,552)	\$ 1,143,873