
MARCEL COLOMB FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

MARCEL COLOMB FIRST NATION

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MARCH 31, 2019

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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 of Canada 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, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian generally accepted 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.

Priscilla Colomb

Chief

Council

Evelyn Sinclair

Council

Council

Baker Tilly HMA LLP
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INDEPENDENT AUDITORS' REPORT

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To the Chief, Council and Membership
Marcel Colomb First Nation

Opinion

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, 2019, and the consolidated statements of operations, consolidated statement of retained earnings and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Marcel Colomb First Nation as at March 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Marcel Colomb First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the 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 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 Marcel Colomb First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Marcel Colomb First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Marcel Colomb First Nation's financial reporting process.

(continued.....)

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Marcel Colomb First 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 Marcel Colomb First 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 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 Marcel Colomb First 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.

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.

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
August 19, 2019

MARCEL COLOMB FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2019

2018

FINANCIAL ASSETS

Cash <i>(Notes 3, 4)</i>	\$ 1,197,953	\$ 287,678
Accounts receivable <i>(Note 5)</i>	<u>57,175</u>	<u>136,190</u>
Total financial assets	<u>1,255,128</u>	<u>423,868</u>

LIABILITIES

Accounts payable and accrued liabilities <i>(Note 6)</i>	347,868	474,471
Government remittances payable	10,168	28,007
Advance from CMHC	477,337	364,106
Deferred revenue	1,324,089	357,210
Long-term debt <i>(Note 7)</i>	<u>3,018,058</u>	<u>2,538,542</u>
Total liabilities	<u>5,177,520</u>	<u>3,762,336</u>
Net debt	<u>(3,922,392)</u>	<u>(3,338,468)</u>

NON-FINANCIAL ASSETS

Tangible capital assets <i>(Note 8)</i>	<u>21,196,323</u>	<u>20,490,804</u>
Accumulated surplus	<u>\$ 17,272,931</u>	<u>\$ 17,152,336</u>

Approved on behalf of Chief and Council

Marcelle Colomb
Chief
Evelyn Sinclair
Council

.....
Council
.....
Council

MARCEL COLOMB FIRST NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2019	2018
REVENUE			
Indigenous Services Canada (<i>Note 9</i>)	\$ 2,628,461	\$ 2,416,971	\$ 3,089,685
First Nations and Inuit Health Branch	1,496,700	1,495,907	421,363
Manitoba Keewatinowi Okimakanak	57,500	57,123	139,273
Canada Mortgage and Housing Corporation	342,139	237,777	141,210
Rental Revenue - Housing	57,861	57,861	91,233
Other	-	1,389,578	199,072
	<u>4,582,661</u>	<u>5,655,217</u>	<u>4,081,836</u>
EXPENDITURES			
Governance and Administration	612,617	1,054,287	941,981
Social	435,468	439,158	422,126
Education	250,000	257,210	198,740
Operations and Maintenance	850,546	1,038,001	476,245
Health Authority	1,496,700	1,362,821	471,665
Economic Development	21,000	891,361	41,137
Housing	757,210	428,978	242,508
Aboriginal Skills and Employment Training	<u>57,500</u>	<u>57,484</u>	<u>139,273</u>
	<u>4,481,041</u>	<u>5,529,300</u>	<u>2,933,675</u>
ANNUAL SURPLUS			
	101,620	125,917	1,148,161
Allocation to replacement reserve	36,300	36,300	36,300
Replacement reserve expenditure		(41,622)	
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>17,152,336</u>	<u>17,152,336</u>	<u>15,967,875</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 17,290,256</u>	<u>\$ 17,272,931</u>	<u>\$ 17,152,336</u>

MARCEL COLOMB FIRST NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2019	2018
Annual surplus (deficit)	\$ 101,620	\$ 125,917	\$ 1,148,161
Amortization of tangible capital assets	612,958	612,958	603,035
Acquisition of tangible capital assets and construction in progress	(1,317,477)	(1,317,477)	(2,051,842)
Replacement reserve expenditure	—	(41,622)	—
	(704,519)	(746,141)	(1,448,807)
CHANGE IN NET DEBT FOR YEAR	(602,899)	(620,224)	(300,646)
Allocation to replacement reserve	36,300	36,300	36,300
NET DEBT, <i>beginning of year</i>	(3,338,468)	(3,338,468)	(3,074,122)
NET DEBT, <i>end of year</i>	\$ (3,905,067)	\$ (3,922,392)	\$ (3,338,468)

MARCEL COLOMB FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

2019

2018

CASH FLOW FROM

OPERATING ACTIVITIES

Cash received from funding and other sources	\$ 6,701,111	\$ 4,494,875
Cash paid to suppliers and employees	(4,861,922)	(1,997,050)
Interest paid	<u>(90,953)</u>	<u>(46,855)</u>
	<u>1,748,236</u>	<u>2,450,970</u>

INVESTING ACTIVITIES

Acquisition of tangible capital assets and construction in progress **(1,317,477)** **(2,051,842)**

FINANCING ACTIVITIES

Proceeds from long term debt	579,397
Repayment of long term debt	(99,881) (104,636)

NET INCREASE IN CASH DURING YEAR

910,275 294,492

CASH (DEFICIT), *beginning of year*

287,678 (6,814)

CASH, *end of year*

\$ 1,197,953 \$ 287,678

CASH COMPRISED OF

Cash in operating accounts	\$ 1,074,583	\$ 183,203
Restricted cash	<u>123,370</u>	<u>104,475</u>
	\$ 1,197,953	\$ 287,678

MARCEL COLOMB FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

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 departments:

- Marcel Colomb First Nation Housing Authority
- Aboriginal Skills and Education Training Strategy

Transactions between departments have not been eliminated in order to present the results of operations for each specific department.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2019****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.

REVENUErecognition

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, 2019****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, 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 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 9	2 0 1 8
Operating accounts	\$ 1,074,583	\$ 183,203
Restricted cash <i>(Note 4)</i>	<u>123,370</u>	<u>104,475</u>
	<u>\$ 1,197,953</u>	<u>\$ 287,678</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, 2019, \$60,920 (2018 - \$86,951) had been deposited into a separate account leaving an unfunded balance of \$2,458 (2018 - \$39).

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 Services Canada, with the consent of the First Nation's Council.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2019****4. RESTRICTED CASH *(continued)*****Duboff, Edwards, Haight, & Schachter Trust Accounts**

As part of a Project Exploration Agreement between the First Nation and Corazon Mining Limited ("Corazon"), as well as an Exploration Agreement between the First Nation and AuRico Gold Inc. ("AuRico") and Carlisle Goldfields Limited ("Carlisle"), separate trust accounts have been established with Duboff, Edwards, Haight, & Schachter Law Corporation ("DEHS") to hold funds contributed in trust by Corazon, AuRico, and Carlisle for use of the members of the First Nation. Any use of funds must be authorized by Chief and Council through a band council resolution, stating the purpose of the withdrawal and amount to be withdrawn. The purpose of the funds is to include support for health, education, housing, recreation, and cultural activities for the members of the First Nation.

	2 0 1 9	2 0 1 8
Ottawa Trust Fund	\$ 9,286	\$ 8,228
DEHS Trust Accounts	50,023	
Internally Restricted Reserves and Funds		
Bus replacement reserve	3,141	9,296
CMHC replacement reserve	<u>60,920</u>	<u>86,951</u>
	<u><u>\$ 123,370</u></u>	<u><u>\$ 104,475</u></u>
5. ACCOUNTS RECEIVABLE	2 0 1 9	2 0 1 8
Advances receivable	\$ 7,820	\$ 7,820
Indigenous Services Canada		8,179
CMHC subsidy	35,889	26,673
Wawatay LP		80,052
Trade and other	<u>48,542</u>	<u>48,542</u>
Subtotal	<u>92,251</u>	171,266
Less: Allowance for doubtful accounts	(35,076)	(35,076)
	<u><u>\$ 57,175</u></u>	<u><u>\$ 136,190</u></u>
6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2 0 1 9	2 0 1 8
Recoverable to Indigenous Services Canada	\$ 119,108	\$ 119,841
Accrued liabilities	38,651	44,588
Trade and other	<u>190,109</u>	<u>310,042</u>
	<u><u>\$ 347,868</u></u>	<u><u>\$ 474,471</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2019****7. LONG-TERM DEBT****2019****2018**

C.M.H.C. mortgage, 2.50%, repayable in monthly installments of \$13,296 (principal and interest), due June 2038, secured by Ministerial Guarantee and registered mortgage on housing units.

\$ 2,438,661**\$ 2,538,542**

The Bank of Nova Scotia non-revolving term loan, 1.25%, repayable in monthly installments of \$12,287 (principal and interest), due June 2023, secured by Letters of Undertakings from Indigenous Services Canada, Health Canada, and Canadian Mortgage and Housing Corporation to forward all payments directly to The Bank of Nova Scotia until credits are repaid.

579,397**-****3,018,058****2,538,542****(240,740)****(106,252)****\$ 2,777,318****\$ 2,432,290**

Less: current portion

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

March 31, 2020	\$ 240,740
2021	245,035
2022	249,416
2023	253,885
2024	114,824
Thereafter	<u>1,914,158</u>
	<u>\$ 3,018,058</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

8. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2019	Total 2018
Buildings	\$ 266,090	\$	\$ 266,090	\$ 100,140	\$ 8,298	\$ 108,438	\$ 157,652	\$ 165,950
Houses	3,409,265		3,409,265	476,069	99,881	575,950	2,833,315	2,933,196
Reserve Infrastructure	15,588,041		15,588,041	1,835,825	389,701	2,225,526	13,362,515	13,752,216
Equipment and fixtures	108,292	12,270	120,562	71,519	9,809	81,328	39,234	36,773
Vehicles	393,177	240,042	633,219	326,147	44,113	370,260	262,959	67,030
Computers	86,887		86,887	79,969	2,076	82,045	4,842	6,918
Roads and bridges	2,363,200		2,363,200	886,321	59,080	945,401	1,417,799	1,476,879
Construction in progress	2,051,842	1,065,165	3,117,007	-	-	-	3,117,007	2,051,842
	\$ 24,266,794	\$ 1,317,477	\$ 25,584,271	\$ 3,775,990	\$ 612,958	\$ 4,388,948	\$ 21,195,323	\$ 20,490,804

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2019****9. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE**

		2 0 1 9	2 0 1 8
Agreement:	#1718-MB-000041	\$ 3,383,850	\$ 3,558,557
Add: ISC receivable		8,179	
Deferred from prior year		<u>357,210</u>	-
		3,741,060	3,566,736
Less: Deferred to following year - 5 Duplex ISC		(357,210)	
Deferred to following year - New 5 Units		(1,222,469)	
Deferred to following year - Leadership Governance		(70,000)	
Capacity Development		(31,620)	
Deferred to following year - Genset Installation Project		(1,324,089)	(357,210)
Less: Recoverable to ISC			
Basic Needs 2014-2015		(44,483)	
Basic Needs 2017-2018		(53,166)	
Special Needs 2017-2018		(733)	
In-home Care 2014-2015		(31)	
In-home Care 2017-2018		(31)	
Family Violence 2013-2014		(1,397)	
Band Based Capital - Minor Repairs 2015-2016		(20,000)	
TOTAL ISC REVENUE PER FINANCIAL STATEMENTS		\$ 2,416,971	\$ 3,089,685

10. ECONOMIC DEPENDENCE

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

11. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2019****12. EXPENSES BY OBJECT**

The following is a summary of expenses by object:

	2 0 1 9	2 0 1 8
Amortization	\$ 612,958	\$ 603,035
Bus replacement reserve allocation	18,300	18,300
Contracted services	784,788	212,208
Equipment rental and repairs	262,665	102,925
Fuel costs	187,272	129,650
Honoraria - Chief and Council	77,000	89,000
Interest and bank charges	90,953	46,856
Insurance	81,408	73,491
Membership assistance	62,387	53,917
Office	5,145	29,165
Other	25,540	8,403
Professional and consulting fees	699,648	303,834
CMHC replacement reserve allocation	18,000	18,000
Social services	261,417	295,604
Student allowances	111,357	55,863
Supplies	784,396	117,015
Telephone	33,382	19,615
Travel	446,476	192,630
Training and workshops	171,888	15,445
User fees	3,604	5,092
Utilities	109,755	112,056
Wages and benefits	<u>680,961</u>	<u>431,571</u>
	<u><u>\$ 5,529,300</u></u>	<u><u>\$ 2,933,675</u></u>

13. BUDGET INFORMATION

The disclosed budget information has been provided by the administration of First Nation. The budget figures have not been audited, reviewed or otherwise verified and consequently we do not express an opinion on them.

14. COMPARATIVE FIGURES

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

15. 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues										
Federal Government										
ISC	\$ 581,927	\$ 300,043	\$ 425,592	\$ 328,386	\$ 247,236	\$ 203,642	\$ 805,006	\$ 342,824	\$ 1,495,907	\$ 421,363
FNIH										
CMHC										
ESDC										
Other	—	—	—	—	—	—	—	—	—	—
Subtotal	581,927	300,043	425,592	328,386	247,236	203,642	805,006	342,824	1,495,907	421,363
Other revenue	<u>93,857</u>	<u>166,773</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenue	<u>675,784</u>	<u>466,816</u>	<u>425,592</u>	<u>328,386</u>	<u>247,236</u>	<u>203,642</u>	<u>805,006</u>	<u>342,824</u>	<u>1,495,907</u>	<u>421,363</u>
Expenses										
Amortization	513,076	498,400								
Debt servicing	32,406	3,645								
Other	505,440	433,008	405,136	407,498	202,659	169,886	943,722	383,240	1,100,523	271,454
Salaries and benefits	<u>3,365</u>	<u>6,928</u>	<u>34,022</u>	<u>14,628</u>	<u>54,551</u>	<u>28,854</u>	<u>94,279</u>	<u>93,005</u>	<u>262,298</u>	<u>200,211</u>
Total expenses	<u>1,054,287</u>	<u>941,981</u>	<u>439,158</u>	<u>422,126</u>	<u>257,210</u>	<u>198,740</u>	<u>1,038,001</u>	<u>476,245</u>	<u>1,362,821</u>	<u>471,665</u>
Surplus (Deficit)	<u><u>\$(378,503)</u></u>	<u><u>\$(475,165)</u></u>	<u><u>\$(13,566)</u></u>	<u><u>\$(93,740)</u></u>	<u><u>\$(9,974)</u></u>	<u><u>\$ 4,902</u></u>	<u><u>\$(232,995)</u></u>	<u><u>\$(133,421)</u></u>	<u><u>\$ 133,086</u></u>	<u><u>\$(50,302)</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019

15. SEGMENT DISCLOSURE *(continued)*

	Economic Development		Housing		ASSETS		TOTAL	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues								
Federal Government								
ISC	\$	\$	\$	\$	\$	\$	\$	\$
FNIH			357,210	1,914,790			2,416,971	3,089,685
CMHC							1,495,907	421,363
ESDC			237,777	141,210			237,777	141,210
Other	—	—	—	—	—	—	—	—
Subtotal	—	—	594,987	2,056,000	—	—	4,150,655	3,652,258
Other revenue	<u>1,295,721</u>	<u>32,299</u>	<u>57,861</u>	<u>91,233</u>	<u>57,123</u>	<u>139,273</u>	<u>1,504,562</u>	<u>429,578</u>
Total revenue	<u>1,295,721</u>	<u>32,299</u>	<u>652,848</u>	<u>2,147,233</u>	<u>57,123</u>	<u>139,273</u>	<u>5,655,217</u>	<u>4,081,836</u>
Expenses								
Amortization			99,881	104,635			612,957	603,035
Debt servicing			58,547	43,211			90,953	46,856
Other	752,593	41,137	179,902	94,662	54,454	51,328	4,144,429	1,852,213
Salaries and benefits	<u>138,768</u>	<u>—</u>	<u>90,648</u>	<u>—</u>	<u>3,030</u>	<u>87,945</u>	<u>680,961</u>	<u>431,571</u>
Total expenses	<u>891,361</u>	<u>41,137</u>	<u>428,978</u>	<u>242,508</u>	<u>57,484</u>	<u>139,273</u>	<u>5,529,300</u>	<u>2,933,675</u>
Surplus (Deficit)	<u>\$ 404,360</u>	<u>\$(8,838)</u>	<u>\$ 223,870</u>	<u>\$ 1,904,725</u>	<u>\$(361)</u>	<u>\$ —</u>	<u>\$ 125,917</u>	<u>\$ 1,148,161</u>