

**Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Financial Statements
March 31, 2016**

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Financial Statements
March 31, 2016

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Mosquito, Grizzly Bear's Head, Lean Man First Nation

Management's Responsibility for Financial Reporting

March 31, 2016

The accompanying consolidated financial statements are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen what it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as 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 review the financial statements and the external auditor's report.

Chalupiak & Associates, an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

Signature on file
Mosquito, Grizzly Bear's Head,
Lean Man First Nation

August 25, 2016
Date

Chalupiak & Associates
Chartered Professional Accountants
3261 Saskatchewan Drive, Regina, SK S4T 6S4
Phone (306) 359-3711 Fax (306) 569-3030

Independent Auditors' Report

To the Members of
Mosquito, Grizzly Bear's Head, Lean Man First Nation

We have audited the accompanying consolidated financial statements of Mosquito, Grizzly Bear's Head, Lean Man First Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations, accumulated surplus, change in net debt, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the First Nation's preparation and fair presentation of the consolidated 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 First Nation'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 for our audit opinion.

Opinion

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

Regina, Saskatchewan
August 25, 2016

Chartered Professional Accountants

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Statement of Financial Position
March 31, 2016

	2016	2015
		Restated
Financial Assets		
Restricted cash - capital projects (Note 3)	\$ 258,538	\$ 472,705
Restricted cash - CMHC reserves (Note 3)	84,428	84,071
Trust funds held by federal government (Notes 3 and 4)	22,125	35,077
Accounts receivable (Note 5)	1,064,564	876,183
Investment in government business enterprises (Note 6)	42,256	14,873
Portfolio investment (Note 7)	50,000	50,000
	<hr/> 1,521,911	<hr/> 1,532,909
Liabilities		
Bank indebtedness (Note 3 and 8)	113,629	46,644
Accounts payable (Note 9)	795,732	1,003,121
Deferred revenue - unexpended funds (Note 10)	526,031	344,543
Deferred revenue (Note 11)	24,041	161,449
Due to related parties (Note 12)	35,800	35,800
Current portion of long-term debt (Note 13)	110,478	313,834
Current portion of CMHC mortgages (Note 14)	127,867	124,925
Long-term debt (Note 13)	995,898	948,605
CMHC mortgages (Note 14)	563,047	698,041
	<hr/> 3,292,523	<hr/> 3,676,962
Net debt	(1,770,612)	(2,144,053)
Non-financial Assets		
Capital assets (Note 15)	17,404,679	17,819,697
Prepaid expenses (Note 16)	27,811	22,235
	<hr/> 17,432,490	<hr/> 17,841,932
Accumulated Surplus (Note 17)	\$ 15,661,878	\$ 15,697,879

Approved on behalf of the Mosquito, Grizzly Bear's Head, Lean Man First Nation:

Signature on file, **Chief**

Signature on file, **Councilor**

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Statement of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - grant	\$ 362,375	\$ 362,375	\$ 362,375
INAC - fixed	2,101,419	2,158,960	2,138,506
INAC - set	1,974,985	2,313,969	2,061,765
INAC - flexible	269,074	413,074	940,654
INAC - receivable (payable)	-	(53,863)	(45,834)
INAC - prior period revenue (recovery)	-	607	24,546
Health Canada	125,000	112,500	108,500
CMHC	12,000	103,529	95,081
First Nations Trust	450,808	525,703	469,091
Battle River Treaty 6 Health Centre Inc.	66,000	147,658	132,315
BATC Community Development Corporation	118,019	126,041	88,208
Funds earned and held in trust by federal government	350,000	388,048	442,789
Saskatchewan Government	-	102,887	135,197
CMHC rental income	-	132,614	121,847
Loan proceeds	334,700	-	-
Insurance proceeds	-	120,822	10,142
Land claim - future settlement (Note 23)	-	271,088	294,817
Equity change in corporations	-	27,383	14,154
Other revenue	19,384	115,755	113,352
Administration fees (Note 2.k)	-	37,739	76,895
Band revenue income	36,000	-	-
Write down of old payables	-	55,494	-
Unexpended funds transferred - prior year	39,131	344,543	118,903
Deferred revenue - prior year	-	161,449	412,116
Deferred revenue - current year	-	(24,041)	(161,449)
	6,258,895	7,944,334	7,953,970
Expenses			
Claims and Indian Government (Schedule 1)	-	368,788	296,660
Community Development (Schedule 2)	504,368	551,457	576,587
Economic Development (Schedule 3)	-	47,897	-
Education (Schedule 4)	1,924,149	1,858,686	1,866,999
Indian Government Support (Schedule 5)	738,596	726,311	754,085
Land Management (Schedule 6)	87,422	97,576	78,600
Social Development (Schedule 7)	1,867,850	1,993,184	1,914,804
Indian Registration (Schedule 8)	9,751	7,686	9,975
Health Canada (Schedule 9)	137,500	136,940	127,422
CMHC Operations (Schedule 10)	12,000	171,021	158,897
Other Band Programs (Schedule 11)	426,926	558,472	582,812
Amortization (Schedule 12)	-	936,286	860,302
	5,708,562	7,454,304	7,227,143
Current surplus before unexpended transfers	550,333	490,030	726,827

The accompanying notes are an integral part of the financial statements

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Statement of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(526,031)	(344,543)
Current surplus (deficit)	\$ 550,333	\$ (36,001)	\$ 382,284

The accompanying notes are an integral part of the financial statements

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2016

	2016	2015
		Restated
Surplus at beginning of year	\$ 15,697,877	\$ 15,315,593
Current surplus (deficit)	(36,001)	382,284
Surplus at end of year	\$ 15,661,876	\$ 15,697,877

The accompanying notes are an integral part of the financial statements

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Current surplus (deficit)	\$ 550,333	\$ (36,001)	\$ 382,284
Acquisition of tangible capital assets	-	(521,268)	(1,112,716)
Amortization of tangible capital assets	-	936,286	860,297
	-	415,018	(252,419)
Acquisition of prepaid asset	(27,811)	(27,811)	(22,235)
Use of prepaid asset	22,235	22,235	79,017
	(5,576)	(5,576)	56,782
Increase in net financial assets	544,757	373,441	186,647
Net debt at beginning of year	(2,144,053)	(2,144,053)	(2,330,700)
Net debt at end of year	\$ (1,599,296)	\$ (1,770,612)	\$ (2,144,053)

The accompanying notes are an integral part of the financial statements

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015
Cash flows from Operating activities		
Current surplus (deficit)	\$ (36,001)	\$ 382,284
Items not affecting cash		
Amortization	936,286	860,297
	900,285	1,242,581
Change in non-cash operating working capital		
Accounts receivable	(188,381)	(396,666)
Prepaid expenses	(5,576)	56,782
Accounts payable	(207,390)	(133,002)
Deferred revenue - unexpended funds	181,488	255,562
Deferred revenue	<u>(137,408)</u>	<u>(250,667)</u>
	543,018	774,590
Capital activities		
Acquisition of capital assets	(521,268)	(1,112,722)
Financing activities		
Long-term debt - repayment	(383,055)	(254,677)
Long-term debt - proceeds	226,993	294,817
CMHC mortgages - repayment	<u>(132,052)</u>	<u>(121,693)</u>
	(288,114)	(81,553)
Investing activities		
Restricted cash - CMHC	(357)	(12,984)
Restricted cash - Trust funds held by federal government	12,952	27,211
Investment in government business enterprises	<u>(27,383)</u>	<u>(14,154)</u>
	(14,788)	73
Decrease in cash and cash equivalents	(281,152)	(419,612)
Cash and cash equivalents, beginning of year	426,061	845,673
Cash and cash equivalents, end of year	<u>\$ 144,909</u>	<u>\$ 426,061</u>
Represented by		
Cash	\$ (113,629)	\$ (46,644)
Restricted cash - capital projects	258,538	472,705
	\$ 144,909	\$ 426,061

The accompanying notes are an integral part of the financial statements

Mosquito, Grizzly Bear's Head, Lean Man First Nation

Notes to Consolidated Financial Statements

March 31, 2016

1. General

Mosquito, Grizzly Bear's Head, Lean Man First Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include the First Nation government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation. These financial statements do not include the Treaty Land Entitlement (TLE) Trust which is governed and controlled by appointed trustees.

2. Basis of presentation and significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting entity

The Mosquito, Grizzly Bear's Head, Lean Man First Nation reporting entity includes the Mosquito, Grizzly Bear's Head, Lean Man First Nation government and all related entities that are controlled by the First Nation.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Mosquito, Grizzly Bear's Head, Lean Man First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Mosquito, Grizzly Bear's Head, Lean Man First Nation.

Organizations accounted for on a modified equity basis include:

Mosquito Daycare Center Inc.
Mosquito Grizzly Bear's Head Lean Man TLE Makah Holding Corp

The following entities have not yet commenced active business activities and therefore there is no activity to include in these financial statements:

Mosquito Grizzly Bear's Head Lean Man First Nation Economic Development Company LP
Mosquito Grizzly Bear's Head Lean Man First Nation Petroleum Company Ltd.

(c) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to 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 assets, prepaid expenses and inventory of supplies.

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

2. Basis of presentation and significant accounting policies (continued)

(d) Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial assets is determined by its financial assets less liabilities. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

(e) Cash and cash equivalents

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

(f) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts 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 available at March 31, 2016.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

2. Basis of presentation and significant accounting policies (continued)

(g) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Mosquito, Grizzly Bear's Head, Lean Man First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives. No amortization is recorded in the year of acquisition.

Buildings	20 years Straight line
Equipment	5 years Straight line
CMHC housing	25 years Straight line
Housing	20 years Straight line
Infrastructure	20 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Mosquito, Grizzly Bear's Head, Lean Man First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(h) Portfolio investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

(i) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

2. Basis of presentation and significant accounting policies (continued)

(j) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

(k) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

(l) Revenue recognition

Revenue is recorded in the period specified in the funding agreements entered into with Government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

(m) Expense recognition

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

(n) Comparative figures

Prior year's comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

3. Cash and cash equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Mosquito, Grizzly Bear's Head, Lean Man First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Subsidy Fund.

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Funds held in trust are held by the federal government in trust for the First Nation.

	2016	2015
Unrestricted cash		
Health operations	\$ (6,437)	\$ (27,375)
CMHC operations	96	36,461
General operations	<u>(107,288)</u>	<u>(55,730)</u>
	<u>(113,629)</u>	<u>(46,644)</u>
Restricted cash - capital projects		
Other capital projects	14	32,177
Water treatment plant	258,329	303,953
Band office/health clinic rebuild	<u>195</u>	<u>136,575</u>
	<u>258,538</u>	<u>472,705</u>
Restricted cash - CMHC reserves		
Replacement reserve	34,499	34,275
Replacement reserve term deposits	<u>49,929</u>	<u>49,796</u>
	<u>84,428</u>	<u>84,071</u>
Restricted cash - trust funds held by federal government		
Revenue	22,125	35,077
Total cash and cash equivalents	\$ 251,462	\$ 545,209

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

4. Trust funds held by federal government

	2016 Revenue	2016 Capital	2016 Total	2015 Total
Surplus, beginning of year	\$ 35,078	\$ -	\$ 35,078	\$ 62,288
Withdrawals	(401,000)	-	(401,000)	(470,000)
Lease revenue	387,225	-	387,225	440,285
Interest earnings	822	-	822	2,504
Surplus, end of year	\$ 22,125	\$ -	\$ 22,125	\$ 35,077

5. Accounts receivable

	2016	2015
Due from members		
Advances - band	\$ 4,347	\$ 8,519
Advances - health	9,275	9,275
	<hr/> 13,622	<hr/> 17,794
Due from others		
First Nation Trust	-	107,221
GST receivable	14,658	12,729
Battleford River Treaty 6 Health Centre Inc.	53,721	-
Land claims settlement (Note 23)	964,753	694,113
	<hr/> 1,033,132	<hr/> 814,063
Due from government and other government organizations		
INAC	10,945	-
Health Canada	9,830	43,675
CMHC	6,060	9,676
	<hr/> 26,835	<hr/> 53,351
Allowance for doubtful accounts	1,073,589	885,208
	<hr/> (9,025)	<hr/> (9,025)
	<hr/> \$ 1,064,564	<hr/> \$ 876,183

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

6. Investment in government business enterprises

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

	Mosquito Grizzly Bear's Head Lean	Mosquito Daycare Centre Inc.	Man TLE Makah Holding Corp	2016 Total	2015 Total
Current assets		\$ 390	\$ 5,336	\$ 5,726	\$ 11,872
Due from related parties		35,800	-	35,800	-
Tangible capital assets		4,123	-	4,123	5,216
Investment		-	-	-	-
Total assets		\$ 40,313	\$ 5,336	\$ 45,649	\$ 17,088

Current liabilities	\$ 2,393	\$ 1,000	\$ 3,393	\$ 2,215
Long-term liabilities	-	-	-	-
Total liabilities	2,393	1,000	3,393	2,215
Equity	37,920	4,336	42,256	14,873
Total liabilities and equity	\$ 40,313	\$ 5,336	\$ 45,649	\$ 17,088

	Mosquito Grizzly Bear's Head Lean	Mosquito Daycare Centre Inc.	Man TLE Makah Holding Corp	2016 Total	2015 Total
Revenue		\$ 103,359	\$ 13,126	\$ 116,485	\$ 87,469
Expenses		115,019	8,790	123,809	71,918
Net income		\$ (11,660)	\$ 4,336	\$ (7,324)	\$ 15,551

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

7. Portfolio investments

	2016	2015
Avord Towers	\$ 50,000	<u>\$ 50,000</u>

8. Bank indebtedness

The First Nation has an approved overdraft of \$100,000 on the education account held with Innovation Credit Union bearing interest at 4.95%; the unauthorized overdraft interest rate on all accounts is 19.80%. The First Nation also has an approved overdraft of \$50,000 with the Royal Bank of Canada (RBC) bearing interest at prime + 5.0%.

On March 31, 2016 the First Nation had issued cheques in excess of deposits totalling \$113,629.

9. Accounts payable

	2016	2015
Due to members		
Accrued payroll	\$ 44,739	<u>\$ -</u>
Due to others		
Accounts payable - trade	624,828	703,061
Great West Life - group insurance	-	13,704
London Life - pension	-	33,651
Battleford River Treaty 6 Health Centre Inc.	68,549	<u>-</u>
	<u>693,377</u>	<u>750,416</u>
Due to government and other government organizations		
INAC	53,863	25,215
INAC - band based capital	-	221,827
Canada Revenue Agency	3,753	5,663
	<u>57,616</u>	<u>252,705</u>
	<u><u>\$ 795,732</u></u>	<u><u>\$ 1,003,121</u></u>

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

10. Deferred revenue - unexpended funds

INAC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures for programs funded by Fixed Contribution; unexpended funds may be retained by the recipient, repaid to INAC, deferred to the following year, or transferred to another INAC program area. Excess funds that will be spent in the subsequent year are recorded as a liability and classified as "Deferred revenue - unexpended funds" on the financial statements.

	2016	2015
Post Secondary	\$ 417,965	\$ 226,526
Land Management	92,454	68,595
Band Based Capital	-	39,131
Service Delivery	15,612	10,291
	<hr/> <hr/>	<hr/> <hr/>
	\$ 526,031	\$ 344,543

11. Deferred revenue

	March 31, 2015	Funding received, 2016	Revenue recognized, 2016	March 31, 2016
Federal government				
Water treatment plant project	\$ 129,563	\$ 144,040	\$ (273,603)	\$ -
Core area drainage project	<u>31,886</u>	<u>-</u>	<u>(7,845)</u>	<u>24,041</u>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 161,449	\$ 144,040	\$ (281,448)	\$ 24,041

12. Due to related parties

	2016	2015
Mosquito Daycare Centre Inc.	<u>\$ (35,800)</u>	<u>\$ (35,800)</u>

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

13. Long-term debt

	2016	2015
Innovation Credit Union - Temporary Band Office and Clinic Term loan - bearing interest at 5.20%, quarterly blended payments of \$55,000, maturing October 1, 2016, secured by a general security agreement and BCR.	\$ 44,709	\$ 305,629
Innovation Credit Union - Water Treatment Plant Project Term Loan - bearing interest at 6.70%, quarterly blended payments of \$18,400, maturing January 10, 2018, secured by a general security agreement and BCR.	140,561	216,163
Innovation Credit Union - Operating Loan Term Loan bearing interest at 5.60%, quarterly blended payments of \$13,700, secured by a general security agreement and BCR.	-	46,534
Innovation Credit Union - Land Claim Loan Term loan - bearing interest at 4.45%. Interest payments paid monthly and total principle due on November 1, 2018, secured by a general security agreement, BCR and assignment of settlement trust proceeds. Further security is provided by an insurance policy guaranteeing repayment, should no settlement funds be received. The loan is approved for \$1,568,091 and drawdowns will coincide with settlement expenses incurred.	<u>921,106</u>	<u>694,113</u>
<u>Current portion</u>	<u>1,106,376</u>	<u>1,262,439</u>
	<u>110,478</u>	<u>313,834</u>
	<u><u>\$ 995,898</u></u>	<u><u>\$ 948,605</u></u>

Principal portion of long-term debt due within the next five years:

2017	\$ 110,478
2018	74,793
2019	921,105
	<u><u>\$ 1,106,376</u></u>

	2016	2015
Interest expense for the year on long-term debt	<u><u>\$ 74,307</u></u>	<u><u>\$ 56,041</u></u>

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

14. CMHC mortgages

	Phase number	Maturity date	Interest rate	Monthly payment	2016	2015
Royal Bank	1	6/1/2019	2.63%	\$ 3,420	\$ 127,695	\$ 164,842
Royal Bank	2	5/1/2018	2.51%	2,633	66,569	96,084
Royal Bank	3	4/1/2019	2.94%	760	65,503	72,578
Royal Bank	4	1/1/2020	2.89%	1,535	142,751	156,827
Innovation Credit Union	5	10/1/2017	3.69%	2,246	122,920	148,468
Innovation Credit Union	6	2/1/2020	3.24%	1,810	165,476	184,167
					690,914	822,966
Current portion					127,867	124,925
					\$ 563,047	\$ 698,041

15. Tangible capital assets

		Cost	Additions	Accumulated amortization	2016 Net book value
Land	\$ 5,337,320	\$ -	\$ -	\$ -	\$ 5,337,320
Buildings	9,063,353	107,178	5,299,864		3,870,666
Equipment	331,499	50,100	260,893		120,705
CMHC housing	3,435,094	-	1,323,269		2,111,825
Housing	2,472,743	-	844,613		1,628,130
Infrastructure	7,890,330	363,990	3,918,289		4,336,031
	\$ 28,530,339	\$ 521,268	\$ 11,646,928		\$ 17,404,677

		Cost	Additions	Accumulated amortization	2015 Net book value
Land	\$ 5,337,320	\$ -	\$ -	\$ -	\$ 5,337,320
Buildings	8,787,341	276,012	4,855,848		4,207,504
Equipment	269,256	62,242	212,582		118,916
CMHC housing	3,435,094	-	1,191,217		2,243,877
Housing	2,472,743	-	720,849		1,751,894
Infrastructure	7,115,864	774,466	3,730,146		4,160,184
	\$ 27,417,618	\$ 1,112,720	\$ 10,710,642		\$ 17,819,695

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

16. Prepaid expenses

	2016	2015
Insurance	\$ 5,611	\$ 22,235
Post Secondary - living allowance	<u>22,200</u>	-
	<u><u>\$ 27,811</u></u>	<u><u>\$ 22,235</u></u>

17. Accumulated surplus

	2016	2015
Restricted		
Trust funds held by federal government	\$ 22,125	\$ 35,077
CMHC reserves	492,915	443,439
Capital assets	16,528,495	16,474,940
Investments	<u>92,256</u>	<u>64,873</u>
	<u><u>17,135,791</u></u>	<u><u>17,018,329</u></u>
Unrestricted		
Operating deficit	<u>(1,473,913)</u>	<u>(1,320,449)</u>
	<u><u>\$ 15,661,878</u></u>	<u><u>\$ 15,697,880</u></u>

18. Prior year restatement

The First Nation signed a Treaty Land Entitlement agreement with the Government of Canada that provided \$9,596,792 to purchase "shortfall" acres of 20,096 to be converted to reserve status. As at March 31, 2014 the number of acres converted to reserve status was 11,356 acres at a cost of \$5,337,320. There have been no further conversions since March 31, 2014.

The previous year's financial statements have been restated to record the land converted to reserve status as an asset of the First Nation. This has resulted in an increase in the amount of \$5,337,320 in the assets previously reported with a corresponding increase in equity.

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

19. Revenue, expenditures and surplus (deficit) by segment

	Revenue	Expenditures	Transfers	Surplus (deficit)
Claims and Indian Government	368,788	368,788	-	-
Community Development	922,664	551,458	(329,692)	41,514
Economic Development	51,600	47,897	-	3,703
Education	1,710,376	1,858,685	(293,461)	(441,770)
Indian Government Support	613,731	726,312	18,108	(94,473)
Land Management	97,576	97,576	-	-
Social Development	1,987,972	1,993,184	-	(5,212)
Indian Registration	9,751	7,686	-	2,065
Health Canada	144,343	136,940	(13,189)	(5,786)
CMHC Operations	236,268	171,021	(132,052)	(66,805)
Other Band Programs	1,275,234	558,473	(186,000)	530,761
Amortization	-	936,286	936,286	-
	7,418,303	7,454,306	-	(36,003)

20. INAC reconciliation

	2016	2015
INAC confirmation	\$ 5,026,551	\$ 5,416,736
Prior period revenue (recovery)		
Band Employee Benefits	-	24,927
P & ID - Planning and Risk Management	-	(21,000)
Skills Link	607	-
Prior year payable (receivable)		
Basic needs	-	(5,859)
Special needs (ECIP)	-	(750)
Band Based Capital	221,827	93,173
Current year receivable (payable)		
Basic Needs	(15,308)	(6,294)
Band Employee Benefits (statutory)	(10,124)	(12,742)
Special needs (ECIP)	-	(381)
NCBR	(27,379)	(1,190)
Skills Link Program	-	(4,608)
Assisted Living	(913)	-
Special Needs	(139)	-
	<hr/> \$ 5,195,122	<hr/> \$ 5,482,012

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

21. Government Transfers

	2016		
	Operating	Capital	Total
Federal government transfers			
Indigenous and Northern Affairs Canada (INAC)	\$ 4,782,048	\$ 413,074	\$ 5,195,122
Health Canada	112,500	-	112,500
Canada Mortgage and Housing Corporation (CMHC)	103,529	-	103,529
Total	4,998,077	413,074	5,411,151
Provincial government transfers			
	102,887	-	102,887
	\$ 5,100,964	\$ 413,074	\$ 5,514,038
	2015		
	Operating	Capital	Total
Federal government transfers			
Indigenous and Northern Affairs Canada (INAC)	\$ 4,541,358	\$ 940,654	\$ 5,482,012
Health Canada	108,500	-	108,500
Canada Mortgage and Housing Corporation (CMHC)	95,081	-	95,081
Total	4,744,939	940,654	5,685,593
Provincial government transfers			
	105,196	-	105,196
	\$ 4,850,135	\$ 940,654	\$ 5,790,789

22. Trusts under administration

Mosquito, Grizzly Bear's Head, Lean Man First Nation holds assets in trust as a result of a Treaty Land Entitlement Trust; these assets are managed by appointed trustees and are not included on the statement of financial position as assets of Mosquito, Grizzly Bear's Head, Lean Man First Nation.

23. Land claim settlement

Mosquito, Grizzly Bear's Head, Lean Man First Nation has entered into negotiations with Canada regarding a specific claim settlement. A loan has been secured to provide funding for the negotiation costs. There is an insurance policy guaranteeing repayment, should no settlement funds be received. The loan is approved for \$1,568,091 and draw downs will coincide with settlement expenses incurred. As at the March 31, 2016 year end the amount of \$921,107 (2015 - \$694,113) had been drawn down. This amount is reported as a liability to the lending institution and a corresponding amount plus the interest paid to date on the loan has been recorded as a receivable in the amount of \$964,753 (2015 - \$694,113).

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

24. Contingent liabilities

Mosquito, Grizzly Bear's Head, Lean Man First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Mosquito, Grizzly Bear's Head, Lean Man First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Mosquito, Grizzly Bear's Head, Lean Man First Nation's financial statements. The First Nation is currently not involved in any legal actions that are likely to result in a potential liability and no liabilities have been recorded in these financial statements.

Mosquito, Grizzly Bear's Head, Lean Man First Nation has guaranteed three section 10 mortgages for various Band members. If the Band member defaults on their obligations, the Band is responsible for fulfilling the obligations with the lending institution.

25. Employee benefit obligations

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year. There are no accrued liabilities reported in these statements for either vacation or overtime.

Post-employment benefits

Mosquito, Grizzly Bear's Head, Lean Man First Nation does not provide extended health, dental and life insurance benefits to qualifying retirees and their surviving spouses from the date of retirement.

Pension plan

Mosquito, Grizzly Bear's Head, Lean Man First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5.0% of their salary. Mosquito, Grizzly Bear's Head, Lean Man First Nation contributes a matching portion which is directed to the member's contribution account. Mosquito, Grizzly Bear's Head, Lean Man First Nation does not have any other obligations with regards to the pension plan as at March 31, 2016.

26. Economic dependence

Mosquito, Grizzly Bear's Head, Lean Man First Nation receives a significant portion of its revenue pursuant to a funding agreement with Indigenous and Northern Affairs Canada.

27. Subsequent events

The First Nation purchased and financed a grader for \$110,000 in April 2016.

28. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and have been derived from the estimates approved by the Mosquito, Grizzly Bear's Head, Lean Man First Nation Chief and Council.

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

29. Expenses

	2016 Budget	2016 Actual	2015 Actual
Administration	\$ -	\$ 37,739	\$ 76,895
Amortization	- -	936,286	860,302
Assistance - social development	1,467,016	1,624,749	1,613,249
Assistance to band members	409,304	325,630	194,535
Community based funding activities paid direct	- -	66,626	79,815
Consultants and contractors	731,406	1,261,457	1,621,035
Cultural programs	- -	85	80,622
Equipment purchases	50,000	50,100	62,242
Fuel	13,000	31,290	25,044
Graduation, awards, prizes	8,250	2,650	2,640
Honorariums	348,745	253,221	272,993
Insurance	93,000	247,444	186,512
Interest and bank charges	7,460	19,133	30,784
Interest on long term debt	- -	42,216	24,317
Long term debt - payments (principle & interest)	73,600	749,250	436,183
Long term debt - principle repayment	- -	(700,378)	(376,369)
NCB - Administration	32,600	31,129	24,632
NCB - Child care	8,400	10,090	8,400
NCB - Child nutrition	80,000	76,554	74,809
NCB - Cultural enrichment	29,728	19,337	30,457
NCB - Training initiatives	46,447	33,461	17,250
Other expenses	- -	- -	2,748
Professional fees	40,000	328,344	337,533
Recreational activities	16,000	11,951	15,507
Registration fees	- -	6,272	2,485
Rent - equipment	1,000	23,541	1,239
Repairs and maintenance	24,947	28,436	113,842
Student allowance	237,000	209,400	228,300
Student incentives	16,540	12,213	6,100
Supplies	152,203	152,752	104,241
Telephone	13,800	54,405	42,669
Training	12,622	4,294	3,196
Travel - medical transportation	- -	34,788	18,559
Travel, meetings, per diems	75,200	256,732	184,219
Tuition	235,956	73,925	138,923
Unexpended funds not recognized prior year	- -	- -	29,922
Utilities	54,679	119,989	73,653
Wages and benefits	1,429,659	1,540,461	1,690,381
Transfer to capital assets	- -	(521,268)	(1,112,721)
	<hr/>	<hr/>	<hr/>
	\$ 5,708,562	\$ 7,454,304	\$ 7,227,143

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

30. INAC funding

The First Nation (Recipient) receives funding from Indigenous and Northern Affairs Canada (INAC) by entering into an agreement with INAC.

There are five approaches that INAC may consider in the design and delivery of transfer payment programs:

1. **Grant approach** – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.
2. **Set contribution approach** – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to INAC annually.
3. **Fixed contribution approach** – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by INAC. A plan must be submitted and approved by INAC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by INAC.
4. **Flexible contribution approach** – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to INAC at the end of the project, program or agreement.
5. **Block contribution approach** – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by INAC.

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

31. Segmented information

As previously discussed in note 2 (j) the First Nation conducts its business through reportable segments as follows:

1) Indigenous and Northern Affairs Canada (INAC)

Claims and Indian Government:

Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

Community Development:

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development:

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education:

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with INAC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indian Government Support:

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Mosquito, Grizzly Bear's Head, Lean Man First Nation
Notes to Consolidated Financial Statements
March 31, 2016

31. Segmented information, continued

Land Management:

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

Social Development:

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Indian Registration:

Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the Indian Act.

Governance and Institutions of Government:

Costs associated with Governance and Institution of Government activities.

2) Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3) Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

4) Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

Schedule #1
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Claims and Indian Government
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - set	\$ -	\$ 97,700	\$ -
Land claim - future settlement (Note 23)	- - -	271,088	294,817
		368,788	294,817
Expenses			
Honorariums	- - - - -	2,200 75,813 42,216 223,628 24,931	1,843 - 24,317 270,500 -
Insurance	- - - - -	368,788	296,660
Interest on long term debt			
Professional fees			
Travel and honoraria			
Current deficit	\$ -	\$ -	\$ (1,843)

The accompanying notes are an integral part of the financial statements

Schedule #2
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 178,884	\$ 193,338	\$ 132,905
INAC - flexible	269,074	413,074	940,654
CMHC rental income	-	-	6,038
Battle River Treaty 6 Health Centre Inc.	13,500	-	-
Insurance proceeds	-	120,822	10,142
Other revenue	-	18,891	13,942
Unexpended funds transferred - prior year	39,131	39,131	18,767
Deferred revenue - prior year	-	161,449	412,116
Deferred revenue - current year	-	(24,041)	(161,449)
	500,589	922,664	1,373,115
Expenses			
Assistance to band members	-	3,843	13,892
Consultants and contractors	128,393	636,172	1,183,255
Equipment purchases	50,000	50,100	62,242
Fuel	-	15,784	7,093
Insurance	90,000	104,512	123,916
Interest and bank charges	-	2,004	901
Long term debt - payments (principle & interest)	73,600	92,000	-
Long term debt - principle repayment	-	(75,602)	-
Professional fees	-	-	945
Rent - equipment	-	-	400
Repairs and maintenance	8,947	2,898	71,863
Supplies	44,000	55,674	56,749
Telephone	1,500	5,524	3,914
Training	-	-	578
Travel, meetings, per diems	-	479	2,727
Utilities	34,679	63,236	38,687
Wages and benefits	73,249	116,102	122,145
Transfer to capital assets	-	(521,268)	(1,112,721)
	504,368	551,458	576,586
Current surplus before unexpended transfers	(3,779)	371,206	796,529
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	-	(39,131)
Current surplus before transfers	(3,779)	371,206	757,398
Transfers			
Transfer - Other Band Programs	58,715	150,000	29,946
Transfer - Amortization	-	(479,692)	(414,067)
Current surplus	\$ 54,936	\$ 41,514	\$ 373,277

The accompanying notes are an integral part of the financial statements

Schedule #3
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Economic Development
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ -	\$ 6,400	\$ -
INAC - set	- 45,200		-
	-	51,600	-
Expenses			
Consultants and contractors	- 40,150		-
Professional fees	- 3,759		-
Travel, meetings, per diems	- 3,988		-
	-	47,897	-
Current surplus	\$ -	\$ 3,703	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #4
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Education
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 1,704,510	\$ 1,710,558	\$ 1,755,678
INAC - set	152,474	164,819	159,148
INAC - receivable (payable)	-	-	(4,608)
INAC - prior period revenue (recovery)	-	607	-
Other revenue	-	25,831	7
Unexpended funds transferred - prior year	-	226,526	69,503
	1,856,984	2,128,341	1,979,728
Expenses			
Administration	-	17,739	28,747
Assistance to band members	-	-	120
Consultants and contractors	282,976	281,911	293,508
Fuel	-	92	651
Graduation, awards, prizes	8,250	2,650	2,550
Honorariums	1,800	4,650	1,800
Insurance	-	340	4,361
Interest and bank charges	960	36	1,704
Recreational activities	16,000	11,951	15,419
Registration fees	-	1,577	250
Rent - equipment	1,000	23,541	839
Repairs and maintenance	6,000	295	6,322
Student allowance	237,000	209,400	228,300
Student incentives	16,540	12,213	6,100
Supplies	51,980	58,366	37,031
Telephone	7,300	20,769	6,984
Training	2,000	717	1,409
Travel, meetings, per diems	33,400	26,792	27,729
Tuition	235,956	73,925	138,923
Utilities	20,000	56,194	32,576
Wages and benefits	1,002,987	1,055,527	1,031,675
	1,924,149	1,858,685	1,866,998
Current surplus before unexpended transfers	(67,165)	269,656	112,730
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(417,965)	(226,526)
Current deficit before transfers	(67,165)	(148,309)	(113,796)
Transfers			
Transfer - Other Band Programs	-	-	18,473
Transfer - Amortization	-	(293,461)	(293,461)
Current deficit	\$ (67,165)	\$ (441,770)	\$ (388,784)

The accompanying notes are an integral part of the financial statements

Schedule #5
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Indian Government Support
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - grant	\$ 362,375	\$ 362,375	\$ 362,375
INAC - fixed	22,808	20,384	25,342
INAC - set	55,305	67,262	81,450
INAC - receivable (payable)	-	(10,124)	(33,742)
INAC - prior period revenue (recovery)	-	-	24,927
Battle River Treaty 6 Health Centre Inc.	36,000	-	-
Equity change in corporations	-	27,383	14,154
Other revenue	-	53,218	66,834
Administration fees	-	37,739	76,895
Band revenue income	36,000	-	-
Write down of old payables	-	55,494	-
	512,488	613,731	618,235
Expenses			
Assistance to band members	-	1,000	1,511
Consultants and contractors	112,000	78,910	66,842
Graduation, awards, prizes	-	-	90
Honorariums	341,945	239,457	240,300
Interest and bank charges	2,500	10,869	13,431
Other expenses	-	-	1,498
Professional fees	40,000	70,123	53,088
Registration fees	-	4,586	2,235
Repairs and maintenance	-	-	450
Supplies	6,000	12,279	(1,664)
Telephone	5,000	28,112	28,207
Training	-	1,202	-
Travel, meetings, per diems	16,000	62,091	50,827
Utilities	-	558	2,107
Wages and benefits	215,151	217,125	295,163
	738,596	726,312	754,085
Current deficit before transfers	(226,108)	(112,581)	(135,850)
Transfers			
Transfer - Health programs	-	(11,668)	-
Transfer - Other band programs	-	36,000	301,538
Transfer - Amortization	-	(6,224)	(6,224)
Current surplus (deficit)	\$ (226,108)	\$ (94,473)	\$ 159,464

The accompanying notes are an integral part of the financial statements

Schedule #6
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Land Management
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 87,422	\$ 120,485	\$ 116,562
Other revenue	-	950	-
Unexpended funds transferred - prior year	-	68,595	30,633
	87,422	190,030	147,195
Expenses			
Administration	-	20,000	20,000
Consultants and contractors	43,200	55,014	-
Registration fees	-	109	-
Repairs and maintenance	-	2,481	-
Supplies	24,000	6,311	33
Telephone	-	-	625
Training	8,222	-	-
Travel, meetings, per diems	12,000	13,661	15,822
Wages and benefits	-	-	42,120
	87,422	97,576	78,600
Current surplus before unexpended transfers	-	92,454	68,595
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(92,454)	(68,595)
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #7
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Social Development
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 98,044	\$ 98,044	\$ 98,044
INAC - set	1,767,206	1,938,988	1,821,167
INAC - receivable (payable)	-	(43,739)	(7,484)
INAC - prior period revenue (recovery)	-	-	(381)
Unexpended funds transferred - prior year	-	10,291	-
	1,865,250	2,003,584	1,911,346
Expenses			
Assistance - social development	1,467,016	1,624,749	1,613,249
Consultants and contractors	105,615	110,042	56,379
Interest and bank charges	1,000	3,744	11,080
NCB - Administration	32,600	31,129	24,632
NCB - Child care	8,400	10,090	8,400
NCB - Child nutrition	80,000	76,554	74,809
NCB - Cultural enrichment	29,728	19,337	30,457
NCB - Training initiatives	46,447	33,461	17,250
Supplies	5,723	3,724	6,435
Training	2,400	1,200	1,210
Travel, meetings, per diems	2,400	5,888	239
Wages and benefits	86,521	73,266	70,665
	1,867,850	1,993,184	1,914,805
Current surplus (deficit) before unexpended transfers	(2,600)	10,400	(3,459)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(15,612)	(10,291)
Current deficit	\$ (2,600)	\$ (5,212)	\$ (13,750)

The accompanying notes are an integral part of the financial statements

Schedule #8
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Indian Registration
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 9,751	\$ 9,751	\$ 9,975
Expenses			
Consultants and contractors	-	-	1,800
Supplies	-	886	-
Travel, meetings, per diems	-	-	2,128
Wages and benefits	9,751	6,800	6,047
	9,751	7,686	9,975
Current surplus	\$ -	\$ 2,065	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #9
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Health Canada
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Health Canada	\$ 125,000	\$ 112,500	\$ 108,500
Battle River Treaty 6 Health Centre Inc.	16,500	30,468	16,500
Battle River Treaty 6 Health Centre - prior year	-	1,375	-
Other revenue	-	-	7,000
	141,500	144,343	132,000
Expenses			
Assistance to band members	-	30	256
Consultants and contractors	50,500	28,158	5,250
Fuel	13,000	15,414	17,300
Insurance	3,000	1,049	2,047
Interest and bank charges	3,000	2,097	2,946
Recreational activities	-	-	88
Repairs and maintenance	10,000	5,969	3,744
Supplies	19,000	11,337	1,931
Telephone	-	-	2,939
Training	-	1,175	-
Travel - medical transportation	-	34,788	18,380
Travel, meetings, per diems	9,000	7,366	3,300
Utilities	-	-	284
Wages and benefits	30,000	29,557	68,958
	137,500	136,940	127,423
Current surplus before transfers	4,000	7,403	4,577
Transfers			
Transfer - Indian government support	-	11,668	-
Transfer - Amortization	-	(24,857)	(24,857)
Current deficit	\$ 4,000	\$ (5,786)	\$ (20,280)

The accompanying notes are an integral part of the financial statements

Schedule #10
Mosquito, Grizzly Bear's Head, Lean Man First Nation
CMHC Operations
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
CMHC - subsidy	\$ -	\$ 95,729	\$ 95,081
CMHC - other	12,000	7,800	-
CMHC rental income	-	132,614	115,810
Other revenue	-	125	312
	<hr/> 12,000	<hr/> 236,268	<hr/> 211,203
Expenses			
Consultants and contractors	-	9,942	-
Insurance	-	65,729	56,188
Interest and bank charges	-	384	304
Long term debt - payments (principle & interest)	-	148,845	149,783
Long term debt - principle repayment	-	(132,052)	(121,693)
Professional fees	-	13,000	13,000
Repairs and maintenance	-	16,794	31,463
Travel, meetings, per diems	-	6,295	247
Wages and benefits	12,000	42,084	29,605
	<hr/> 12,000	<hr/> 171,021	<hr/> 158,897
Current surplus before transfers	-	65,247	52,306
Transfers			
Transfer - Amortization	-	(132,052)	(121,693)
Current deficit	<hr/> \$ -	<hr/> \$ (66,805)	<hr/> \$ (69,387)

The accompanying notes are an integral part of the financial statements

Schedule #11
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC trust funds - revenue	\$ 350,000	\$ 388,048	\$ 442,789
First Nations Trust	450,808	525,703	469,091
Battle River Treaty 6 Health Centre Inc.	-	115,815	115,815
BATC Community Development Corporation	118,019	126,041	88,208
Saskatchewan Government	-	102,887	135,197
Loan proceeds	334,700	-	-
Other revenue	19,384	16,740	25,256
	1,272,911	1,275,234	1,276,356
Expenses			
Administration	-	-	28,148
Assistance to band members	409,304	320,757	178,756
Community based funding activities paid direct	-	66,626	79,815
Consultants and contractors	8,722	21,159	14,000
Cultural programs	-	85	80,622
Honorariums	5,000	6,914	29,050
Interest and bank charges	-	-	418
Long term debt - payments (principle & interest)	-	508,404	286,400
Long term debt - principle repayment	-	(492,724)	(254,676)
Other expenses	-	-	1,250
Professional fees	-	17,835	-
Supplies	1,500	4,174	3,727
Travel - medical transportation	-	-	179
Travel, meetings, per diems	2,400	105,243	81,201
Unexpended funds not recognized prior year	-	-	29,922
Wages and benefits	-	-	24,000
	426,926	558,473	582,812
Current surplus before transfers	845,985	716,761	693,544
Transfers			
Transfer - Community development	(58,715)	(150,000)	(29,946)
Transfer - Education	-	-	(18,473)
Transfer - Indian government support	-	(36,000)	(301,538)
Current surplus	\$ 787,270	\$ 530,761	\$ 343,587

The accompanying notes are an integral part of the financial statements

Schedule #12
Mosquito, Grizzly Bear's Head, Lean Man First Nation
Amortization
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Band Based Capital	-	250,318	232,275
Band Support Funding	-	6,224	6,224
CMHC Operations	-	132,052	121,693
Health	-	24,857	24,857
O & M Buildings	-	31,211	31,211
O & M Roads and Bridges	-	10,020	-
O & M School	-	293,461	293,461
O & M Water Systems	-	188,143	150,581
	-	936,286	860,302
Current deficit before transfers	-	(936,286)	(860,302)
Transfers			
Transfer - Amortization	-	936,286	860,302
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements