



Consolidated Financial Statements for the year ended March 31, 2015

Presented by: Alex Mariano, CPA, CA, B.Comm. (Hons.)



Collins Barrow

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Consolidated Financial Statements Include:

The consolidated financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity. The Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- | | |
|---|------------|
| - Sandy Bay Ojibway First Nation Administration | 100% owned |
| - Sandy Bay Housing Authority | 100% owned |
| - Sandy Bay Ojibway Health Centre | 100% owned |
| - Sandy Bay Ojibway First Nation VLT and Community Complex Centre | 100% owned |
| - Sandy Bay Ojibway First Nation Tobacco Tax Rebate | 100% owned |
| - Sandy Bay Bulk Fuel | 100% owned |
| - Sandy Bay Aboriginal Skills and Education Training Strategy | 100% owned |
| - Sandy Bay Ojibway First Nation Radio | 100% owned |
| - Sandy Bay Ojibway Smoke Shop | 100% owned |



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Management's Responsibility for Financial Reporting

- ▶ Financial statements are prepared by management
- ▶ Internal controls are maintained
- ▶ Chief & Council oversight
- ▶ Statements have been audited

Auditors' Report

- ▶ Management's Responsibility - preparation and fair presentation in accordance with Canadian public sector accounting standards

- ▶ Auditor's responsibility - express an opinion based on audit conducted in accordance to Canadian generally accepted auditing standards

- ▶ Qualified Opinion -
 - a) Opening balances at April 1, 2014 could not be verified (disclaimer of opinion in 2014)
 - b) Existence and completeness of accounts payable
 - c) Unavailability of Sandy Bay Housing Inc. records



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Statement of Financial Position

	MARCH 31	
	2015	2014 <i>(Restated)</i>
FINANCIAL ASSETS		
Cash	\$ 2,365,985	\$ 1,475,094
Restricted cash <i>(Note 4)</i>	282,748	282,748
Term deposits	334,610	332,277
Accounts receivable <i>(Note 5)</i>	<u>286,662</u>	<u>391,746</u>
Total financial assets	<u>3,270,005</u>	<u>2,481,865</u>
LIABILITIES		
Accounts payable and accrued liabilities <i>(Note 7)</i>	9,909,701	10,470,313
Unexpended funding <i>(Note 8)</i>	226,480	783,744
Long-term debt <i>(Note 9)</i>	7,562,638	7,912,540
Obligation under capital lease	<u>-</u>	<u>81,029</u>
Total liabilities	<u>17,698,819</u>	<u>19,247,626</u>
Net debt	<u>(14,428,814)</u>	<u>(16,765,761)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 10)</i>	37,233,273	38,060,316
Inventory	41,179	50,067
Prepaid expenses	<u>10,000</u>	<u>10,000</u>
Total non-financial assets	<u>37,284,452</u>	<u>38,120,383</u>
Accumulated surplus	\$ <u>22,855,638</u>	\$ <u>21,354,622</u>
Contingent liabilities <i>(Note 11)</i>		

Statement of Financial Position

Items to note in the financial position:

- ▶ Cash - Up from 1.47M to 2.36M
- ▶ Accounts Payable, Recoveries, and Contingencies - consistent with prior year at around 10.0M (qualification for existence and completeness)
- ▶ Deferred Revenue - only in ASETS and consistent with prior year at 0.23M

Financial Analysis

Liquidity: The ability of the organization to pay off debt

- ▶ Working Capital - (\$6.6M negative) in 2015 from (\$7.9M negative) in 2014
- ▶ Current Ratio - Ratio of Current Assets over Current Liabilities
0.33 (2015) and 0.24 (2014)

The organization is very low at liquidity, hence, could face problems in paying off its short term liabilities and debt obligations. Total debt at March 31, 2015 is 7.6M. In addition, there are contingent liabilities for around 1.0M.

Financial Analysis – (continued)

Debt Ratio: Total Debt to Total Assets

- ▶ 0.19:1 (2015) down from 0.20:1 (2014)

Debt ratio is well below 1, which is a good indicator, for that the organization has less debt compared to its overall assets.

Overall Analysis:

Overall management has continued to properly monitor the overall debt, and, its overall debt to equity ratio has improved in 2015 due to annual surplus of 1.5M in 2015. Unforeseen contingencies could affect this ratio in future.

Statement of Operations and Accumulated Surplus

	YEAR ENDED MARCH 31		
	BUDGET (UNAUDITED)	2 0 1 5	2 0 1 4 <i>(Restated)</i>
REVENUE			
Aboriginal Affairs and Northern Development Canada	\$ 22,224,561	\$ 22,369,525	\$ 21,844,314
First Nation and Inuit Health Branch	3,793,971	4,041,794	3,735,820
First People Development Inc		1,484,835	1,250,400
Canada Mortgage and Housing Corporation	390,497	363,938	328,441
Contributions from band entities and sundry	2,002,882	4,218,089	3,417,533
Gain on sale of properties			1,993,703
Gaming Revenue	1,939,000	2,467,005	2,237,508
Province of Manitoba	188,000	1,155,749	219,446
Rental Income	-	317,601	70,000
	<u>30,538,911</u>	<u>36,418,536</u>	<u>35,097,165</u>
EXPENDITURES			
Band government	2,182,724	2,501,129	1,826,874
Community services	4,628,713	4,361,559	3,901,672
Education services	9,055,402	8,769,428	9,184,791
Economics development	337,632	19,999	9,520
Social services	7,415,848	8,163,602	7,483,430
Housing authority	832,258	1,543,085	1,958,977
Other services	411,539	616,133	591,959
Tobacco tax		802,485	1,539,992
Bulk fuel	2,839	153,868	1,011,155
Video lottery terminal	1,469,571	1,825,012	1,698,943
Aboriginal skills and employment training		1,531,834	1,233,715
Smoke Shop		957,592	315,795
Medical services	<u>3,839,735</u>	<u>3,671,794</u>	<u>4,293,861</u>
	<u>30,176,261</u>	<u>34,917,520</u>	<u>35,050,684</u>
ANNUAL SURPLUS	362,650	1,501,016	46,481
ACCUMULATED SURPLUS, beginning of year	21,354,622	21,354,622	23,063,610
Prior period adjustments <i>(Note 3)</i>	-	-	<u>(1,755,469)</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 21,717,272</u>	<u>\$ 22,855,638</u>	<u>\$ 21,354,622</u>

Statement of Operations

Revenues:

- ▶ AANDC Revenues - up \$0.52M from prior year to 22.37M
- ▶ FNIHB Revenues - up \$0.31M from prior year to 4.04M
- ▶ Province of MB Revenues - up \$0.94M from prior year to 1.15M
- ▶ Gaming Revenues - consistent with prior year at 2.5M

Overall, revenues are up \$1.32M from the prior year.

Statement of Operations – (continued)

MARCH 31, 2015

16. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2015	2014
Amortization	\$ 2,073,744	\$ 2,442,225
Bank and interest charges	297,969	430,192
Contract services	727,014	1,291,785
Cost of sales	1,478,613	294,476
Donation	334,585	123,432
Fuel	526,132	575,270
Insurance	381,660	344,488
Material and supplies	461,930	337,408
Others	2,190,725	1,967,610
Professional fees	1,584,667	2,819,814
Repair and maintenance	751,745	457,444
Salaries and benefits	12,982,453	13,231,446
Social assistance	8,480,452	7,818,391
Telecommunication	145,397	163,514
Training and workshop	1,466,720	1,648,706
Travel	494,236	718,138
Utilities	<u>539,478</u>	<u>386,345</u>
	<u>\$ 34,917,520</u>	<u>\$ 35,050,684</u>



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Statement of Operations

Expenses:

- ▶ Professional fees down by 1.23M
- ▶ Salaries and benefit consistent at 13.0M
- ▶ Travel down by 0.22M
- ▶ Utilities marginally up by 0.15M

Overall, expenses are consistent with prior year at 35.0M.

Statement of Change in Net Debt

	YEAR ENDED MARCH 31		
	BUDGET (UNAUDITED)	2015	2014 <i>(Restated)</i>
Annual surplus	\$ <u>362,650</u>	\$ <u>1,501,016</u>	\$ <u>46,481</u>
Acquisition of tangible capital assets and construction in progress		(<u>1,297,192</u>)	(<u>767,577</u>)
Proceeds on sale of tangible capital assets		<u>50,491</u>	<u>2,100</u>
Amortization of tangible capital assets	<u>-</u>	<u>2,073,744</u>	<u>2,442,225</u>
	<u>-</u>	<u>827,043</u>	<u>1,676,748</u>
Use of supplies and inventories			(<u>21,578</u>)
Acquisition of supplies and inventories	<u>-</u>	<u>8,888</u>	<u>50,067</u>
	<u>-</u>	<u>8,888</u>	<u>28,489</u>
CHANGE IN NET DEBT FOR YEAR	362,650	2,336,947	1,751,718
NET DEBT, <i>beginning of year</i>	<u>(16,765,761)</u>	<u>(16,765,761)</u>	<u>(18,517,479)</u>
NET DEBT, <i>end of year</i>	<u>\$(16,403,111)</u>	<u>\$(14,428,814)</u>	<u>\$(16,765,761)</u>

Statement of Cash Flows

	YEAR ENDED MARCH 31	
	2015	2014
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from funding and other sources	\$ 35,966,356	\$ 35,543,428
Cash paid to suppliers and employees	<u>(33,426,038)</u>	<u>(32,955,164)</u>
	<u>2,540,318</u>	<u>2,588,264</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	<u>(1,297,192)</u>	<u>(738,363)</u>
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt	597,309	597,309
Repayment of long term debt	(947,211)	(1,469,619)
Repayment obligations under capital lease		(122,546)
Advances from (to) related parties - net	<u>-</u>	<u>(7,262)</u>
	<u>(349,902)</u>	<u>(1,002,118)</u>
NET INCREASE IN CASH DURING YEAR	893,224	847,783
CASH, <i>beginning of year</i>	<u>2,090,119</u>	<u>1,242,336</u>
CASH, <i>end of year</i>	<u>\$ 2,983,343</u>	<u>\$ 2,090,119</u>
CASH COMPRISED OF		
Cash	\$ 2,365,985	\$ 1,475,094
Restricted cash	282,748	282,748
Term deposits	<u>334,610</u>	<u>332,277</u>
	<u>\$ 2,983,343</u>	<u>\$ 2,090,119</u>

Segment Disclosure

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:

	Band Government		Community Services		Education Services		Economic Development		Social Services	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues										
Federal Government										
AANDC	\$ 1,478,962	\$ 1,588,732	\$ 2,950,657	\$ 2,923,827	\$ 9,298,020	\$ 9,065,909	\$ 276,589	\$ 276,589	\$ 8,113,450	\$ 7,723,410
FNIHB	-	-	-	-	-	-	-	-	-	-
CMHC	-	-	-	-	-	-	-	-	-	-
Subtotal	1,478,962	1,588,732	2,950,657	2,923,827	9,298,020	9,065,909	276,589	276,589	8,113,450	7,723,410
Other revenue	<u>1,182,910</u>	<u>99,507</u>	<u>1,550,854</u>	<u>40,582</u>	<u>35,197</u>	<u>9,473</u>	-	-	<u>7,840</u>	<u>22,686</u>
Total revenue	<u>2,661,872</u>	<u>1,688,239</u>	<u>4,501,511</u>	<u>2,964,409</u>	<u>9,333,217</u>	<u>9,075,382</u>	<u>276,589</u>	<u>276,589</u>	<u>8,121,290</u>	<u>7,746,096</u>
Expenses										
Amortization		5,031	929,731	1,120,843	86,389	133,042				
Debt servicing	88,534	215,362	4,458							
Salaries and benefits	1,010,442	915,793	1,168,128	1,226,449	6,099,718	6,745,197			145,756	138,086
Other	<u>1,402,153</u>	<u>690,688</u>	<u>2,259,242</u>	<u>1,554,380</u>	<u>2,583,321</u>	<u>2,306,552</u>	<u>19,999</u>	<u>9,520</u>	<u>8,017,846</u>	<u>7,345,344</u>
Total expenses	<u>2,501,129</u>	<u>1,826,874</u>	<u>4,361,559</u>	<u>3,901,672</u>	<u>8,769,428</u>	<u>9,184,791</u>	<u>19,999</u>	<u>9,520</u>	<u>8,163,602</u>	<u>7,483,430</u>
Surplus (Deficit)	\$ <u>160,743</u>	\$ (<u>138,635</u>)	\$ <u>139,952</u>	\$ (<u>937,263</u>)	\$ <u>563,789</u>	\$ (<u>109,409</u>)	\$ <u>256,590</u>	\$ <u>267,069</u>	\$ (<u>42,312</u>)	\$ <u>262,666</u>



Segment Disclosure - continued

	Housing Authority		Other services		Tobacco Tax		Bulk Fuel		VLT	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues										
Federal Government CMHC	<u>363,938</u>	<u>328,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>363,938</u>	<u>328,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other revenue	<u>441,230</u>	<u>-</u>	<u>524,225</u>	<u>3,079,168</u>	<u>1,250,539</u>	<u>1,048,346</u>	<u>97,274</u>	<u>2,755</u>	<u>2,080,632</u>	<u>3,164,245</u>
Total revenue	<u>805,168</u>	<u>328,441</u>	<u>524,225</u>	<u>3,079,168</u>	<u>1,250,539</u>	<u>1,048,346</u>	<u>97,274</u>	<u>2,755</u>	<u>2,080,632</u>	<u>3,164,245</u>
Expenses										
Amortization	850,356	993,847					34,712	8,799	34,000	33,400
Debt servicing	191,782	201,766	2,241		166		940		3,796	
Salaries and benefits	142,414	183,900	275,790	340,308					701,739	580,661
Other	<u>358,533</u>	<u>579,464</u>	<u>338,102</u>	<u>251,651</u>	<u>802,319</u>	<u>1,539,992</u>	<u>118,216</u>	<u>1,002,356</u>	<u>1,085,477</u>	<u>1,084,882</u>
Total expenses	<u>1,543,085</u>	<u>1,958,977</u>	<u>616,133</u>	<u>591,959</u>	<u>802,485</u>	<u>1,539,992</u>	<u>153,868</u>	<u>1,011,155</u>	<u>1,825,012</u>	<u>1,698,943</u>
Surplus (Deficit)	<u>\$(737,917)</u>	<u>\$(1,630,536)</u>	<u>\$(91,908)</u>	<u>\$ 2,487,209</u>	<u>\$ 448,054</u>	<u>\$(491,646)</u>	<u>\$(56,594)</u>	<u>\$(1,008,400)</u>	<u>\$ 255,620</u>	<u>\$ 1,465,302</u>

Segment Disclosure - continued

	ASETS		Smoke shop		Medical services		TOTAL	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues								
Federal Government								
AANDC	\$ -	\$ -	\$ -	\$ -	\$ 251,847	\$ 265,847	\$ 22,369,525	\$ 21,844,314
FNIHB	-	-	-	-	4,041,794	3,735,820	4,041,794	3,735,820
CMHC	-	-	-	-	-	-	363,938	328,441
Subtotal	-	-	-	-	4,293,641	4,001,667	26,775,257	25,908,575
Other revenue	<u>1,532,704</u>	<u>1,261,537</u>	<u>886,209</u>	<u>390,069</u>	<u>53,665</u>	<u>70,222</u>	<u>9,643,279</u>	<u>9,188,590</u>
Total revenue	<u>1,532,704</u>	<u>1,261,537</u>	<u>886,209</u>	<u>390,069</u>	<u>4,347,306</u>	<u>4,071,889</u>	<u>36,418,536</u>	<u>35,097,165</u>
Expenses								
Amortization		16,741	6,098		132,458	130,523	2,073,744	2,442,225
Debt servicing	3,776		1,097		1,179		297,969	417,128
Salaries and benefits	724,008	615,227	145,741	26,349	2,568,717	2,459,476	12,982,453	13,231,446
Other	<u>804,050</u>	<u>601,747</u>	<u>804,656</u>	<u>289,446</u>	<u>969,440</u>	<u>1,703,862</u>	<u>19,563,354</u>	<u>18,959,884</u>
Total expenses	<u>1,531,834</u>	<u>1,233,715</u>	<u>957,592</u>	<u>315,795</u>	<u>3,671,794</u>	<u>4,293,861</u>	<u>34,917,520</u>	<u>35,050,683</u>
Surplus (Deficit)	\$ <u>870</u>	\$ <u>27,822</u>	\$ <u>(71,383)</u>	\$ <u>74,274</u>	\$ <u>675,512</u>	\$ <u>(221,972)</u>	\$ <u>1,501,016</u>	\$ <u>46,481</u>



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Chief & Council Remuneration

Name of Individual	Position	Number of Months	Remuneration	Expenses
Russell V. Beaulieu	Chief	6.5	\$ 45,410	\$ 4,656
Lance Roulette	Chief	5.5	32,821	9,795
Lance Roulette	Councillor	5.5	40,883	4,098
Chris Racette	Councillor	6.5	41,204	7,970
Herman Richard	Councillor	6.5	44,625	2,415
Randal Roulette	Councillor	12	74,141	16,141
Michael Dumas	Councillor	5.5	34,707	11,938
Jason Starr	Councillor	5.5	34,707	8,900
Brian Spence	Councillor	5.5	34,707	7,814

Big Picture - Looking Forward

- ▶ Management, in consultation with BDO, is actively working to turn around things. Improvement in accounting/operating systems was clearly visible in 2015. Policies and procedures are being framed to bring efficiency and transparency
- ▶ Determination of unforeseen/unaccounted for liabilities/contingencies and readiness for possible impacts on the future cash flow of the organization
- ▶ Actively pursue outstanding receivables
- ▶ Deferred revenues and accounts payable related to claw backs

Questions or Comments?



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