



Consolidated Financial Statements

Shawanaga First Nation

March 31, 2016

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Independent Auditor's Report

Grant Thornton LLP
Suite 200
222 McIntyre Street W
North Bay, ON
P1B 2Y8
T (705) 472-6500
F (705) 472-7760
www.GrantThornton.ca

To the Members of
Shawanaga First Nation

We have audited the accompanying consolidated financial statements of Shawanaga 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 financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's 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 auditor's 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Shawanaga First Nation as at March 31, 2016, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



North Bay, Canada
July 27, 2016

Chartered Professional Accountants
Licensed Public Accountants

Shawanaga First Nation

Consolidated Statements of Operations and Accumulated Surplus

Year Ended March 31

	2016 Actual	2015 Actual
Revenue		
Government funding (Note 18)	\$ 4,808,629	\$ 4,682,266
Sales	3,481,160	3,642,067
Rental and other	334,103	296,249
Recovery of allowance for uncollectible loans	-	3,750
Interest	44,399	36,355
Gain on disposal of equipment	500	17,106
	<u>8,668,791</u>	<u>8,677,793</u>
Expenses		
Capital	61,887	192,474
Community operations	688,493	798,719
Economic development	3,546,572	3,784,427
Education	1,053,618	1,030,867
First Nation administration	1,214,582	1,294,330
Health services	977,396	961,546
Other	293,201	293,115
Social services	377,127	329,559
	<u>8,212,876</u>	<u>8,685,037</u>
Annual surplus (deficit) before current and prior year subsidy settlements	455,915	(7,244)
Current year subsidy settlements	(146,217)	(153,702)
Prior year subsidy settlements	<u>(107,632)</u>	<u>(158,893)</u>
Annual surplus (deficit) from operations	202,066	(319,839)
Road settlement funds - Hwy 7182	4,000,000	-
Road settlement payout - Hwy 7182	(4,085,029)	-
CN realignment settlement	700,000	-
	<u>817,037</u>	<u>(319,839)</u>
Accumulated surplus, beginning of year	<u>3,172,786</u>	<u>3,492,625</u>
Accumulated surplus, end of year (Note 16)	<u>\$ 3,989,823</u>	<u>\$ 3,172,786</u>

**Shawanaga First Nation
Consolidated Statement of Financial Position**

March 31

2016

2015

Financial assets

Cash and cash equivalents	\$ 2,317,994	\$ 1,000,524
Restricted cash (Note 3)	727,929	608,281
Receivables	686,741	546,298
Inventory for resale	104,217	82,196
Investments (Note 4)	500,005	5
Mortgages receivable (Note 6)	579,859	602,495
	<u>4,916,745</u>	<u>2,839,799</u>

Liabilities

Payables and accruals	1,993,383	749,403
Funding repayable (Note 10)	437,423	341,201
Deferred contributions (Note 8)	321,145	376,976
Long term debt (Note 11)	840,873	889,490
Obligations under capital lease (Note 12)	8,716	14,321
	<u>3,601,540</u>	<u>2,371,391</u>

Net financial assets

	<u>1,315,205</u>	<u>468,408</u>
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Non-financial assets

Prepays and deposits	10,309	17,240
Tangible capital assets (Note 7)	<u>2,664,309</u>	<u>2,687,138</u>
	<u>2,674,618</u>	<u>2,704,378</u>

Accumulated surplus (Note 16)

	<u>\$ 3,989,823</u>	<u>\$ 3,172,786</u>
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Contingencies (Note 13)

On behalf of Council

 Councillor

 Councillor

Shawanaga First Nation
Consolidated Statement of Change in Net Financial Assets

Year Ended March 31

	2016 Actual	2015 Actual
Annual surplus (deficit)	\$ 817,037	\$ (319,839)
Amortization of tangible capital assets	263,339	250,777
Acquisition of tangible capital assets	(240,510)	(156,921)
Disposal of tangible capital assets	-	10,594
Change in prepaids and deposits	<u>6,931</u>	<u>(1,010)</u>
Increase (decrease) in net financial assets	846,797	(216,399)
Net financial assets,		
Beginning of year	<u>468,408</u>	<u>684,807</u>
End of year	<u>\$ 1,315,205</u>	<u>\$ 468,408</u>

Shawanaga First Nation

Consolidated Statement of Cash Flows

Year Ended March 31

2016

2015

Cash and cash equivalents derived from (applied to)

Operating transactions

Annual surplus (deficit)	\$ 817,037	\$ (319,839)
Non-cash changes to operations:		
Amortization of tangible capital assets	263,339	250,777
Amortization of discount on mortgages receivable	(13,782)	(14,934)
Gain on disposal of tangible assets	(500)	(17,106)
Recovery of allowance for uncollectible loans	-	(3,750)
Changes in non-cash items:		
(Increase) decrease in receivables	(140,443)	156,893
(Increase) decrease in inventories	(22,021)	4,366
(Increase) decrease in prepaids and deposits	6,931	(1,009)
Increase (decrease) in payables and accruals	1,243,980	(421,778)
Increase in funding repayable	96,222	107,982
Decrease in deferred contributions	(55,831)	(233,249)
	<u>2,194,932</u>	<u>(491,647)</u>

Financing transactions

Repayment of long term debt	(48,617)	(42,892)
Repayment of obligation under capital lease	(5,605)	(10,464)
	<u>(54,222)</u>	<u>(53,356)</u>

Investing transactions

(Increase) decrease in restricted cash	(119,648)	706,847
Investment in limited partnership	(500,000)	-
Payments received on mortgages receivable	36,418	40,132
Payments received on loan to TMT Sports	-	3,750
	<u>(583,230)</u>	<u>750,729</u>

Capital transactions

Proceeds on disposal of tangible assets	500	700
Purchase of property and equipment	(240,510)	(109,174)
	<u>(240,010)</u>	<u>(108,474)</u>

Net increase in cash and cash equivalents

1,317,470

97,252

Cash and cash equivalents

Beginning of year	<u>1,000,524</u>	903,272
End of Year	<u>\$ 2,317,994</u>	<u>1,000,524</u>

Supplemental cash flow information

a) Interest paid	\$ 12,182	\$ 17,879
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Shawanaga First Nation

Notes to the Consolidated Financial Statements

March 31, 2016

1. Nature of operations

The Shawanaga First Nation ("the First Nation") is a local government entity whose principal purpose is to provide for the well-being of its band members. The First Nation operates under the Indian Act.

2. Summary of significant accounting policies

Management responsibility

The consolidated financial statements of the First Nation are the representations of management. They have been prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all programs administered by the First Nation and all organizations controlled by the First Nation. These consolidated financial statements include the following organizations:

Shawanaga Retail GP Inc.
Shawanaga Retail LP.

Inter-organizational transactions and balances between these organizations are eliminated.

Revenue recognition

Restaurant sales are recognized when services are rendered. Gas and variety store sales are recognized when goods are sold. Interest and other income are recognized when earned.

Government transfers

Government transfers received are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred contributions when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Consolidated Statement of Operations as the stipulation liabilities are settled.

Government transfers paid are recognized as an expense in the period the transfer is authorized and all eligible criteria have been met by the recipient.

Shawanaga First Nation

Notes to the Consolidated Financial Statements

March 31, 2016

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and short term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Inventories

Inventories are measured at the lower of cost and net realizable value, with cost being determined on the first-in, first-out basis. Cost includes all acquisition costs incurred in bringing inventory to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Investments

The investment in the government business partnership is accounted for using the modified equity method.

Tangible capital assets

Tangible capital assets are capitalized at acquisition cost and are amortized over their expected useful life using the straight line method at the following rates:

Buildings	25 years
Water supply/distribution system	40 years
Equipment	5 years
Machinery and vehicles	5 years
Roads	20 years
School bus	5 years
Solar system	12 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the 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 statements of operations.

Contributed capital assets are recorded into revenue 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.

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.

Shawanaga First Nation

Notes to the Consolidated Financial Statements

March 31, 2016

2. Summary of significant accounting policies (continued)

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 assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the First Nation may undertake in the future. Significant accounting estimates include allowance for doubtful accounts and uncollectible loans, current year subsidy settlements payable and estimated useful lives of tangible capital assets. Actual results could differ from those estimates.

3. Restricted cash

Restricted cash of the Trust Fund relates to funds on deposit with Indigenous and Northern Affairs Canada generated from land that is leased to non-native parties and interest earned on the related lease rentals.

Restricted cash of the Casino Rama Fund consists of cash and term deposits and relates to funds received from the Ontario First Nations Limited Partnership that are unspent at year end.

Restricted cash of the Replacement Reserve consists of term deposits and is required to be maintained under the terms of an agreement with Canada Mortgage and Housing Corporation for the purpose of replacing items of a capital nature.

	2016	2015
Trust Fund	\$ 11,487	\$ 77,100
Casino Rama Fund	646,628	469,252
Replacement Reserve	69,814	61,929
	<u>\$ 727,929</u>	<u>\$ 608,281</u>

Restricted cash includes guaranteed investment certificates of \$25,932 (2015 - \$25,739) with an interest rate of 0.6% (2015 – 0.8%) and maturity dates ranging from September 2016 to March 2017.

Shawanaga First Nation

Notes to the Consolidated Financial Statements

March 31, 2016

4. Investments

In 2004, the First Nation invested \$100,000 to acquire a 30% ownership interest in the common shares of TMT Sports, a portfolio investment. Although no formal legal documents have been prepared, management asserts that a 30% ownership interest in the common shares of TMT Sports has been acquired. This investment has no quoted market value and it is not practicable to estimate the fair value of this investment. Information relating to changes in the financial position of TMT Sports is not available and therefore cannot be disclosed. Management indicates that this investment has no value and therefore, a valuation allowance in the amount of \$100,000 has been provided for in these financial statements.

The First Nation owns 100% of the common shares of 1582787 Ontario Ltd. at a cost of \$5. This enterprise was inactive during the year and currently has no assets or liabilities.

The First Nation owns a 33.333% interest in Shwe Miikaan Limited Partnership.

The investment in this limited partnership is comprised of:

Class A units, at cost	\$ 333
Capital contributions	<u>499,667</u>
Total investment	<u><u>\$ 500,000</u></u>

The limited partnership has a December year end. As at March 31, 2016, operations of the limited partnership have not yet commenced.

5. Loan receivable

In prior years, the First Nation advanced \$125,000 to TMT Sports, a company in which management asserts that the First Nation has a 30% ownership interest. Although no formal legal documents have been prepared, management asserts that the loan is non-interest bearing, has no specified terms of repayment and is unsecured. No financial information for TMT Sports is available and management indicates that ultimate collection of this loan is unlikely. Therefore, the entire loan receivable has been included in the allowance for uncollectible loans. During the year, \$Nil (2015 - \$3,750) was collected on this loan.

	2016	2015
Loan receivable from TMT Sports	\$ 103,664	\$ 103,664
Allowance for uncollectible loans	<u>(103,664)</u>	<u>(103,664)</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

6. Mortgages receivable

	2016	2015
Face value	\$ 745,768	\$ 782,186
Unamortized discount	<u>(165,909)</u>	<u>(179,691)</u>
	<u><u>\$ 579,859</u></u>	<u><u>\$ 602,495</u></u>

The mortgages are non-interest bearing, receivable in monthly payments ranging from \$355 to \$694 and maturing in years ranging from 2017 to 2035.

Shawanaga First Nation
Notes to the Consolidated Financial Statements

March 31, 2016

7. Tangible Capital Assets

Cost	General				Infrastructure				2016	2015
	Land and land improvements	Machinery and vehicles	Equipment and furniture	Leased equipment	Buildings	Roads	Water and distribution systems	Construction in progress		
Balance, beginning of year	\$ 5,000	\$ 734,001	\$ 514,713	\$ 54,710	\$ 1,664,012	\$ 85,189	\$ 2,542,581	\$ -	\$ 5,600,206	\$ 5,493,455
Add: additions during year	-	70,441	108,504	-	32,863	19,282	9,420	-	240,510	156,921
Less: disposals during year	-	(72,711)	-	-	-	-	-	-	(72,711)	(50,170)
Balance, end of year	<u>5,000</u>	<u>731,731</u>	<u>623,217</u>	<u>54,710</u>	<u>1,696,875</u>	<u>104,471</u>	<u>2,552,001</u>	<u>-</u>	<u>5,768,005</u>	<u>5,600,206</u>
Accumulated amortization										
Balance, beginning of year	-	636,323	437,637	43,768	916,372	12,129	866,839	-	2,913,068	2,701,867
Add: amortization during the year	-	72,511	42,988	10,942	67,875	5,224	63,799	-	263,339	250,777
Less: accumulated amortization on disposals	-	(72,711)	-	-	-	-	-	-	(72,711)	(39,576)
Balance, end of year	<u>-</u>	<u>636,123</u>	<u>480,625</u>	<u>54,710</u>	<u>984,247</u>	<u>17,353</u>	<u>930,638</u>	<u>-</u>	<u>3,103,696</u>	<u>2,913,068</u>
Net book value	\$ 5,000	\$ 95,608	\$ 142,592	\$ -	\$ 712,628	\$ 87,118	\$ 1,621,363	\$ -	\$ 2,664,309	\$ 2,687,138

Shawanaga First Nation

Notes to the Consolidated Financial Statements

March 31, 2016

8. Deferred contributions

Deferred contributions represent government transfers for which the stipulations have not yet been met (i.e. relate to expenses of future periods):

	Balance March 31, 2015	Funding Received	Expenditures	Balance March 31, 2016
Indigenous and Northern Affairs Canada				
Capital	\$ 190,019	\$ 160,062	\$ 165,218	\$ 184,863
Fire protection and training	1,850	33,414	34,949	315
Post secondary education	32,133	257,763	283,976	5,920
Water systems	96,997	63,424	160,421	-
Land management	<u>55,977</u>	<u>228,402</u>	<u>154,332</u>	<u>130,047</u>
	<u>\$ 376,976</u>	<u>\$ 743,065</u>	<u>\$ 798,896</u>	<u>\$ 321,145</u>

Shawanaga First Nation Notes to the Consolidated Financial Statements

March 31, 2016

9. Bank indebtedness

The First Nation has an operating line of credit with CIBC of \$100,000 (2015 - \$100,000), which is unused at March 31, 2016 (2015 - unused). As security, the First Nation has provided a general security agreement covering all assets of the First Nation. The line of credit bears interest at CIBC prime plus 1.5% per annum.

10. Funding repayable

	<u>2016</u>	<u>2015</u>
Indigenous and Northern Affairs Canada	\$ 396,316	\$ 259,850
Health Canada	26,084	69,242
Independent First Nation	10,919	8,720
Ministry of Education	3,647	-
Ministry of Health and Long-term Care	1,155	913
Ministry of Children and Youth Services	(698)	2,476
	<u>\$ 437,423</u>	<u>\$ 341,201</u>

Shawanaga First Nation

Notes to the Consolidated Financial Statements

March 31, 2016

11. Long term debt

	<u>2016</u>	<u>2015</u>
CMHC mortgage, bearing interest at 0.98% per annum, repayable in blended monthly instalments of \$1,645, maturing March 2020. As security, Indigenous and Northern Affairs Canada has provided a loan guarantee.	\$ 342,092	\$ 358,388
CMHC mortgage, bearing interest at 1.98% per annum, repayable in blended monthly instalments of \$1,306, maturing May 2019. As security, Indigenous and Northern Affairs Canada has provided a loan guarantee.	180,561	192,531
CMHC mortgage, bearing interest at 1.64% per annum, repayable in blended monthly instalments of \$1,808, maturing February 2017. As security, Indigenous and Northern Affairs Canada has provided a loan guarantee.	302,465	319,058
Vehicle loan, bearing interest at 5.59% per annum, repayable in blended monthly instalments of \$398, maturing in October 2019. As security, the First Nation has pledged the vehicle to which the loan relates.	15,755	19,513
	<hr/> <u>\$ 840,873</u>	<hr/> <u>\$ 889,490</u>

Principal repayments in each of the next five years are estimated as follows:

2017	\$ 49,519
2018	50,433
2019	51,371
2020	50,672
2021	48,328

Shawanaga First Nation

Notes to the Consolidated Financial Statements

March 31, 2016

12. Obligations under capital lease

The First Nation leases equipment under long term capital leases. Future minimum lease payments under lease obligations are as follows:

	2016	2015
2016	\$ -	\$ 11,988
2017	2,160	3,066
2018	2,160	-
2019	2,160	-
2020	2,160	-
2021	720	-
Total minimum lease payments	<u>9,360</u>	<u>15,054</u>
Less: imputed interest at 3.27%	<u>644</u>	<u>733</u>
	<u><u>\$ 8,716</u></u>	<u><u>\$ 14,321</u></u>

13. Contingencies

- a) Where differences exist between the First Nation's net approved expenditures and their actual net expenditures, the resolution of these variances will be negotiated between the funding agency and the First Nation. Any resulting adjustment will be recognized in the year in which the changes are confirmed by the funding agency and will be recorded as a prior year settlement (recovery) on the Consolidated Statement of Operations.
- b) The First Nation has provided a guarantee to Deposit Insurance Corporation of Ontario for the mortgage of one of its members, the balance of which was \$19,654 at March 31, 2016.
- c) The First Nation has forgivable loans with Canada Mortgage and Housing Corporation related to Canada Mortgage and Housing Corporation's Residential Rehabilitation Assistance Program. At March 31, 2016, the total unforgiven loan balances amount to \$47,700.

14. Defined contribution pension plan

The First Nation maintains a defined contribution pension plan for its employees. The assets of the plan are held separately from those of the First Nation in an independently administered fund. Contributions paid and expensed by the First Nation amounted to \$71,460 (2015 - \$64,467).

15. Related party transactions

At year end, there is a mortgage receivable of \$69,843 due from one Council member.

Shawanaga First Nation

Notes to the Consolidated Financial Statements

March 31, 2016

16. Accumulated surplus

The First Nation uses fund accounting to account for activity related to the following funds:

- (a) The Band Operating Fund reports the accountable program activities of the First Nation administration, as well as the activities of the First Nation administration for which no external funding is received.
- (b) The Trust Fund reports trust funds owned by the First Nation that are held in trust by third parties.
- (c) The Capital Fund reports capital assets owned by the First Nation and financing related thereto.
- (d) The Casino Rama Fund reports the distributions received from Ontario First Nations Limited Partnership as a result of gaming revenues received by the Province of Ontario and expenditure of those distributions.
- (e) The Infrastructure Project Fund reports funds internally restricted by Council related to future projects to be undertaken by the First Nation.

Accumulated surplus consists of individual surpluses (deficits) as follows:

	<u>2016</u>	<u>2015</u>
Band operating fund	\$ (541,658)	\$ (1,047,784)
Investment in Shwe Miikaan Limited Partnership	500,000	-
Capital fund	2,639,521	2,652,487
Casino Rama fund	1,014,406	1,264,442
CMHC reserves	122,437	100,419
Trust fund	130,117	78,222
Infrastructure project fund	125,000	125,000
	<hr/> <u>\$ 3,989,823</u>	<hr/> <u>\$ 3,172,786</u>

Shawanaga First Nation

Notes to the Consolidated Financial Statements

March 31, 2016

17. Budget figures

The First Nation does not formally budget for all of its programs and as such, the scope of the financial activity reported in the First Nation's fiscal plan is not the same as that reported in the consolidated financial statements.

The comparison of budget and actual results in those programs that the First Nation includes in its fiscal plan is summarized as follows:

Statements of Operations and Accumulated Surplus	Budget	Actual
Revenue		
Government funding	\$ 4,470,110	\$ 4,734,046
Rental and other	275,962	117,204
Interest	9,888	41,993
Add: Prior year deferred contributions	526,876	-
	<u>5,282,836</u>	<u>4,893,243</u>
Expenses		
Amortization	263,000	263,339
Administration	(17,033)	(7,199)
Advertising and promotion	3,263	4,242
Bad debts	-	12,271
Community services	119,412	209,566
Employee benefits	215,648	266,107
Equipment leasing	16,466	11,001
Food	19,975	20,504
Honorariums	73,325	89,516
Insurance	44,056	45,388
Interest and bank charges	5,000	5,318
Interest on long term debt	60,418	13,200
Meetings and travel	257,404	206,686
Miscellaneous and other	315,916	57,831
Office	70,350	(23,058)
Program costs and supplies	533,492	311,175
Professional fees and contract services	320,391	313,698
Repairs and maintenance	323,992	113,750
Salaries	1,816,981	1,633,545
Social assistance payments	-	243,583
Telephone and utilities	170,196	183,364
Training and workshops	46,766	73,465
Tuition and living allowance	575,826	515,235
Vehicle operating and transportation	47,104	34,081
Wage settlement	-	15,000
	<u>5,281,949</u>	<u>4,611,608</u>
Annual surplus (deficit) before current and prior year subsidy settlements	887	281,635
Current year subsidy settlements	-	(146,217)
Prior year subsidy settlements	-	(8,523)
Annual surplus (deficit)	887	126,895
Accumulated surplus, beginning of year	<u>3,172,786</u>	<u>3,172,786</u>
Accumulated surplus, end of year	<u>\$ 3,173,673</u>	<u>\$ 3,299,681</u>

Shawanaga First Nation

Notes to the Consolidated Financial Statements

March 31, 2016

17. Budget Figures (continued)

Statement of Change in Net Financial Assets	Budget	Actual
Annual deficit	\$ 887	\$ 126,895
Amortization of tangible capital assets	263,000	263,339
Acquisition of tangible capital assets	(149,090)	(170,099)
Change in prepaids and deposits	-	6,931
Increase (decrease) in net financial assets	114,798	227,066
Net financial assets,		
Beginning of year	<u>386,212</u>	<u>386,212</u>
End of year	<u>\$ 501,010</u>	<u>\$ 613,278</u>

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

Adopted budget:

Increase in band operating fund deficiency	\$ 171,639
Increase in Casino Rama Fund surplus	(66,204)

Adjustments:

Acquisition of tangible capital assets	149,090
Amortization of tangible capital assets	(263,000)
Debt repayments	9,363
	<u>\$ 887</u>

Shawanaga First Nation

Notes to the Consolidated Financial Statements

March 31, 2016

18. Government transfers	2016	2015
Transferor		
Aboriginal Healing and Wellness Strategy	\$ 564,163	\$ 487,281
AHHRI-IHCP	-	4,128
Canada Housing and Mortgage Corporation	68,520	104,161
Chiefs of Ontario	-	1,447
Gezhtoojig Employment and Training	55,767	57,347
Health Canada	386,056	367,685
Independent First Nations	88,438	85,691
Indigenous and Northern Affairs Canada	2,257,800	2,161,946
Ministry of Aboriginal Affairs	90,000	90,000
Ministry of Community and Social Services	343,641	284,154
Ministry of Children and Youth Services	25,512	-
Ministry of Education	4,427	-
Ministry of Health and Long-Term Care	50,395	33,395
Ministry of Natural Resources	35,000	-
Ministry of Transportation of Ontario	271,763	294,947
Ontario Library Service	13,669	13,669
Ontario First Nations (2008) Limited Partnership	550,531	547,402
Ontario Graphite Limited	-	(887)
Ontario Trillium Foundation	2,947	149,900
	\$ 4,808,629	\$ 4,682,266

19. Comparative figures

Certain prior year figures presented for comparative purposes have been reclassified to conform with the presentation adopted for the current year.

Shawanaga First Nation

Notes to the Consolidated Financial Statements

March 31, 2016

20. Segment information

The First Nation provides a wide range of services to its members and these services are provided through various programs. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used by the First Nation, which include the following activities:

Capital:

This segment reports the major capital projects and activities occurring in the First Nation during the year.

Community operations:

This segment includes housing, road maintenance, water, solid waste management, and fire protection services.

Economic development:

This segment reports the economic development activities of the First Nation, including programs such as fish harvesting, bush clearing as well as youth employment and other training programs.

Education:

This segment includes general and special education. This segment also includes service contracts with provincially funded area school boards which are entered into for secondary students. In addition, this segment includes the reimbursement of tuition costs and living and other allowances to students who are attending post-secondary institutions.

First Nation Administration:

This segment includes finance, band support and membership, and the governance activities of Chief and Council. This area oversees the delivery of all government services, including ensuring that adequate policies and procedures are in place to safeguard assets and to properly report financial activities.

Health services:

This segment reports the diverse range of services provided by the First Nation directed towards the wellbeing of its members including the delivery of programming such as early childhood development, nutrition, diabetes, mental health, healthy babies, victim services, home and community care and many other programs designed to enhance the health of its members.

Other:

The segment includes all the other programs provided by the First Nation that are ancillary to the core services of the First Nation. Some of the more significant programs include the library and annual Pow Wow.

Social services:

This segment includes the delivery of a variety of programming including Ontario Works, employment support services and national child benefit programs.