
Independent Auditors' Report

To The Members Of Munsee - Delaware Nation

We have audited the accompanying consolidated balance sheet of Munsee - Delaware Nation and its subsidiaries, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations, changes 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 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 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 of our qualified audit opinion.

**Independent
Auditors' Report cont'd....**

Basis for Qualified Opinion

Under Section 3150 of the Canadian Public Sector Accounting Handbook the First Nation is required to capitalize tangible capital assets and record the appropriate amortization on those assets. Tangible capital assets acquired prior to 1998 have not been capitalized and as a result no amortization has been recorded on these assets. Accordingly, we are unable to determine whether any adjustments might be necessary to tangible capital assets, net assets, expenses and revenue over expenditures.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Munsee - Delaware Nation and its subsidiaries as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 1 of the financial statements, which describes the basis of accounting for CMHC specific housing assets and operations. Those financial statements are prepared to assist Munsee - Delaware Nation with First Nations Section 95 Social Housing Operation to comply with the reporting provisions of the funding agreement between Munsee - Delaware Nation First Nation Section 95 Social Housing Operation and CMHC. As a result, the CMHC department financial statements may not be suitable for another purpose. The report is intended solely for the Munsee - Delaware Nation and CMHC and should not be used by parties other than Munsee - Delaware and CMHC.

Other Matter

Our audit was made for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole.



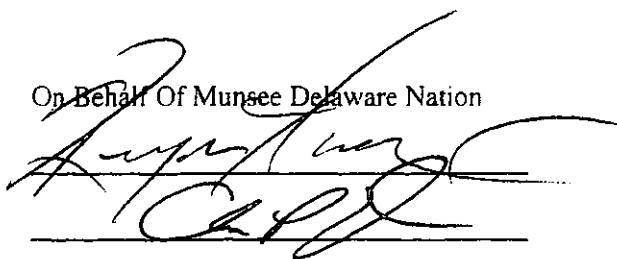
Sarnia, Ontario
August 18, 2015

**Chartered Accountants
Licensed Public Accountants**

Munsee - Delaware Nation
Consolidated Statement of Financial Position
March 31, 2015

	2015	2014
Financial Assets		
Cash (note 2)	\$ 1,039,063	\$ 501,390
Trust Funds in Ottawa (note 6)	77,672	75,533
Accounts receivable (note 3)	437,555	620,916
Investment - Paradise Bingo (note 14)	(622,885)	(178,074)
Loans Receivable From Members (note 5)	802,203	1,273,448
Related Party Transactions (note 4)	1,037,354	571,102
Deposit (note 13)	<u>126,044</u>	<u>123,877</u>
Total Financial Assets	<u>2,897,006</u>	<u>2,988,192</u>
Liabilities		
Current Liabilities		
Bank loan (note 12)	689,968	771,751
Accounts payable and accrued liabilities (note 8)	209,730	224,011
Payable to funding source (note 9)	16,619	109,262
Deferred revenue (note 11)	1,222,489	247,310
Long-term debt (note 10)	<u>603,182</u>	<u>657,098</u>
Total Liabilities	<u>2,741,988</u>	<u>2,009,432</u>
Net Financial Assets	<u>155,018</u>	<u>978,760</u>
Non-Financial Assets		
Tangible capital assets (note 7)	7,165,421	7,047,557
Prepaid expenses	<u>84,545</u>	<u>4,317</u>
	<u>7,249,966</u>	<u>7,051,874</u>
Accumulated Surplus	<u>\$ 7,404,984</u>	<u>\$ 8,030,634</u>

On Behalf Of Munsee Delaware Nation



Munsee - Delaware Nation
Consolidated Statement Of Operations
For The Year Ended March 31, 2015

	Budget	2015	2014
Revenue			
AANDC- Fixed	\$ 1,072,377	\$ 845,226	\$ 949,185
AANDC- Set	509,775	519,775	448,088
AANDC- Grant	200,519	200,519	50,000
Health Canada	280,009	281,369	258,653
OFNLP	545,003	545,003	534,082
Stepping Stones	438,504	427,687	440,334
License fees/ Charity shares	442,000	442,995	500,214
Education	375,127	364,635	404,361
MCSS	49,508	49,508	61,414
SFNS	216,827	216,823	214,691
CMHC	40,766	40,766	46,060
Union of Ontario Indians	96,415	96,415	77,593
Other	140,878	147,082	262,275
Rental	310,164	179,803	277,404
Administration	260,000	261,143	198,591
Repayable to Funding Source	-		(52,374)
Adjustment Prior Year	-	65,922	(17,873)
Deferred Revenue- Beginning	109,527	109,527	64,344
Deferred Revenue- Ending	-	(70,706)	(109,527)
	<u>5,087,399</u>	<u>4,723,492</u>	<u>4,607,515</u>
Expenditures			
Administration	1,587,500	1,765,669	2,277,793
Maintenance	47,108	73,341	27,098
Education	737,521	760,535	654,449
Daycare	525,872	592,768	518,912
Social services	396,279	406,510	403,431
OFNLP	68,800	45,386	122,178
Health	437,695	441,642	399,021
Employment assistance	187,089	183,348	128,550
Infrastructure	126,607	136,781	127,993
Community development	63,800	62,635	63,752
Amortization	<u>430,000</u>	<u>453,010</u>	<u>302,956</u>
	<u>4,608,271</u>	<u>4,921,625</u>	<u>5,026,133</u>
Annual Net Income (Deficit)	\$ <u>479,128</u>	(198,133)	(418,618)
Paradise Bingo		(444,811)	(126,984)
Adjustment to Reserve Fund		17,294	9,425
Accumulated Surplus at Beginning of Year		<u>8,030,634</u>	<u>8,566,811</u>
Accumulated Surplus at End of Year (note 15)		<u>\$ 7,404,984</u>	<u>\$ 8,030,634</u>

Munsee - Delaware Nation
Consolidated Statement Of Changes in Net Financial Assets
For The Year Ended March 31, 2015

	2015	2014
Annual deficit	\$ (642,944)	\$ (545,602)
Increase to reserves	17,294	9,425
Acquisition of tangible capital assets (note 7)	(570,884)	(102,172)
Amortization of tangible capital asset (note 7)	<u>453,020</u>	<u>302,956</u>
	(743,514)	(335,393)
Use of Prepaid Expenses	<u>(80,228)</u>	<u>(4,314)</u>
Change in Net Financial Assets	(823,742)	(339,707)
Net Financial Assets at Beginning of Year	<u>978,760</u>	<u>1,318,467</u>
Net Financial Assets at End of Year	<u>\$ 155,018</u>	<u>\$ 978,760</u>

Munsee - Delaware Nation
Consolidated Statement Of Cash Flows
For The Year Ended March 31, 2015

	2015	2014
Cash Provided By (Used For)		
Operating Activities		
Change in net assets	\$ (57,978)	\$ (536,177)
Items not requiring cash:		
Amortization	453,013	302,956
Royal homes bad debt	<u>(122,861)</u>	<u>-</u>
	272,174	(233,221)
Change in non-cash working capital items affecting operations:		
Accounts receivable	183,361	(122,907)
Prepaid expenses	(80,228)	(4,317)
Related party transactions	(466,252)	(486,651)
Accounts payable and accrued liabilities	(14,281)	(24,458)
Deposit	(2,160)	-
Deferred revenue	975,179	182,966
Payable to funding source	<u>(92,643)</u>	<u>48,948</u>
	<u>775,150</u>	<u>(639,640)</u>
Investing Activities		
Trust funds in Ottawa	(2,139)	(1,869)
Purchase of property, plant and equipment	(570,884)	(102,172)
Decrease of housing loans	<u>471,245</u>	<u>879,356</u>
	<u>(101,778)</u>	<u>775,315</u>
Financing Activities		
Decrease of bank loan	(81,783)	(125,517)
Investment	-	311
Repayment of long-term debt	<u>(53,916)</u>	<u>(49,018)</u>
	<u>(135,699)</u>	<u>(174,224)</u>
Increase (Decrease) In Cash Position	537,673	(38,549)
Cash Position, Beginning	<u>501,390</u>	<u>539,939</u>
Cash Position, Ending	<u>\$ 1,039,063</u>	<u>\$ 501,390</u>

Munsee - Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015

1. Significant Accounting Policies

Basis of Accounting

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

Consolidation with the CMHC financial statements differs from the Canadian public sector accounting standards as Munsee-Delaware Nation is required to comply with the funding agreement between First Nation Section 95 Social Housing Operation and CMHC for those specific housing assets and operations.

Reporting Entity

The Munsee-Delaware Nation reporting entity includes the Munsee-Delaware Nation government and all related entities that are controlled by the First Nation.

Principles of Consolidation

These consolidated financial statements have been prepared in accordance with general accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting Handbook, as well as the Year-End Reporting Handbook for First Nations, except for the fact that the First Nation has not accounted for tangible capital assets prior to 1998, or amortization thereon.

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.

Loans Receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by management.

Investments

The investment in Paradise Bingo is accounted for using the modified equity method.

Financial Instruments

The company initially measures its financial instruments at fair value, except for certain non-arm's length transactions that are measured at the exchange amount.

The company subsequently measures all its financial instruments at amortized cost.

Financial instruments measured at amortized cost include cash, trust funds in Ottawa, accounts receivable, loans receivable from members, related party transactions, bank loans, accounts payable and accrued liabilities, payable to funding source and long-term debt.

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Munsee - Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015

1. Significant Accounting Policies cont'd...

Financial assets measured at amortized cost are tested for impairment at the end of each year, and the amount of the write-down, if any, is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement and the amount of the reversal is recognized in net income. The reversal may be recorded provided it is no greater than the amount that has been previously reported as a reduction in the asset and it does not exceed original cost.

Income Taxes

Income taxes are not reflected on these financial statements as the First Nation's operations are conducted entirely on reserve lands and are therefore not taxable.

Revenue Recognition

All revenues are recorded on an accrual basis. The accrual basis of accounting recognizes revenues as they become available and measurable.

Government transfers 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 revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

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.

Amortization of tangible capital assets is calculated using the straight-line method using the following rates:

Buildings	40 years
CMHC buildings	Per Section 95 First Nation Housing agreement
Bingo hall building	40 years
Parking lot	20 years
Machinery and equipment	10 years
Automotive equipment	10 years
Furniture and fixtures	10 years
Computer hardware	3 years
Wiigwaam	40 years
Bingo hall sign	10 years

Amortization for assets supported by long-term debt per Section 95 agreement is at a rate equivalent to the long-term debt principal repayment.

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Munsee - Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015

1. Significant Accounting Policies cont'd...

Use Of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates and assumptions include those related to useful lives of assets, collectibility of receivables, allowance for doubtful accounts, accrued liabilities and the fair value of financial instruments. While management believes these estimates and assumptions are reasonable, actual results could differ from those estimates.

2. Cash and Cash Equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Munsee-Delaware 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 Apartment Replacement and Subsidy Fund. Munsee-Delaware Nation is also required to have trust funds held by the Government of Canada in a separate bank account. These funds increase annually by the interest earned. They can be withdrawn for their intended purposes if requested. Cash and cash equivalents is comprised of the following:

	2015	2014
Externally Restricted		
Replacement Reserve	\$ 127,355	\$ 110,056
Funds held in trust by government of Canada	<u>77,672</u>	<u>75,533</u>
	<u>205,027</u>	<u>185,589</u>
Unrestricted		
Operating	<u>834,036</u>	<u>315,801</u>
Total Cash and Cash Equivalents	<u>\$ 1,039,063</u>	<u>\$ 501,390</u>

3. Accounts Receivable

	2015	2014
Federal Funding		
AANDC Transfer Payments	\$ 66,743	\$ 281,951
Health Canada	<u>169,769</u>	<u>72,478</u>
	<u>236,512</u>	<u>354,429</u>
Provincial Funding		
Homemakers	<u>4,653</u>	<u>23,824</u>
Other Programs		
Union of Ontario Indians	<u>1,950</u>	-

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Munsee - Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015

3. Accounts Receivable cont'd...	2015	2014
Other Receivables		
SFNS employment and training	127,748	114,079
Stepping Stones	23,766	55,668
Funeral arrangements	14,912	14,912
Miscellaneous	28,014	58,004
	<u>194,440</u>	<u>242,663</u>
	<u>\$ 437,555</u>	<u>\$ 620,916</u>

4. Related Parties Transactions

The First Nation's advance and the amounts due from related companies are interest-free with no set terms of repayment. As of March 31, 2015, the balance owing (to)/from are as follows:

	2015	2014
Paradise Bingo	\$ 211,603	\$ 83,888
Charity Association	<u>825,751</u>	<u>487,214</u>
	<u>\$ 1,037,354</u>	<u>\$ 571,102</u>

5. Loans Receivable	2015	2014
Housing loans	\$ 617,952	\$ 1,731,951
Royal home loans	802,203	756,996
Royal home site preparation loans	<u>-</u>	<u>176,395</u>
	<u>1,420,155</u>	<u>2,665,342</u>
Allowance for doubtful accounts	<u>(617,952)</u>	<u>(1,391,894)</u>
	<u>\$ 802,203</u>	<u>\$ 1,273,448</u>

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Munsee - Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015

6. Funds Held in Trust By Government of Canada

The funds held in trust by the Government of Canada on behalf of the organization consist of the following:

	Revenue Fund	Capital Fund	2015	2014
Balance, beginning	\$ 70,393	\$ 5,140	\$ 75,533	\$ 73,664
Interest income	<u>2,139</u>	<u>—</u>	<u>2,139</u>	<u>1,869</u>
Balance, ending	<u><u>\$ 72,532</u></u>	<u><u>\$ 5,140</u></u>	<u><u>\$ 77,672</u></u>	<u><u>\$ 75,533</u></u>

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

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Munsee - Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015

7. Tangible Capital Assets

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2015	Total 2014
Work in Progress - water plant	\$ 102,172	\$ 570,884	\$ 673,056	\$ -	\$ -	\$ -	\$ 673,056	\$ 102,172
Land	54,391	-	54,391	4,910,192	2,007,698	122,755	2,130,453	54,391
Buildings	4,910,192	-	4,910,192	463,951	431,228	14,455	445,683	2,779,736
Furniture and fixtures	463,951	-	463,951	1,286,285	500,881	182,221	603,183	18,268
CMHC buildings	1,286,285	-	1,286,285	420,401	94,175	10,533	104,708	32,723
Bingo Hall building	420,401	-	420,401	109,030	36,042	5,452	41,494	315,693
Bingo Hall parking lot	109,030	-	109,030	320,736	241,440	14,011	255,451	67,536
Machinery and equipment	320,736	-	320,736	106,285	15,942	5,314	21,256	65,285
Community Centre parking lot	106,285	-	106,285	210,084	131,140	21,008	152,148	85,029
Automotive equipment	210,084	-	210,084	21,306	19,304	2,002	21,306	57,936
Computer hardware	21,306	-	21,306	2,568,049	192,603	64,201	256,804	-
Small Business Community Centre	2,568,049	-	2,568,049	80,493	4,024	2,012	2,311,245	2,375,446
Wigwam project	80,493	-	80,493	37,890	11,367	3,789	74,457	76,469
Community Centre sign	37,890	-	37,890	52,673	10,534	5,262	15,156	22,734
Bingo sign	52,673	-	52,673				15,801	26,523
							36,872	42,139
\$ 10,743,938	\$ 570,884	\$ 11,314,822	\$ 3,696,378	\$ 453,020	\$ 4,149,398	\$ 7,165,421	\$ 7,047,557	

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**Munsee - Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015**

8. Accounts Payable and Accrued Liabilities	2015	2014
Trades payable	\$ 113,815	\$ 169,598
Other accrued liabilities	<u>95,915</u>	<u>54,413</u>
	\$ 209,730	\$ 224,011
9. Payable to Funding Source	2015	2014
Federal government	\$ 13,101	\$ 82,946
Provincial government	<u>3,518</u>	<u>26,316</u>
	\$ 16,619	\$ 109,262
10. Long-Term Debt	2015	2014
Residential Housing Loan by Bank of Montreal under Section 95 of the National Housing Act - 3.14%, due February 1, 2016, monthly payments of \$2,860 principal and interest, secured by a Ministerial Guarantee from Indian and Northern Affairs Canada.	\$ 263,076	\$ 288,835
Residential Housing Loan by CMHC under Section 95 of the National Housing Act - 2.56% due December 1, 2015, repayable in monthly instalments of \$3,101 principal and interest, secured by a Ministerial Guarantee from Indian and Northern Affairs Canada and insured by CMHC.	<u>340,106</u> <u>603,182</u> <u>603,182</u>	<u>368,263</u> <u>657,098</u> <u>316,994</u>
Current portion	\$ -	\$ 340,104

The principal reduction required over the next year is:

2016 **\$ 603,182**

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Munsee - Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015

11. Deferred Revenue	2015	2014
AANDC- water treatment plant	\$ 1,141,783	\$ 137,783
Education	26,021	40,866
CRF funding	-	7,241
EI- Employment Benefits	2,210	2,027
Miscellaneous - Enbridge donation	10,000	-
CRF childcare	<u>42,475</u>	<u>59,393</u>
	\$ 1,222,489	\$ 247,310

12. Bank Loans	2015	2014
Bingo hall	\$ -	\$ 42,720
Water extension	85,000	100,000
Housing	<u>604,968</u>	<u>629,031</u>
	\$ 689,968	\$ 771,751

The operating loans are due on demand and bear interest at the bank's prime rate plus 0 to 3%, calculated and payable monthly. They are secured by a general security agreement covering all assets except real property. During the year, Munsee-Delaware Nation paid interest of \$27,744 (2014 - \$20,170).

13. Commitment

Munsee-Delaware Nation was committed to purchasing a building in 2012 for \$264,000 of which \$100,000 plus \$26,044 of interest has been advanced and reflected as a deposit in the statement of financial position. Munsee-Delaware Nation did not purchase the building and the commitment will continue on a month to month basis.

14. Paradise Bingo Investment	2015	2014
Munsee Delaware Nation owns 100% of 1748960 Ontario Limited O/A Paradise Bingo.		
Continuity of Investment		
Balance, beginning of year	\$ (178,074)	\$ (51,090)
Share of net income (loss)	<u>(444,811)</u>	<u>(126,984)</u>
Balance, end of year	\$ (622,885)	\$ (178,074)

The income (loss) from the enterprises is reported on the statement of operations. Cash advances to or from the enterprises are recorded as an increase or decrease in the investment in the enterprises.

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Munsee - Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015

14. Paradise Bingo Investment cont'd....	2015	2014
Financial Position		
Assets		
Cash	\$ 58,033	\$ 34,969
Accounts Receivable	<u>449</u>	<u>45,402</u>
	<u>\$ 58,482</u>	<u>\$ 80,371</u>
Liabilities		
Bank overdraft	\$ -	\$ -
Accounts payable and accrued liabilities	8,703	22,293
Due to Munsee Delaware Nation	<u>211,603</u>	<u>83,888</u>
Due to Charity Association	<u>450,338</u>	<u>141,541</u>
	<u><u>670,644</u></u>	<u><u>247,722</u></u>
Shareholder's Deficiency		
Deficit	<u>(612,162)</u>	<u>(167,351)</u>
	<u><u>\$ 58,482</u></u>	<u><u>\$ 80,371</u></u>
Results of Operations		
Revenue		
Rental income- 55%	\$ 460,378	\$ 599,722
Non-gaming income	<u>165,913</u>	<u>155,614</u>
Other income	<u>1,070</u>	<u>63</u>
	<u><u>627,361</u></u>	<u><u>755,399</u></u>
Expenditures		
Advertising		270
Bingo expenses	<u>137,145</u>	<u>126,826</u>
Bank charges	<u>4,582</u>	<u>2,230</u>
Equipment rental	<u>65,000</u>	<u>66,364</u>
Miscellaneous expenses		6,465
Office expenses	<u>7,100</u>	<u>2,681</u>
Professional fees	<u>32,742</u>	<u>19,765</u>
Repairs and maintenance	<u>43,664</u>	<u>18,593</u>
Snack bar expenses	<u>57,016</u>	<u>52,590</u>
Staff training	<u>4,173</u>	-
Wages and benefits	<u>570,527</u>	<u>465,369</u>
Telephone	<u>15,313</u>	<u>12,361</u>
Travel and entertainment	<u>465</u>	-
Utilities	<u>91,215</u>	<u>33,389</u>
Rent	<u>43,230</u>	<u>75,480</u>
	<u><u>1,072,172</u></u>	<u><u>882,383</u></u>
Deficiency Of Revenues Over Expenditures	<u><u>\$ (444,811)</u></u>	<u><u>\$ (126,984)</u></u>

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Munsee - Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015

15. Accumulated Surplus	2015	2014
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Accumulated surplus consists of the following individual surplus funds, reserves and reserve funds:

Surplus

Invested in tangible capital assets	\$ 7,165,421	\$ 7,047,557
Equity in Paradise Bingo	<u>(622,885)</u>	<u>(178,074)</u>
	\$ 6,542,536	\$ 6,869,483

Reserves

Operating	\$ 735,093	\$ 1,051,095
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Reserves Funds

CMHC	\$ 127,355	\$ 110,056
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Accumulated Surplus

\$ 7,404,984

\$ 8,030,634

16. Expenses By Object	2015	2014
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Administration	\$ 198,101	\$ 148,335
Amortization	453,010	302,952
Interest and bank charges	62,040	67,208
Office and other	595,633	527,433
Operations and maintenance	270,645	298,741
Professional services	242,227	229,743
Social assistance payments	683,298	679,319
Utilities	89,127	86,101
Program delivery	826,107	593,685
Wages and benefits	1,036,948	1,251,056
Writedown of accounts receivable	<u>464,489</u>	<u>841,540</u>
	\$ 4,921,625	\$ 5,026,113

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Munsee-Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015

17. Segmented Information

	Segmented Information					
	Administration		Maintenance		Education	
	2015	2014	2015	2014	2015	2014
REVENUES						
AANDC						
Union of Ontario Indians						
Health Canada						
Ministry of Education						
MCCS						
Stepping Stones						
OBNIC						
Admin Fees	261,143	198,591				
Rental	101,724	115,104				
SFNS						
OFNLP						
MDN Gaming revenue						
Other	200,261	380,769	47,108	24,632	34,858	(9)
	1,179,354	1,293,329			729,895	622,870
Repayable to funding source						
Deferred revenue - beginning of year						
Deferred revenue - end of year						
Total revenues	1,179,354	1,293,329	47,108	24,632	744,740	607,762
EXPENDITURES						
Administration	20,256	7,066	1,580	44,752	62,288	63,380
Amortization	270,791	270,802				47,218
Interest and bank charges	44,491	39,129				
Office and other	309,666	236,841				
Operations and maintenance	114,951	156,216	19,865	12,662	148,567	68,502
Professional services	120,924	204,521	43,800	2,000	24,014	39,718
Social assistance payments	293,763	300,636			8,100	8,440
Utilities	44,266	47,490				
Program Delivery						
Wages and benefits	302,863	451,425	2,610	10,856	493,553	405,409
Write-down of accounts receivable	464,489	841,540			41,549	70,092
Total expenses	2,036,460	2,548,600	73,341	27,098	760,535	654,449
Adjustment to prior year surplus			15,180			
Excess surplus (deficiency) of revenue over expenses	\$ (857,106)	(1,240,091)	(26,233)	(2,467)	(15,795)	(46,687)

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Munsee-Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015

17. Segmented Information

	Social Services		OFNLP		Health		Employment Assistance	
	2015	2014	2015	2014	2015	2014	2015	2014
REVENUES								
AANDC								
Union of Ontario Indians								
Health Canada								
Ministry of Education								
MCSS								
Stepping Stones	408,187	416,534						
CMHC								
Admin Fees								
Rental								
SFNS								
OFNLP								
Other	17,120	446	545,003	534,082	38,755	3,750	125,985	123,853
	425,307	416,980	545,215	534,346	483,547	441,785	154,518	136,336
Repayable to funding source								
Deferred revenue - beginning of year								
Deferred revenue - end of year			(14,443)					
Total revenues	425,307	402,537	545,215	534,346	483,547	405,666	161,576	125,283
EXPENDITURES								
Administration								
Amortization								
Interest and bank charges								
Office and other	27,713	17,226	30,480	92,578	20,466	28,077	9,891	26,041
Operations and maintenance	1,398				6,016	4,623		
Professional services	1,159	1,410	14,906	29,600	14,634	8,530		
Social assistance payments	314,929	309,713	2,160		17,512	11,121		
Utilities	1,567				129,598	71,551		
Program Delivery	59,744	72,922			209,076	262,528		
Wages and benefits								
Written down of accounts receivable								
Total expenses	406,510	403,431	45,386	122,178	441,642	399,021	183,348	128,549
adjustment to prior year surplus							(8,623)	
Excess surplus (deficiency) of revenue over expenses	\$ 18,797	(894)	499,829	412,168	41,905	(1,978)	(21,772)	(3,266)

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Munsee- Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015

17. Segmented Information

	Infrastructure			Community Development	
	2015		2014	2015	
	REVENUES				
AANDC	\$ 122,049		130,819		
Union of Ontario Indians					
Health Canada					
Ministry of Education					
WACSS					
Stepping Stones	40,766		46,060		
CMHC					
Admin Fees					
Rental	130,273		162,300		
SPNS					
OFNLP		10			
MADN Gaming Revenue				296,355	343,429
Other	293,103		339,179		
Repayable to funding source				127	447
Deferred revenue - beginning of year				296,482	343,876
Deferred revenue - end of year					
Total revenues	293,103		339,179		
				296,482	343,876
EXPENDITURES					
Administration	18,307		19,623		
Amortization	181,221		32,157		
Interest and bank charges	17,549		28,079		
Office and other	9,680		7,900		
Operations and maintenance	71,240		55,345		
Professional services	3,500				
Social assistance payments				59,700	39,370
Utilities	455		5,850		
Program Delivery	15,380				
Wages and benefits				11,193	
Write-down of accounts receivable					
Total expenses	319,002		160,150		
Adjustment to prior year surplus				62,635	63,752
Excess surplus of revenue over expenses	\$ (25,859)		179,029		
				233,547	280,124

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Munsee - Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2015

18. Financial Instruments Risks Disclosures

The main risks of Munsee-Delaware Nation financial instruments are exposed to are credit risk, liquidity risk, and market risk each of which is discussed below.

Credit Risk

The Munsee-Delaware Nation is exposed to credit risk in the event of non-payment by their customers for their accounts receivable. The Munsee-Delaware Nation believes there is high risk associated with these amounts due to nonpayment's to housing loans.

Liquidity Risk

Liquidity risk relates to the risk the Munsee-Delaware Nation will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on its balance sheet consist of accounts payable and accrued liabilities. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. All of Munsee-Delaware Nation financial instruments are in Canadian dollars and consequently is not subject to currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Munsee-Delaware Nation is exposed to interest rate price risk to the extent that a portion of the long-term debt is at a fixed interest rate

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk and interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Munsee-Delaware Nation is not exposed to other price risk.

Changes in Risk Assessments

There have been no significant changes in these risk exposures from the prior year.

Munsee - Delaware Nation
Consolidated Statement Of Operations
For The Year Ended March 31, 2015

	Revenue	Expense	2015 Surplus (Deficit)	2014 Surplus (Deficit)
Administration	\$ 667,063	\$ 1,514,244	\$ (847,181)	\$ (1,200,389)
Healing Lodge	340,400	340,400	-	3
FNREES Chiefs of Ontario	1,722	2,074	(352)	-
Lands, Membership and Trust	19,807	22,107	(2,300)	(17,765)
Economic Development	41,200	58,830	(17,630)	7,362
Pow Wow	19,676	11,576	8,100	3,263
Maintenance	47,108	73,341	(26,233)	(2,467)
Education	318,694	335,184	(16,490)	(19,114)
Provincial Tuition	426,046	425,351	695	(27,573)
Day Care	547,061	592,769	(45,708)	5,423
Ontario Works	425,307	406,510	18,797	(874)
OFNLP	545,215	45,386	499,829	412,168
CHR	46,728	46,728	-	(590)
Drinking Water Safety	7,500	7,500	-	6,270
Prenatal Nutrition	-	-	-	(715)
NNADAP	65,175	53,119	12,056	-
Aboriginal Healing and Wellness	56,975	56,975	-	(458)
Pandemic Planning	2,000	2,000	-	(2,073)
Aging at Home	3,675	3,542	133	(607)
Aboriginal Diabetes Initiative	16,336	16,336	-	(284)
Meals on Wheels	-	-	-	(113)
Healthy Babies	21,086	19,200	1,886	-
Family Violence	20,303	18,540	1,763	-
Homemakers	67,008	78,186	(11,178)	(5,043)
Brighter Futures	58,729	52,281	6,448	-
Building Healthy Communities	45,192	45,192	-	(18,286)
National Child				
Reinvestment Strategy	5,373	7,329	(1,956)	(3,570)
HIV/AIDS	1,000	1,000	-	1,476
Suicide Prevention	700	700	-	-
Food, Nutrition, Study	-	-	-	14
HRDC	142,743	161,455	(18,712)	(1,455)
Unfunded Expenses	-	-	-	(3,448)
SATF-employment and training	18,833	21,894	(3,061)	(1,812)
Minor Capital Projects	122,049	18,307	103,742	111,196
Health Community Project	-	-	-	250
CMHC Phase 1	18,122	122,393	(104,271)	(54,944)
CMHC Phase 2	34,762	158,134	(123,372)	(22,551)
Rental and Sales	118,170	20,169	98,001	145,328
Service Club	296,482	62,634	233,848	280,124
Health centre lease	25,200	-	25,200	25,200
Health centre operations	40,567	33,013	7,554	-
Community Centre	89,487	87,228	2,259	(32,564)
Operating Deficit	4,723,494	4,921,627	(198,133)	(418,618)
Deficit from business - Paradise Bingo	627,361	1,072,172	(444,811)	(126,984)
Operating Deficit	\$ 5,350,855	\$ 5,993,799	\$ (642,944)	\$ (545,602)

Munsee - Delaware Nation
Consolidated Statement Of Operations
For The Year Ended March 31, 2015

Administration	Fixed	Set	2015	2014
Revenue				
AANDC - One time water payment	\$ -	\$ -	\$ -	\$ 50,000
AANDC - Funding for administration	202,419	7,500	209,919	188,201
Administration revenue programs	261,143	-	261,143	198,591
Licence fee charities	134,640	-	134,640	143,785
Interest income	10,243	-	10,243	5,518
Miscellaneous	53,819	-	53,819	202,044
Adjustment to prior year's revenue	(12,720)	-	(12,720)	15,180
Rental income	<u>10,019</u>	<u>-</u>	<u>10,019</u>	<u>8,475</u>
	<u>659,563</u>	<u>7,500</u>	<u>667,063</u>	<u>811,794</u>
Expenditures				
Administration functions	20,256	-	20,256	-
Depreciation	270,791	-	270,791	270,802
Royal home bad debt	122,861	-	122,861	-
Equipment rental	10,559	-	10,559	11,422
Honoraria and council	59,589	-	59,589	88,717
Insurance	99,600	-	99,600	159,818
Interest and bank charges	44,491	-	44,491	39,129
Miscellaneous	10,336	-	10,336	(5,354)
Office supplies	20,123	-	20,123	18,062
Professional services	162,820	-	162,820	204,521
Rent	2,247	-	2,247	1,678
Repairs and maintenance	39,596	-	39,596	51,587
Salaries and benefits	171,389	7,500	178,889	244,378
Telephone and data	45,985	-	45,985	36,775
Travel	44,586	-	44,586	24,181
Utilities	15,923	-	15,923	15,731
Computer expense	-	-	-	1,323
WSIB	23,398	-	23,398	-
Groceries and meals	3,641	-	3,641	2,123
Housing- allowance	334,224	-	334,224	841,540
Postage & courier service	3,564	-	3,564	4,811
Support payments	<u>765</u>	<u>-</u>	<u>765</u>	<u>939</u>
	<u>1,506,744</u>	<u>7,500</u>	<u>1,514,244</u>	<u>2,012,183</u>
Deficiency of Revenue Over Expenditures	\$ <u>(847,181)</u>	\$ <u>-</u>	\$ <u>(847,181)</u>	\$ <u>(1,200,389)</u>