
Independent Auditor's 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, 2016 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
Auditor's Report cont'd....**

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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, 2016, 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.



Collins Barrow Sarnia

**Chartered Accountants
Licensed Public Accountants**

Sarnia, Ontario
August 16, 2016

Munsee - Delaware Nation
Consolidated Statement of Financial Position
March 31, 2016

	2016	2015
Financial Assets		
Cash (note 2)	\$ 1,265,749	\$ 1,039,063
Trust Funds in Ottawa (note 6)	79,320	77,672
Accounts receivable (note 3)	296,581	437,555
Investment - Paradise Bingo (note 14)	(911,881)	(622,885)
Loans Receivable From Members (note 5)	797,697	802,203
Related Party Transactions (note 4)	1,463,273	1,037,354
Deposit (note 13)	-	126,044
Total Financial Assets	<u>2,990,739</u>	<u>2,897,006</u>
Liabilities		
Current Liabilities		
Bank loan (note 12)	70,000	85,000
Accounts payable and accrued liabilities (note 8)	315,716	209,730
Payable to funding source (note 9)	29,899	16,619
Deferred revenue (note 11)	1,390,011	1,222,489
Current portion of long-term debt (note 10)	85,055	628,292
Long-term debt (note 10)	<u>1,042,046</u>	<u>579,858</u>
Total Liabilities	<u>2,932,727</u>	<u>2,741,988</u>
Net Financial Assets	<u>58,012</u>	<u>155,018</u>
Non-Financial Assets		
Tangible capital assets (note 7)	7,360,633	7,165,421
Prepaid expenses	<u>30,029</u>	<u>84,545</u>
	<u>7,390,662</u>	<u>7,249,966</u>
Accumulated Surplus	<u>\$ 7,448,674</u>	<u>\$ 7,404,984</u>

On Behalf Of Munsee Delaware Nation

Munsee - Delaware Nation
Consolidated Statement Of Operations
For The Year Ended March 31, 2016

	Budget	2016	2015
Revenue			
AANDC- Fixed	\$ 657,734	\$ 505,687	\$ 845,226
AANDC- Set	813,963	779,382	519,775
AANDC- Grant	182,405	182,405	200,519
Health Canada	322,233	328,374	281,369
OFNLP	546,675	546,674	545,003
Stepping Stones	507,993	468,268	427,687
License fees/ Charity shares	120,000	450,174	442,995
Education	496,623	480,774	364,635
MCSS	50,493	50,493	49,508
SFNS	216,837	216,837	216,823
CMHC	40,752	40,055	40,766
Union of Ontario Indians	72,989	80,536	96,415
Other	127,738	187,577	147,082
Rental	215,065	280,682	179,803
Administration	280,000	281,648	261,143
Repayable to Funding Source	-	(13,280)	-
Adjustment Prior Year	-	-	65,922
Deferred Revenue- Beginning	70,706	70,706	109,527
Deferred Revenue- Ending	(61,599)	(61,599)	(70,706)
	<u>4,660,607</u>	<u>4,875,393</u>	<u>4,723,492</u>
Expenditures			
Administration	1,409,268	1,379,442	1,765,669
Maintenance	243,051	60,784	73,341
Education	757,218	774,471	760,535
Daycare	690,389	692,595	592,768
Social services	439,317	446,626	406,510
OFNLP	123,200	123,991	45,386
Health	459,623	448,809	441,642
Employment assistance	138,167	129,687	183,348
Infrastructure	196,641	164,831	136,781
Community development	-	-	62,635
Amortization	<u>275,000</u>	<u>330,455</u>	<u>453,010</u>
	<u>4,731,874</u>	<u>4,551,691</u>	<u>4,921,625</u>
Annual Surplus (Deficit)	\$ <u>(71,267)</u>	323,702	(198,133)
Paradise Bingo		(288,996)	(444,811)
Replacement Reserve		8,984	17,294
Annual Surplus (Deficit)		<u>43,690</u>	<u>(625,650)</u>
Accumulated Surplus at Beginning of Year		<u>7,404,984</u>	<u>8,030,634</u>
Accumulated Surplus at End of Year (note 15)		<u>\$ 7,448,674</u>	<u>\$ 7,404,984</u>

Munsee - Delaware Nation
Consolidated Statement Of Changes in Net Financial Assets
For The Year Ended March 31, 2016

	2016	2015
Annual surplus (deficit)	\$ 43,690	\$ (625,650)
Acquisition of tangible capital assets (note 7)	(525,669)	(570,884)
Amortization of tangible capital asset (note 7)	<u>330,457</u>	<u>453,020</u>
	<u>(151,522)</u>	<u>(743,514)</u>
Use of Prepaid Expenses	<u>54,516</u>	<u>(80,228)</u>
Change in Net Financial Assets	(97,006)	(823,742)
Net Financial Assets at Beginning of Year	<u>155,018</u>	<u>978,760</u>
Net Financial Assets at End of Year	<u>\$ 58,012</u>	<u>\$ 155,018</u>

Munsee - Delaware Nation
Consolidated Statement Of Cash Flows
For The Year Ended March 31, 2016

	2016	2015
Cash Provided By (Used For)		
Operating Activities		
Annual surplus (deficit)	\$ 43,690	\$ (625,650)
Items not requiring cash:		
Amortization	<u>330,457</u>	<u>453,013</u>
	<u>374,147</u>	<u>(172,637)</u>
Change in non-cash working capital items affecting operations:		
Accounts receivable	140,974	183,361
Prepaid expenses	54,516	(80,228)
Related party transactions	(425,919)	(466,252)
Accounts payable and accrued liabilities	105,987	(14,281)
Deposit	126,044	(2,160)
Deferred revenue	167,522	975,179
Payable to funding source	<u>13,280</u>	<u>(92,643)</u>
	<u>556,551</u>	<u>330,339</u>
Capital Activities		
Purchase of property, plant and equipment	<u>(525,669)</u>	<u>(570,884)</u>
Investing Activities		
Trust funds in Ottawa	(1,648)	(2,139)
Investment - Paradise Bingo	288,996	444,811
Decrease of housing loans	<u>4,506</u>	<u>471,245</u>
	<u>291,854</u>	<u>913,917</u>
Financing Activities		
Decrease of bank loan	(15,000)	(81,783)
Repayment of long-term debt	<u>(81,050)</u>	<u>(53,916)</u>
	<u>(96,050)</u>	<u>(135,699)</u>
Increase (Decrease) In Cash Position	226,686	537,673
Cash Position, Beginning	<u>1,039,063</u>	<u>501,390</u>
Cash Position, Ending	<u>\$ 1,265,749</u>	<u>\$ 1,039,063</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	Per Section 95 First Nation Housing agreement	40 years
CMHC buildings		40 years
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:

	2016	2015
Externally Restricted		
Replacement Reserve	\$ 136,339	\$ 127,355
Funds held in trust by government of Canada	<u>79,320</u>	<u>77,672</u>
	<u>215,659</u>	<u>205,027</u>
Unrestricted		
Operating	<u>1,050,090</u>	<u>834,036</u>
Total Cash and Cash Equivalents	<u>\$ 1,265,749</u>	<u>\$ 1,039,063</u>

3. Accounts Receivable	2016	2015
Federal Funding		
AANDC Transfer Payments	\$ 215,354	\$ 66,743
Health Canada	<u>-</u>	<u>169,769</u>
	<u>215,354</u>	<u>236,512</u>
Provincial Funding		
Homemakers	<u>5,567</u>	<u>4,653</u>
Other Programs		
Union of Ontario Indians	<u>360</u>	<u>1,950</u>

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

3. Accounts Receivable cont'd...	2016	2015
Other Receivables		
SFNS employment and training	23,615	127,748
Stepping Stones	23,453	23,766
Funeral arrangements	14,912	14,912
Miscellaneous	13,320	28,014
	<u>75,300</u>	<u>194,440</u>
	<u>\$ 296,581</u>	<u>\$ 437,555</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, 2016, the balance owing (to)/from are as follows:

	2016	2015
Paradise Bingo	\$ 187,348	\$ 211,603
Charity Association	<u>1,275,925</u>	<u>825,751</u>
	<u>\$ 1,463,273</u>	<u>\$ 1,037,354</u>

5. Loans Receivable	2016	2015
Housing loans	\$ 619,969	\$ 617,952
Royal home loans	<u>797,697</u>	<u>802,203</u>
	<u>1,417,666</u>	<u>1,420,155</u>
Allowance for doubtful accounts	<u>(619,969)</u>	<u>(617,952)</u>
	<u>\$ 797,697</u>	<u>\$ 802,203</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	2016	2015
Balance, beginning	\$ 72,532	\$ 5,140	\$ 77,672	\$ 75,533
Interest income	<u>1,648</u>	<u>-</u>	<u>1,648</u>	<u>2,139</u>
Balance, ending	<u><u>\$ 74,180</u></u>	<u><u>\$ 5,140</u></u>	<u><u>\$ 79,320</u></u>	<u><u>\$ 77,672</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.

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

7. Tangible Capital Assets

	Cost		Accumulated Amortization		Net Book Value		
	Opening Balance	Additions	Opening Balance	Amortization	Closing Balance	Total 2016	Total 2015
Work in Progress - water plant	\$ 673,056	\$ 320,022	\$ 993,078	\$ -	\$ -	\$ 993,078	\$ 673,056
Land	54,391	-	54,391	-	-	54,391	54,391
Buildings	4,910,192	182,544	5,092,736	2,130,453	127,318	2,257,771	2,834,962
Furniture and fixtures	463,951	23,103	487,054	445,683	15,610	461,293	25,761
CMHC buildings	1,286,285	-	1,286,285	683,102	55,939	739,041	18,268
Bingo Hall building	420,401	-	420,401	104,708	10,533	115,241	547,244
Bingo Hall parking lot	109,030	-	109,030	41,494	5,452	46,946	62,084
Machinery and equipment	320,736	-	320,736	255,451	14,011	269,462	51,274
Community Centre parking lot	106,285	-	106,285	21,256	5,314	26,570	79,715
Automotive equipment	210,084	-	210,084	152,148	21,008	173,156	36,928
Computer hardware	21,306	-	21,306	21,306	-	21,306	-
Small Business Community Centre	2,568,049	-	2,568,049	256,804	64,204	321,008	2,247,041
Wiiquaam project	80,493	-	80,493	6,036	2,012	8,048	72,445
Community Centre sign	37,890	-	37,890	15,156	5,267	20,423	17,467
Bingo sign	52,673	-	52,673	15,801	3,789	19,590	33,083
							36,872
	<u>\$ 11,314,822</u>	<u>\$ 525,669</u>	<u>\$ 11,840,491</u>	<u>\$ 4,149,398</u>	<u>\$ 330,457</u>	<u>\$ 4,479,855</u>	<u>\$ 7,360,633</u>
							<u>\$ 7,165,421</u>

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

8. Accounts Payable and Accrued Liabilities	2016	2015
Trades payable	\$ 282,428	\$ 113,815
Other accrued liabilities	<u>33,288</u>	<u>95,915</u>
	<u>\$ 315,716</u>	<u>\$ 209,730</u>
9. Payable to Funding Source	2016	2015
Federal government	\$ 13,101	\$ 13,101
Provincial government	<u>16,798</u>	<u>3,518</u>
	<u>\$ 29,899</u>	<u>\$ 16,619</u>
10. Long-Term Debt	2016	2015
Residential Housing Loan by Bank of Montreal under Section 95 of the National Housing Act - 2.89%, due March 31, 2017, monthly payments of \$2,860 principal and interest, secured by a Ministerial Guarantee from Indian and Northern Affairs Canada.	\$ 236,452	\$ 263,076
Residential Housing Loan by CMHC under Section 95 of the National Housing Act - 1.30% due December 1, 2020, repayable in monthly instalments of \$2,923 principal and interest, secured by a Ministerial Guarantee from Indian and Northern Affairs Canada, insured by CMHC.	310,792	340,106
Residential Housing Loan by Bank of Montreal - 4.49% due October 31, 2017, repayable in monthly instalments of \$4,317 principal and interest, secured by First Nation owned housing units.	<u>579,857</u> <u>1,127,101</u> <u>85,055</u> <u>\$ 1,042,046</u>	<u>604,968</u> <u>1,208,150</u> <u>628,292</u> <u>\$ 579,858</u>
The principal reduction required over the next five years is:		
2017	\$ 85,055	
2018	613,509	
2019	61,203	
2020	62,476	
2021	<u>304,858</u> <u>\$ 1,127,101</u>	

Bank of Montreal residential housing loan is a long term loan as subsequent to the year end, Munsee Delaware renewed the loan with the Canadian Mortgage and Housing Corp. directly under Sec 95 of the National Housing Act. The new terms of the loan - 1.11%, due April 1, 2021, monthly payments of \$2,649 principal and interest.

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

11. Deferred Revenue	2016	2015
AANDC- water treatment plant	\$ 1,328,411	\$ 1,141,783
Education	20,165	26,021
CRF funding	12,578	-
EI- Employment Benefits	-	2,210
Miscellaneous - Enbridge donation	-	10,000
CRF childcare	28,856	42,475
	\$ 1,390,011	\$ 1,222,489

12. Bank Loans	2016	2015
Water extension	\$ 70,000	\$ 85,000

The operating loan is due on demand and bear interest at the bank's prime rate plus 1%, calculated and payable monthly. They are secured by a general security agreement covering all assets except real property.

13. Commitment	2016	2015
Munsee-Delaware Nation purchased a building from Tecumseh Developments Corporation which was originally scheduled to close in 2012 for \$264,000. On June 24, 2015 the sale took place therefore the deposit of \$100,000 plus interest along with \$56,500 was paid for the building, which is now reflected in capital assets.		

14. Paradise Bingo Investment (Unaudited)	2016	2015
Munsee Delaware Nation owns 100% of 1748960 Ontario Limited O/A Paradise Bingo.		
Continuity of Investment		
Balance, beginning of year	\$ (622,885)	\$ (178,074)
Share of net income (loss)	(288,996)	(444,811)
Balance, end of year	\$ (911,881)	\$ (622,885)

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. The Paradise Bingo investment is considered a government business entity, however consolidation in this report is for information purpose only and the statements for Paradise Bingo do not reflect any opinion and are strictly compiled financial statements prepared with information provided by the Paradise Bingo management.

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

14. Paradise Bingo Investment (Unaudited) cont'd....	2016	2015
Financial Position		
Assets		
Cash	\$ 27,218	\$ 58,033
Accounts Receivable	<u>1,058</u>	<u>449</u>
	<u>\$ 28,276</u>	<u>\$ 58,482</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 10,163	\$ 8,703
Due to Munsee Delaware Nation	<u>187,348</u>	<u>211,603</u>
Due to Charity Association	<u>731,923</u>	<u>450,338</u>
	<u>929,434</u>	<u>670,644</u>
Shareholder's Deficiency		
Deficit	<u>(901,158)</u>	<u>(612,162)</u>
	<u>\$ 28,276</u>	<u>\$ 58,482</u>
Results of Operations		
Revenue		
Rental income- 55%	\$ 390,896	\$ 460,378
Non-gaming income	<u>157,680</u>	<u>165,913</u>
Other income	<u>210</u>	<u>1,070</u>
	<u>548,786</u>	<u>627,361</u>
Expenditures		
Advertising	24,732	-
Bingo expenses	<u>140,167</u>	<u>137,145</u>
Bank charges	4,864	4,582
Equipment rental	-	65,000
Miscellaneous expenses	3,399	-
Office expenses	8,258	7,100
Professional fees	<u>31,651</u>	<u>32,742</u>
Repairs and maintenance	37,397	43,664
Snack bar expenses	<u>67,354</u>	<u>57,016</u>
Staff training	820	4,173
Wages and benefits	<u>448,066</u>	<u>570,527</u>
Telephone	15,541	15,313
Travel and entertainment	3,218	465
Utilities	<u>52,202</u>	<u>91,215</u>
Rent	<u>113</u>	<u>43,230</u>
	<u>837,782</u>	<u>1,072,172</u>
Deficiency Of Revenues Over Expenditures	<u>\$ (288,996)</u>	<u>\$ (444,811)</u>

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

15. Accumulated Surplus	2016	2015
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Accumulated surplus consists of the following individual surplus funds, reserves and reserve funds:

Surplus		
Invested in tangible capital assets	\$ 7,360,633	\$ 7,165,421
Equity in Paradise Bingo	<u>(911,881)</u>	<u>(622,885)</u>
	\$ 6,448,752	\$ 6,542,536
Reserves		
Operating	<u>\$ 863,583</u>	<u>\$ 735,093</u>
Reserves Funds		
CMHC	<u>\$ 136,339</u>	<u>\$ 127,355</u>
Accumulated Surplus	<u>\$ 7,448,674</u>	<u>\$ 7,404,984</u>

16. Expenses By Object	2016	2015
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Administration	\$ 206,952	\$ 198,101
Amortization	<u>330,455</u>	<u>453,010</u>
Interest and bank charges	<u>59,822</u>	<u>62,040</u>
Office and other	<u>502,903</u>	<u>595,633</u>
Operations and maintenance	<u>329,502</u>	<u>270,645</u>
Professional services	<u>202,276</u>	<u>242,227</u>
Social assistance payments	<u>586,127</u>	<u>683,298</u>
Utilities	<u>146,426</u>	<u>89,127</u>
Program delivery	<u>955,112</u>	<u>826,107</u>
Wages and benefits	<u>1,232,116</u>	<u>1,036,948</u>
Writedown of accounts receivable	<u>-</u>	<u>464,489</u>
	<u>\$ 4,551,691</u>	<u>\$ 4,921,625</u>

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

17. Segmented Information	2016	2015
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Munsee-Delaware Nation is a diversified local government that provides a wide range of services to its members, including water, fire protection, technical services, recreation, social services, health services, education, social housing and economic development among others. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, requirements and limitations.

The First Nation's services are provided by departments and their activities are recorded in these funds. Certain departments that have been disclosed in the segmented information, along with the service they provide, are as follows:

Administration

Manages the administrative operations of the First Nation. Those costs that relate directly to the administration of the various segments have been allocated to the appropriate segment.

Maintenance

Manages the repairs and maintenance for the roads, bridges and community buildings.

Education

Provides elementary and secondary education instructional services and provides financial support to post-secondary students.

Daycare

Manages the activities of the First Nation's children's daycare program.

Social Services

Administers the provision of social assistance to qualifying members.

OFNLP

Undertakes activities of the Ontario First Nation Limited Partnership fund, which derives revenue from gaming facilities located in the Province of Ontario.

Health

Provides a variety of health care programs and support to First Nation members.

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

17. Segmented Information cont'd...	2016	2015
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Employment Assistance

Provides employment assistance to members of the First Nation.

Infrastructure

Manages First Nation infrastructure programs including facilities operations and maintenance, capital projects, water and waste water plant operations and other related activities.

Community Development

Undertakes activities of the Munsee-Delaware Nation Service Club

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Munsee- Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2016

18. Segmented Information

	Administration		Maintenance		Education		Daycare	
	2016	2015	2016	2015	2016	2015	2016	2015
REVENUES								
AANDC	\$ 475,316	616,226	45,008	47,108	742,086	695,037	57,900	57,900
Union of Ontario Indians								
Health Canada								
Ministry of Education								
MCSS								
Stepping Stones								
CMHC								
Admin Fees	281,648	261,143						
Rental	114,032	101,724						
SPNS								
OFNLP								
MDN Gaming revenue								
Other	242,088	200,261	(3,000)	42,008	47,108	28,535	34,858	44,991
	1,113,084	1,179,354				770,621	725,895	674,503
Repayable to funding source								
Deferred revenue - beginning of year						26,021	40,866	42,475
Deferred revenue - end of year						(20,165)	(26,021)	(28,856)
Total revenues	1,113,084	1,179,354		42,008	47,108	5,856	14,845	13,619
EXPENDITURES								
Administration	2,482	20,256	6,751	7,066	39,830	44,752	83,355	63,380
Amortization	274,515	270,791						
Interest and bank charges	45,192	44,491						
Office and other	350,044	309,666						
Operations and maintenance	90,217	114,951	9,644	19,865	17,029	148,567	23,264	36,045
Professional services	146,660	170,954	40,800	43,800		24,014	109,830	33,111
Social assistance payments	225,395	293,763				8,100	1,431	110
Utilities	77,762	44,266	3,589					
Program Delivery					3,607		29,212	25,327
Wages and benefits	441,590	302,863		2,610	661,991	493,553	61,943	92,760
Write-down of accounts receivable		464,489			52,014	41,549	383,560	342,035
Total expenses	1,653,957	2,036,460	60,784	73,341	774,471	760,535	692,595	592,768
Adjustment to prior year surplus								
Excess surplus (deficiency) of revenue over expenses	\$ (540,873)	(857,106)	(18,776)					
					2,006	(15,795)	(4,473)	(45,708)

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Munsee- Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2016

18. Segmented Information

	Social Services		OFNLP		Health		Employment Assistance	
	2016	2015	2016	2015	2016	2015	2016	2015
REVENUES								
AANDC								
Union of Ontario Indians	\$							
Health Canada								
Ministry of Education								
MCSS								
Stepping Stones	457,931	408,187						
CMHC								
Admin Fees								
Rental								
SFNS								
OFNLP								
Other	(1,538)	17,120	546,674	545,003	3,675	38,755	125,999	125,985
	456,393	425,307	3,176	212	488,415	483,547		
			549,850	545,215				
					(2,001)			
Repayable to funding source								
Deferred revenue - beginning of year								
Deferred revenue - end of year								
Total revenues	446,307	425,307	549,850	545,215	486,414	483,547	125,238	161,576
EXPENDITURES								
Administration	12,615							
Amortization							44,340	5,220
Interest and bank charges								
Office and other	6,259	27,713	74,881	30,480	15,118	20,466	3,013	9,881
Operations and maintenance		1,398						
Professional services	150	1,159	90	14,906	27,974	6,016		
Social assistance payments	353,712	314,929	7,020		9,645	14,634		
Utilities	1,316	1,567						
Program Delivery	12,541		42,000		15,476	17,512		
Wages and benefits	60,033	59,744			101,280	129,598	67,457	94,396
Write-down of accounts receivable					240,822	209,076	53,997	79,071
Total expenses	446,626	406,510	123,991	45,386	448,809	441,542	129,687	183,348
adjustment to prior year surplus								
Excess surplus (deficiency) of revenue over expenses	\$ (319)	18,797	425,859	499,829	37,605	41,905	(4,449)	(21,772)

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Munsee- Delaware Nation
Notes To Consolidated Financial Statements
March 31, 2016

18. Segmented Information

	Infrastructure		Community Development	
	2016	2015	2016	2015
REVENUES				
AANIDC	\$ 121,364	122,049		
Union of Ontario Indians				
Health Canada				
Ministry of Education				
MCSS				
Stepping Stones	40,055	40,766		
CMHC				
Admin Fees				
Rental	166,650	130,278		
SFRS				
OFNLP				
MNDN Gaming Revenue				
Other		10	319,824	296,355
	328,069	293,103	319,824	296,482
<i>Repayable to funding source</i>				
Deferred revenue - beginning of year				
Deferred revenue - end of year				
Total revenues	328,069	293,103	319,824	296,482
EXPENDITURES				
Administration	18,205	18,307		
Amortization	55,940	182,221		
Interest and bank charges	14,630	17,549		
Office and other	13,295	9,880		2,935
Operations and maintenance	91,837	71,290		
Professional services	3,500	3,500		
Social assistance payments	15,464	455		
Utilities	7,900	15,800		
Program Delivery				
Wages and benefits				
Writtenown of accounts receivable				
Total expenses	220,771	319,002	0	62,635
adjustment to prior year surpluses				
Excess surpluses of revenue over expenses	\$ 107,288	(25,895)	319,824	233,847

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

19. 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, 2016

	Revenue	Expense	2016 Surplus (Deficit)	2015 Surplus (Deficit)
Administration	\$ 669,420	\$ 1,234,204	\$ (564,784)	\$ (847,181)
Healing Lodge	254,700	254,700	-	-
FNREES Chiefs of Ontario	2,552	480	2,072	(352)
Lands, Membership and Trust	21,254	21,254	-	(2,300)
Economic Development	46,200	46,800	(600)	(17,630)
Pow Wow	13,270	17,138	(3,868)	8,100
Maintenance	45,008	56,368	(11,360)	(26,233)
Water Treatment Plant	(3,000)	4,416	(7,416)	-
Education	310,872	308,866	2,006	(16,490)
Provincial Tuition	442,400	442,400	-	695
Language Education	23,205	23,205	-	-
Day Care	684,526	688,998	(4,472)	(45,708)
Ontario Works	446,307	446,627	(320)	18,797
OFNLP	549,850	123,991	425,859	499,829
CHR	47,462	47,462	-	-
Early Childhood Development	24,183	24,183	-	-
Fetal Alcohol Syndrome	10,651	10,651	-	-
NNADAP	53,951	53,951	-	12,056
Aboriginal Healing and Wellness	57,336	57,336	-	-
Pandemic Planning	2,000	2,000	-	-
Aging at Home	3,675	3,675	-	133
Aboriginal Diabetes Initiative	16,337	16,337	-	-
Healthy Babies	20,250	20,250	-	1,886
Family Violence	-	-	-	1,763
Homemakers	65,493	80,392	(14,899)	(11,178)
Brighter Futures	53,098	53,098	-	6,448
Building Healthy Communities	45,899	22,796	23,103	-
National Child Reinvestment Strategy	10,286	10,287	(1)	(1,956)
HIV/AIDS	1,000	1,000	-	-
Suicide Prevention	1,133	1,133	-	-
HRDC	126,431	127,737	(1,306)	(18,712)
SATF-employment and training	(1,193)	1,950	(3,143)	(3,061)
ORH / Minor Capital Projects	121,364	83,688	37,676	103,742
CMHC Phase 1	60,286	60,286	-	(104,271)
CMHC Phase 2	67,454	67,454	-	(123,372)
Rental and Sales	78,965	9,340	69,625	98,001
Service Club	319,824	-	319,824	233,848
Health centre lease	29,400	-	29,400	25,200
Health centre operations	44,259	44,259	-	7,554
Community Centre	<u>105,690</u>	<u>79,384</u>	<u>26,306</u>	<u>2,259</u>
Operating Deficit	4,871,798	4,548,096	323,702	(198,133)
Deficit from business - Paradise Bingo	<u>548,786</u>	<u>837,782</u>	<u>(288,996)</u>	<u>(444,811)</u>
Operating Surplus (Deficit)	\$ 5,420,584	\$ 5,385,878	\$ 34,706	\$ (642,944)