Ginoogaming First Nation
Consolidated Financial Statements
For the year ended March 31, 2016

Contents

Ginoogaming First Nation
Management's Responsibility for Financial Reporting

March 31, 2016

The accompanying consolidated financial statements of Ginoogaming First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

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

The First Nation maintains systems of internal control and administrative controls of quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council, composed of council members, reviews the First Nation's consolidated financial statements and recommends their approval. The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters, and financial reporting issues, to satisfy themselves that each party is properly discharging its responsibilities, and to review the annual report, the consolidated financial statements, and the external auditors' report. The Council also considers, for review and approval by the members, the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian public sector accounting standards on behalf of the members. BDO Canada LLP have full and free access to Council.

Celia Echum

Chief

Maurice Waboose

Councillor

BDO

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Independent Auditor's Report

To the Members of
Ginoogaming First Nation

We have audited the accompanying consolidated financial statements of Ginoogaming First Nation, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of operations and accumulated deficit, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, 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 an audit to obtain reasonable assurance whether the consolidated financial statements are free of 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 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 qualified audit opinion.

Basis for Qualified Opinion

The Summary of Significant Accounting Polices describes the capital asset policy with respect to the First Nation's tangible capital assets. For fiscal years commencing on or after January 1, 2009, Section 3150, Tangible Capital Assets, of the Public Sector Accounting Board Handbook requires that capital assets be capitalized and amortized over their estimated useful lives. The First Nation has not fully adopted these recommendations. The First Nation has not gathered the necessary information to be in a position to recognize and disclose a complete inventory of any of its major classes of tangible capital assets. As a result, we were unable to determine whether any adjustments to the amounts recorded were necessary.

BDO

Independent Auditor's Report (cont'd)

The First Nation derives revenue from the operation of bingo services, the completeness of which we were unable to obtain satisfactory audit verification due to the lack of controls over cash receipts. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the First Nation and we were not able to determine whether any adjustments might be necessary to revenues from bingo operations, current assets and net assets.

The First Nation participates in Anishinaabeg Gikinoo A"Maagoziwin Education Authority ("Education Authority"), a government partnership with Long Lake #58 First Nation, which is under Canadian public sector accounting standards is to be accounted for using the proportionate consolidation method. During the year, this government partnership has not been proportionately consolidated and is being carried at $2,174,384 on the statement of financial position as at March 31, 2016. In addition, the First Nation's share of the Education Authority's surplus for the year has been recorded at $nil in the First Nation's surplus for the year then ended. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the First Nation's proportion of the Education Authority as at March 31, 2016 and the First Nation's share of the Education Authority's surplus for the year because we were denied access to the financial information of the Education Authority. As a result, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the effects of the matters described on the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Ginoogaming First Nation as at March 31, 2016, and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters - Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 25 through 37 of the Ginoogaming First Nation consolidated financial statements.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
April 6, 2017

Ginoogaming First Nation
Consolidated Statement of Financial Position

March 31	2016	2015
Financial assets		
Cash and cash equivalents (Note 2)	$ 191,075	$ 138,495
Accounts receivable (Note 3)	19,039	119,310
Trust funds held by federal government (Note 4)	3,179	3,113
Due from government and other government organizations (Note 5)	263,428	497,886
Loans receivable (Note 6)	5,025	4,025
Investment in government partnership (Note 7)	2,174,384	2,174,384
Investment in government business enterprise (Note 8)	(110,307)	(103,310)
	2,545,823	2,833,903
Liabilities		
Accounts payable and accrued liabilities (Note 9)	4,877,781	4,072,198
Due to government and other government organizations (Note 10)	943,590	715,936
Demand and term loans (Note 11)	2,394,360	2,675,346
Deferred revenue (Note 12)	8,994	161,448
	8,224,725	7,624,928
Net debt	(5,678,902)	(4,791,025)
Non-financial assets		
Tangible capital assets (Note 13)	2,965,412	3,297,758
Inventory held for use	3,294	3,294
	2,968,706	3,301,052
Accumulated deficit (Note 14)	$ (2,710,196)	$ (1,489,973)

On behalf of the Band:

Celia Echum Chief

Maurice Waboose Councillor

The accompanying notes are an integral part of these consolidated financial statements.

Ginoogaming First Nation
Consolidated Statement of Operations and Accumulated Deficit

For the year ended March 31	Budget 2016	2016	2015
Revenue			
Federal government transfers (Note 17)	$ 3,113,715	$ 3,592,163	$ 3,301,367
Provincial government transfers (Note 17)	1,187,793	963,650	1,045,972
Other government transfers (Note 17)	484,423	689,227	641,745
Ontario First Nation Limited Partnership	600,000	636,856	633,812
Rent and user fees	216,730	254,065	253,795
Timber Claim Trust	-	264,593	201,517
Amounts earned and held in trust by federal government (Note 4)	-	66	86
Loss from investment in government business enterprise	-	(13,135)	(23,758)
Other revenue	455,661	674,562	501,279
Funding recoveries	17,356	(83,777)	(38,613)
	6,075,678	6,978,270	6,517,202
Expenses			
Administration	882,557	711,458	702,059
Community infrastructure	229,562	834,363	574,490
Education	1,506,269	1,665,410	1,594,199
Social housing	184,159	525,115	657,226
Social services	745,554	956,999	887,461
Health services	523,916	734,531	563,976
Employment and economic development	408,926	562,946	500,773
Community development	1,120,810	2,216,631	2,181,906
	5,601,753	8,207,453	7,662,090
Deficit for the year before the undernoted	473,925	(1,229,183)	(1,144,888)
Replacement reserves	-	8,960	8,960
Annual deficit	473,925	(1,220,223)	(1,135,928)
Accumulated deficit, beginning of year	(1,489,973)	(1,489,973)	(354,045)
Accumulated deficit, end of year	$ (1,016,048)	$ (2,710,196)	$ (1,489,973)

The accompanying notes are an integral part of these consolidated financial statements.

Ginoogaming First Nation
Consolidated Statement of Changes in Net Debt

For the year ended March 31	Budget 2016	2016	2015
Annual deficit	$ 473,925	$ (1,220,223)	$ (1,135,928)
Acquisition of tangible capital assets	-	(48,773)	(3,920)
Amortization of tangible capital assets	-	381,119	379,591
Change in net debt	473,925	(887,877)	(760,257)
Net debt, beginning of year	(4,791,025)	(4,791,025)	(4,030,768)
Net debt, end of year	$ (4,317,100)	$ (5,678,902)	$ (4,791,025)

The accompanying notes are an integral part of these consolidated financial statements.

Ginoogaming First Nation
Consolidated Statement of Cash Flows

For the year ended March 31	2016	2015
Cash flows from operating activities		
Annual deficit	$ (1,220,223)	$ (1,135,928)
Item not involving cash		
Amortization of tangible capital assets	381,119	379,591
	(839,104)	(756,337)
Changes in non-cash working capital balances		
Accounts receivable	100,271	(313,753)
Due from government and other government organizations	234,458	257,901
Loans receivable	(1,000)	8,440
Investment in government business enterprise	6,997	5,499
Accounts payable and accrued liabilities	805,583	866,005
Due to government and other government organizations	227,654	71,293
Deferred revenue	(152,454)	126,286
	1,221,509	1,021,671
	382,405	265,334
Cash flows from financing activities		
Advances of demand loans	-	40,987
Repayment of term debt	(280,986)	(312,274)
	(280,986)	(271,287)
Cash flows from investing activities		
Trust funds held by federal government	(66)	(86)
Acquisition of tangible capital assets	(48,773)	(3,920)
	(48,839)	(4,006)
Increase (decrease) in cash and cash equivalents	52,580	(9,959)
Cash and cash equivalents, beginning of year	138,495	148,454
Cash and cash equivalents, end of year	$ 191,075	$ 138,495
Supplementary cash flow information		
Interest received in year	$ -	$ 45
Interest paid in year	$ 138,278	$ 63,749

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies

Basis of Accounting

The consolidated financial statements of Ginoogaming First Nation are the representation of management prepared in accordance with principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada as prescribed by Indigenous and Northern Affairs Canada (INAC).

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all related entities accountable for the administration of their financial affairs and resources to the Ginoogaming First Nation and which are owned or controlled by the First Nation. These financial statements include:

Giizhagaakwe Development Corporation (GDC)
Anishinaabeg Gikinoo A'Maagoziwin Education Authority

Inter-entity transactions and balances have been eliminated with the exception of loans or advances between reserve funds and any other fund of the First Nation and the resulting interest income and expenditures.

Principles of Consolidation

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

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

Organizations accounted for on a modified equity basis include:

- Giizhagaakwe Development Corporation (GDC)

A government partnership exists where the First Nation has shared control over the board or entity. The First Nation's pro-rata share of the assets, liabilities, revenues and expenditures are reflected in the consolidated financial statements using the proportionate consolidation method. The First Nation's proportionate interest of the following government partnerships are reflected in the consolidated financial statements:

- Anishinaabeg Gikinoo A'Maagoziwin Education Authority 38.36%

1. Significant Accounting Policies (Cont'd)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and bank overdrafts with maturities of three months or less.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue.

Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Commercial buildings	-	rates between 5 and 20 years
Furniture and fixtures	-	5 years
Housing assets	-	20 years
Infrastructure	-	rates between 10 and 20 years
Machinery and equipment	-	rates between 5 and 10 years
Office equipment	-	rates between 3 and 5 years
Vehicles	-	5 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 statement of operations.

Certain assets which have historical or cultural value, including works of art, historical or cultural artifacts, are not recognized as tangible capital assets.

Inventories Held for Use

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

1. Significant Accounting Policies (Cont'd)

Revenue Recognition (Cont'd)

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.

Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates include estimated useful lives of tangible capital assets and allowance for doubtful accounts.

Long Term Investments

The First Nation records its long term investments in the following manner:

Investments fully controlled by the First Nation are consolidated.

Investments in Government Business Enterprises are recorded using the modified equity method.

All other long term investments are recorded at the lower of cost and net realizable value.

Replacement Reserves

Under the terms of agreements with Canada Mortgage and Housing Corporation, the Replacement Reserve for housing is to be credited in varying amounts annually until it accumulates to the maximum amount plus accumulated interest. These funds along with accumulated interest, must be held in separate bank accounts and may only be used as approved by Canada Mortgage and Housing Corporation.

1. Significant Accounting Policies (Cont'd)

Going Concern

These financial statements have been prepared on the basis of generally accepted accounting principles as applicable to a going concern. These financial statements show that Ginoogaming First Nation has had prior year deficits and has a deficit position as at March 31, 2016. A portion of the entity's long term debt is currently in default and is now due on demand and the First Nation has accumulated a significant deficit in prior years. As a result of the deficits that have accrued, the First Nation is currently under co-management.

2. Cash and Cash Equivalents

	2016	2015
Restricted cash	$ 13,202	$ 32,524
Unrestricted cash	177,873	105,971
	$ 191,075	$ 138,495

3. Accounts Receivable

	2016	2015
Trade receivables	$ -	$ 99,712
Rent and user fees	**260,138**	171,640
Timber Claim Trust	-	3,000
	260,138	274,352
Allowance for doubtful accounts	(241,099)	(155,042)
	$ 19,039	$ 119,310

4. Trust Funds Held by Federal Government

	March 31, 2015	Additions 2016	Withdrawals 2016	March 31, 2016
Revenue	$ 3,089	$ **66**	$ -	$ **3,155**
Capital	24	-	-	24
	$ 3,113	$ 66	$ -	$ 3,179

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.

5. Due from Government and Other Government Organizations

	2016	2015
Federal government		
Indigenous and Northern Affairs Canada	$ 75,545	$ 152,188
Canada Mortgage and Housing Corporation	4,748	4,748
Health Canada	-	3,150
Provincial government		
Ministry of Community & Social Services	26,278	7,342
Ontario Ministry of Education	1,300	1,300
Ontario Ministry of Northern Development and Mines	13,474	220,361
Other government organizations		
Dilico Child and Family Services	(2,635)	31,937
Matawa First Nation	130,704	71,122
Nishnawbe Aski Nation	14,014	5,738
	$ 263,428	$ 497,886

6. Loans Receivable

	2016	2015
Loans to band members and employees	$ 8,630	$ 7,630
Allowance for doubtful accounts	(3,605)	(3,605)
	$ 5,025	$ 4,025

The First Nation did not forgive any loans during the current year. These loans are non-interest bearing with no set terms of repayment or conditions.

7. Investment in Government Partnership

The First Nation has an interest in the Anishinaabeg Gikinoo A'Maagoziwin Education Authority. Anishinaabeg Gikinoo A'Maagoziwin Education Authority provides elementary and secondary schooling to members of the First Nation.

We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the First Nation's proportion of the Education Authority as at March 31, 2016 and the First Nation's share of the Education Authority's surplus for the year because we were denied access to the financial information of the Education Authority. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. There is a court order to begin the process to wind up the Education Authority.

The following table presents condensed supplementary information representing the First Nation's proportionate share of the government partnership.

	2016	2015
Current assets	$ 548,187	$ 548,187
Capital assets	1,701,087	1,701,087
Current liabilities	(74,890)	(74,890)
Net assets	$ 2,174,384	$ 2,174,384

8. Investment in Government Business Enterprise

Ginoogaming First Nation owns 100% of Giizhagaakwe Development Corporation.

Giizhagaakwe Development Corporation harvests timber for sale to a local pulp mill.

The following table presents condensed financial information for this commercial enterprise:

	2016	2015
Cash	$ 1,314	$ (82)
Due from related party	55,455	61,594
Capital assets	36,491	41,704
Total assets	$ 93,260	$ 103,216
Accounts payable	$ 114,270	$ 103,111
Long-term debt	33,842	41,822
Total liabilities	148,112	144,933
Equity	(54,852)	(41,716)
Total liabilities and equity	$ 93,260	$ 103,217
Revenue	$ 32,825	$ 3,319
Expenses	(45,960)	(27,077)
Net income	$ (13,135)	$ (23,758)
Balance per consolidated financial statement		
Deficit	$ (54,852)	$ (41,716)
Advances to First Nation	(55,455)	(61,594)
	$ (110,307)	$ (103,310)

9. Accounts Payable and Accrued Liabilities

	2016	2015
Trade payables	$ 2,345,019	$ 1,683,982
Accrued salaries and benefits payable	98,639	118,989
Other accrued liabilities	2,434,123	2,269,227
	$ 4,877,781	$ 4,072,198

10. Due to Government and Other Government Organizations

	2016	2015
Federal government		
Indigenous and Northern Affairs Canada		
Strategic Partnership Initiative	$ 21,909	$ 21,909
National Child Benefit	6,000	6,000
Enhanced Teacher Salaries	2,345	2,345
Tuition Agreements	489,240	424,210
Education	112,162	112,162
Band Employee Benefits	8,450	8,450
Harmonized sales tax	636	873
Source deductions	211,259	67,130
Provincial government		
Ministry of Aboriginal Affairs		
Community Impact Assessment	3,245	3,245
New Relationship Fund	2,367	2,367
Ministry of Community and Social Services		
Basic Needs	31,533	31,533
Ministry of Northern Development and Mines	53,493	34,746
Workers' compensation benefits	51	66
Other government organizations		
Nishnawbe Aski Nation		
Crisis	900	900
	$ 943,590	$ 715,936

11. Demand and Term Loans

	2016	2015
Demand loan, payable to the INAC, interest at 8.45%, with no specific terms of repayment	$ 43,142	$ 43,142
Demand loan, payable to the INAC, interest at 8.45%, with no specific terms of repayment	843,550	843,550
Term loan, payable in annual installments of $265,146, including interest at 4.56%, maturing May 2017	496,132	729,734
Mortgage payable in monthly installments of $4,433, including interest at 1.68%, renewing April 1, 2018	981,452	1,017,845
Auto loan (Ford Credit), secured by a 2012 Ford F250 with monthly payments of $653 including interest at 6.19%, maturing April 14, 2018	14,723	21,426
Auto loan (Ford Credit), unsecured with monthly payments of $531 including interest at 2.99%, maturing June 28, 2018	15,361	19,649
	$ 2,394,360	$ 2,675,346

12. Deferred Revenue

	2016	2015
Federal government		
INAC	$ 8,994	$ 12,708
Canada Mortgage and Housing Corporation	-	16,000
Provincial government		
Ministry of Northern Development and Mines	-	128,762
Ontario Power Generation	-	1,705
Other government organizations		
Timber Claim Trust	-	2,273
	$ 8,994	$ 161,448

13. Tangible Capital Assets

	Housing Assets	Commercial Buildings	Furniture and Fixtures	Office Equipment	Machinery and Equipment	Vehicles	Infrastructure	2016 Total
Cost, beginning of year	$ 4,205,024	$ 2,769,393	$ 49,174	$ 267,774	$ 183,787	$ 226,158	$ 257,512	$ **7,958,822**
Additions	-	-	-	950	-	47,823	-	**48,773**
Cost, end of year	4,205,024	2,769,393	49,174	268,724	183,787	273,981	257,512	**8,007,595**
Accumulated amortization, beginning of year	2,141,750	1,780,224	48,778	249,170	183,212	172,170	85,760	**4,661,064**
Amortization	188,272	133,461	396	12,420	575	35,230	10,765	**381,119**
Accumulated amortization, end of year	2,330,022	1,913,685	49,174	261,590	183,787	207,400	96,525	**5,042,183**
Net carrying amount, end of year	$ 1,875,002	$ 855,708	$ -	$ 7,134	$ -	$ 66,581	$ 160,987	$ **2,965,412**

13. Tangible Capital Assets (cont'd)

2015	Housing Assets	Commercial Buildings	Furniture and Fixtures	Office Equipment	Machinery and Equipment	Vehicles	Infrastructure	Total
Cost, beginning of year	$ 4,205,024	$ 2,769,393	$ 49,174	$ 263,854	$ 183,787	$ 226,158	$ 257,512	$ 7,954,902
Additions	-	-	-	3,920	-		-	3,920
Cost, end of year	4,205,024	2,769,393	49,174	267,774	183,787	226,158	257,512	7,958,822
Accumulated amortization, beginning of year	1,953,478	1,646,765	48,383	228,710	182,636	146,506	74,995	4,281,473
Amortization	188,272	133,459	395	20,460	576	25,664	10,765	379,591
Accumulated amortization, end of year	2,141,750	1,780,224	48,778	249,170	183,212	172,170	85,760	4,661,064
Net carrying amount, end of year	$ 2,063,274	$ 989,169	$ 396	$ 18,604	$ 575	$ 53,988	$ 171,752	$ 3,297,758

14. Accumulated Deficit

The First Nation segregates its accumulated deficit in the following categories:

	2016	2015
Externally Restricted		
CMHC Housing - replacement reserve	$ 8,960	$ 8,960
Unrestricted deficit	(2,719,156)	(1,498,933)
Accumulated deficit at end of year	$ (2,710,196)	$ (1,489,973)

15. Economic Dependence

The Organization is dependent upon subsidy payments from various government agencies to finance its continuing operations.

16. Budgeted Figures

Budget figures have been provided for comparison purposes and have been derived from estimates approved by Chief and Council for the year ended March 31, 2016. The First Nation prepares its budget on a program by program basis. The following is a summary of the approved budget surplus (deficits) per program area for the year ended March 31, 2016:

Administration	$ (38,754)
Community Infrastructure	(99,105)
Education	(5,666)
Social Housing	103,195
Social Assistance	(13,714)
Health Services	(19,038)
Employment and Economic Development	9,508
Community Development	537,499
Budget surplus, for the year	$ 473,925

17. Government Transfers

	Funding Received	Opening Deferred	Closing Deferred	2016 Total	2015 Total
Federal					
INAC	$ 2,604,985	$ 12,708	$ (8,994)	$ 2,608,699	$ 2,552,149
CMHC	56,975	16,000	-	72,975	56,975
Health Canada	910,489	-	-	910,489	692,243
	$ 3,572,449	$ 28,708	$ (8,994)	$ 3,592,163	$ 3,301,367
Provincial					
MAA	$ 87,580	$ -	$ -	$ 87,580	$ -
MCSS	636,139	-	-	636,139	630,467
MOH	12,942	-	-	12,942	17,381
MNDM	76,095	128,762	-	204,857	395,939
NOHFC	20,427	-	-	20,427	-
OPG	-	1,705	-	1,705	2,185
	$ 833,183	$ 130,467	$ -	$ 963,650	$ 1,045,972
Other					
Dilico	$ 157,427	$ -	$ -	$ 157,427	$ 180,604
Matawa	482,467	-	-	482,467	397,704
NAN	49,333	-	-	49,333	63,437
	$ 689,227	$ -	$ -	$ 689,227	$ 641,745

18. Comparative Figures

Certain of the comparative figures presented in the accompanying consolidated financial statements have been reclassified to conform with the current year's presentation.

19. Segmented Information

Ginoogaming First Nation is a diversified government institution that provides a wide range of services to its members, including administration, medical and other health services, education, capital, infrastructure maintenance and other services. 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, restrictions or limitations.

Services are provided by several departments and their activities are reported in these funds. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

19. Segmented Information (cont'd)

Administration
Administration oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities of Chief and Council.

Community Infrastructure
Community Infrastructure contains activities that provide infrastructure to the community such as road maintenance, sewer and water, community buildings and public utilities.

Education
Education provides public services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study. In addition, the department provides sponsorship to students attending post secondary institutions.

Social Housing
Social Housing contains activities that provide housing and repairs and maintenance to band members.

Social Services
Social Services contains activities that provide financial support or support by other means to band members that are aimed at developing both the individual as well as the community.

Health Services
Health Services contains activities that provide medical services to band members. Furthermore, the community wellness department provides a diverse bundle of services directed towards transportation, pre-natal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

Employment and Economic Development
Employment and Economic Development provides a wide array of activities to further support the development and progressively enhance the First Nation's economy and community.

Community Development
Community Development contains activities that provide a benefit to the community.

For each reported segment, revenues and expenses include amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information, including transfers that have been appointed based on a percentage of budgeted expenses.

The accounting policies used in the segments are consistent with those followed in preparation of the financial statements as disclosed in the summary of significant accounting policies.

Ginoogaming First Nation
Notes to Consolidated Financial Statements

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19. Segmented Information (cont'd)

For the year ended March 31, 2016	Administration	Community Infrastructure	Education	Social Housing	Social Services	Health Services	Employment and Economic Development	Community Development	Total
Revenue									
Deferred revenue, beginning of year	$ -	$ -	$ 12,708	$ 16,000	$ -	$ -	$ 131,035	$ 1,705	$ 161,448
INAC	485,568	128,461	1,660,523		131,700	-	82,000	116,733	2,604,985
Amounts earned and held in trust by federal government	66			-					66
Canada Mortgage and Housing Corporation			-	56,975					56,975
Dilico Anishinabek Family Care	-				-	157,427			157,427
Health Canada		-				453,036		457,453	910,489
Income from investment in government business enterprise	(13,135)								(13,135)
Matawa First Nation Management	67,335				24,686	21,669	175,497	193,280	482,467
Ministry of Aboriginal Affairs							-	87,580	87,580
Ministry of Community and Social Services					636,139				636,139
Ministry of Health and Long Term Care				-	12,942				12,942
Ministry of Northern Development and Mines		-	-				19,320	56,775	76,095
Nishnawbe-Aski Nation		-	-			49,333			49,333
Northern Ontario Heritage Fund Corporation							20,427		20,427
Ontario First Nations Limited Partnership							-	636,856	636,856
Other revenue	160,662	19,456			2,387	(1,047)	286,213	206,891	674,562
Rent and user fees	88,590			165,475	-				254,065
Timber Claim Trust			-	100,000	-		9,850	152,470	262,320
Funding recoveries	-	-	(65,030)					(18,747)	(83,777)
Deferred revenue, end of year	-	-			-	-	(8,994)	-	(8,994)
	789,086	147,917	1,608,201	338,450	807,854	680,418	715,348	1,890,996	6,978,270
Expenses									
Administration fees			9,707	7,000	-	28,718	16,800	74,544	136,769
Advertising	600		-				4,000	2,853	7,453
Amortization	-	239,998		127,170			-	13,950	381,118
Bad debt expense				87,558					87,558
Donations					2,255		1,000	484,561	487,816
External transfers					154,345		6,000		160,345
Honoraria		3,525	5,103	600	80,891	38,477	49,699	305,674	483,969
Insurance	11,262	13,129	7,508	7,000		18,473		5,753	63,125
Interest and bank charges	57,107	17,752	949	17,774	9,262			35,437	138,281
Interest on long term debt	23,592			169,153				2,764	195,509
Materials and supplies	2,860	276,879	17,696	37,205	49,481	102,832	42,402	154,883	684,238
Professional fees	386,821		23,865		18,361	49,638	135,550	19,468	633,703
Rent					16,800	950	6,200	42,000	65,950
Repairs and maintenance	2,515	43,901	122	69,301	-	45,791	130	2,869	164,629
Training		-	32,949		42,123	2,597	7,512	2,817	87,998
Travel	100,404	17,011	166,704	1,543	295,269	29,935	88,494	113,894	813,254
Tuition			1,168,655					68,251	1,236,906
Utilities, hydro, telephone	70,804	34,647	45,732	605	154,098	36,919		15,808	358,613
Wages and benefits	55,493	187,521	186,420	206	134,114	380,201	205,159	871,105	2,020,219
	711,458	834,363	1,665,410	525,115	956,999	734,531	562,946	2,216,631	8,207,453
Surplus (deficit) before the undernoted	77,628	(686,446)	(57,209)	(186,665)	(149,145)	(54,113)	152,402	(325,635)	(1,229,183)
Replacement reserves	8,960		-	-	-	-	-	-	8,960
Surplus (deficit)	$ 86,588	$ (686,446)	$ (57,209)	$ (186,665)	$ (149,145)	$ (54,113)	$ 152,402	$ (325,635)	$ (1,220,223)

March 31, 2016

19. Segmented Information (cont'd)

For the year ended March 31, 2015	Administration	Community Infrastructure	Education	Social Housing	Social Services	Health Services	Employment and Economic Development	Community Development	Total
Revenue									
Deferred revenue, beginning of year	$ -	$ -	$ 26,652	$ -	$ -	$ -	$ -	$ 8,510	$ 35,162
INAC	482,526	132,167	1,574,922	-	143,700	-	55,400	149,490	2,538,205
Amounts earned and held in trust by federal government	86	-	-	-	-	-	-	-	86
Canada Mortgage and Housing Corporation	-	-	-	72,975	-	-	-	-	72,975
Dilico Anishinabek Family Care	-	-	-	-	-	180,304	-	300	180,604
Health Canada	-	-	-	-	-	291,230	-	401,013	692,243
Income from investment in government business enterprise	(23,758)	-	-	-	-	-	-	-	(23,758)
Matawa First Nations Management	22,069	-	-	-	-	29,000	130,880	215,755	397,704
Ministry of Community and Social Services	-	-	-	-	630,467	-	-	-	630,467
Ministry of Health and Long Term Care	-	-	-	-	17,381	-	-	-	17,381
Ministry of Northern Development and Mines	-	-	-	-	2,128	-	335,000	182,953	520,081
Nishnawbe-Aski Nation	-	-	-	-	-	45,937	-	17,500	63,437
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	633,812	633,812
Other revenue	222,858	19,456	905	685	5,340	3,245	62,489	186,301	501,279
Rent and user fees	92,295	-	-	161,500	-	-	-	-	253,795
Timber Claim Trust	20,600	-	-	100,000	-	-	2,900	80,290	203,790
Funding recoveries	-	-	-	-	-	(900)	-	(37,713)	(38,613)
Deferred revenue, end of year	-	-	(12,708)	(16,000)	-	-	(131,035)	(1,705)	(161,448)
	816,676	151,623	1,589,771	319,160	799,016	548,816	455,634	1,836,506	6,517,202
Expenses									
Administration fees	-	-	48,997	7,700	-	30,215	21,732	85,225	193,869
Advertising	600	-	-	-	-	-	957	5,020	6,577
Amortization	-	234,586	-	127,170	-	-	-	17,834	379,590
Bad debt expense	2,000	-	-	82,345	-	-	-	-	84,345
Donations	256	-	-	-	1,012	-	-	181,100	182,368
External transfers	-	-	-	-	139,740	-	-	-	139,740
Honoraria	-	700	3,970	-	58,381	6,955	73,538	417,922	561,466
Insurance	15,021	13,844	7,249	7,000	-	9,651	-	7,475	60,240
Interest and bank charges	34,338	14,410	17	7,923	3,956	-	8	3,095	63,747
Interest on long term debt	411	-	-	310,120	113	-	-	33,375	344,019
Materials and supplies	43,151	207,826	134,716	19,755	57,399	33,300	13,248	201,201	710,596
Professional fees	242,527	2,164	27,420	2,100	-	33,283	8,938	102,788	419,220
Rent	-	-	-	-	16,800	3,535	5,805	40,000	66,140
Repairs and maintenance	5,692	26,162	3,219	25,100	-	11,240	-	2,651	74,064
Training	-	-	32,949	-	19,236	1,450	109,176	2,297	165,108
Travel	75,845	3,216	170,009	7,846	330,925	46,954	51,155	115,117	801,067
Tuition	-	-	990,530	-	-	-	-	68,251	1,058,781
Utilities, hydro, telephone	68,376	37,330	29,234	206	123,863	29,602	263	14,962	303,836
Wages and benefits	213,842	34,252	145,889	59,961	136,036	357,791	215,953	883,593	2,047,317
	702,059	574,490	1,594,199	657,226	887,461	563,976	500,773	2,181,906	7,662,090
Surplus (deficit) before the undernoted	114,617	(422,867)	(4,428)	(338,066)	(88,445)	(15,160)	(45,139)	(345,400)	(1,144,888)
Replacement reserves	8,960	-	-	-	-	-	-	-	8,960
Surplus (deficit)	$ 123,577	$ (422,867)	$ (4,428)	$ (338,066)	$ (88,445)	$ (15,160)	$ (45,139)	$ (345,400)	$ (1,135,928)