

Ginoogaming First Nation
Consolidated Financial Statements
For the year ended March 31, 2017

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Ginoogaming First Nation Management's Responsibility for Financial Reporting

March 31, 2017

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.

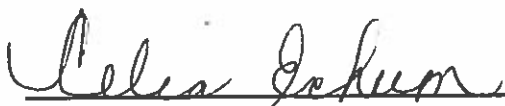
These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has 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.

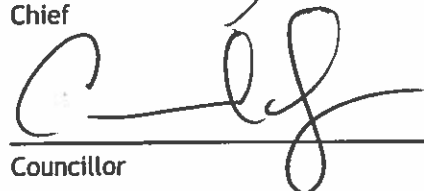
The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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.



Chief



Councillor



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BDO Canada LLP
1095 Barton Street
Thunder Bay ON P7B 5N3 Canada

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, 2017 and the consolidated statements of operations and accumulated surplus (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 disclaimer of audit opinion.

Independent Auditor's Report (cont'd)

Basis for Disclaimer of Opinion

The First Nation was not able to provide satisfactory audit evidence with respect to the completeness or existence of expenses due to a lack of supporting documentation, the lack of supporting audit evidence with respect to the Education Authority and the lack of controls over the bingo operations. Accordingly, we were unable to confirm or verify by alternate means that all expenses of the First Nation have been properly recorded, nor whether the classification of expenses is appropriate. As a result, we were unable to determine whether any adjustments might be necessary to expenses, accounts payable and accumulated surplus.

The First Nation did not prepare budgets, which is not in compliance with Canadian public sector accounting standards.

Disclaimer of Opinion

Due to the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements

BDO Canada LLP

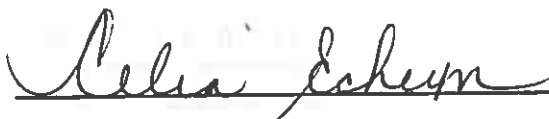
Chartered Professional Accountants, Licensed Public Accountants

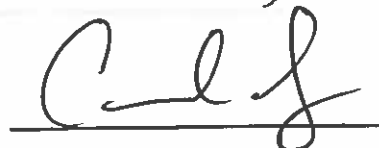
Thunder Bay, Ontario
September 24, 2018

Ginoogaming First Nation Consolidated Statement of Financial Position

March 31	2017	2016
Financial assets		
Cash and cash equivalents (Note 2)	\$ 67,802	\$ 191,075
Short term investments	391,664	-
Accounts receivable (Note 3)	302,432	19,039
Trust funds held by federal government (Note 4)	3,238	3,179
Due from government and other government organizations (Note 5)	1,450,811	263,428
Loans receivable (Note 6)	28,481	5,025
Investment in government partnership (Note 7)	2,174,384	2,174,384
Investment in government business enterprise (Note 8)	(115,519)	(110,307)
	<u>4,303,293</u>	<u>2,545,823</u>
Liabilities		
Accounts payable and accrued liabilities (Note 9)	4,500,127	4,877,781
Due to government and other government organizations (Note 10)	773,658	943,590
Demand and term loans (Note 11)	970,071	2,394,360
Deferred revenue (Note 12)	170,950	8,994
	<u>6,414,806</u>	<u>8,224,725</u>
Net debt	<u>(2,111,513)</u>	<u>(5,678,902)</u>
Non-financial assets		
Tangible capital assets (Note 13)	2,598,447	2,965,412
Inventory held for use	3,294	3,294
	<u>2,601,741</u>	<u>2,968,706</u>
Accumulated surplus (deficit) (Note 14)	<u>\$ 490,228</u>	<u>\$ (2,710,196)</u>

On behalf of the Band:

 Chief

 Councillor

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

Ginoogaming First Nation Consolidated Statement of Operations and Accumulated Surplus (Deficit)

For the year ended March 31	2017	2016
Revenue		
Federal government transfers (Note 16)	\$ 4,612,621	\$ 3,592,163
Provincial government transfers (Note 16)	944,558	963,650
Other government transfers (Note 16)	1,083,356	689,227
Ontario First Nation Limited Partnership	720,533	636,856
Rent and user fees	114,509	254,065
Greenstone Gold	50,000	
Timber Claim Trust	180,583	264,593
Amounts earned and held in trust by federal government (Note 4)	59	66
Loss from investment in government business enterprise	(5,213)	(13,135)
Other revenue (Note 11)	3,551,566	674,562
Funding recoveries	62,336	(83,777)
	<u>11,314,908</u>	<u>6,978,270</u>
Expenses		
Administration	1,418,502	711,458
Community infrastructure	782,910	834,363
Education	1,284,887	1,665,410
Social housing	245,142	525,115
Social services	788,851	956,999
Health services	642,394	734,531
Employment and economic development	683,020	562,946
Community development	2,277,738	2,216,631
	<u>8,123,444</u>	<u>8,207,453</u>
Surplus (deficit) for the year before the undernoted	3,191,464	(1,229,183)
Replacement reserves	8,960	8,960
Annual surplus (deficit)	3,200,424	(1,220,223)
Accumulated deficit, beginning of year	(2,710,196)	(1,489,973)
Accumulated surplus (deficit), end of year	\$ 490,228	\$ (2,710,196)

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	2017	2016
Annual surplus (deficit)	\$ 3,200,424	\$ (1,220,223)
Acquisition of tangible capital assets	(1,925)	(48,773)
Amortization of tangible capital assets	368,890	381,119
Change in net debt	3,567,389	(887,877)
Net debt, beginning of year	(5,678,902)	(4,791,025)
Net debt, end of year	\$ (2,111,513)	\$ (5,678,902)

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	2017	2016
Cash flows from operating activities		
Annual surplus (deficit)	\$ 3,200,424	\$ (1,220,223)
Item not involving cash		
Amortization of tangible capital assets	368,890	381,119
	<u>3,569,314</u>	<u>(839,104)</u>
Changes in non-cash working capital balances		
Accounts receivable	(283,393)	100,271
Due from government and other government organizations	(1,187,383)	234,458
Loans receivable	(23,456)	(1,000)
Investment in government business enterprise	5,212	6,997
Accounts payable and accrued liabilities	(377,654)	805,583
Due to government and other government organizations	(169,932)	227,654
Deferred revenue	161,956	(152,454)
	<u>(1,874,650)</u>	<u>1,221,509</u>
	<u>1,694,664</u>	<u>382,405</u>
Cash flows from financing activities		
Repayment of term debt	(1,424,289)	(280,986)
Cash flows from investing activities		
Trust funds held by federal government	(59)	(66)
Acquisition of short term investments	(391,664)	-
	<u>(391,723)</u>	<u>(66)</u>
Cash flows from capital transactions		
Acquisition of tangible capital assets	(1,925)	(48,773)
Increase (decrease) in cash and cash equivalents	(123,273)	52,580
Cash and cash equivalents, beginning of year	191,075	138,495
Cash and cash equivalents, end of year	<u>\$ 67,802</u>	<u>\$ 191,075</u>

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

Ginoogaming First Nation Notes to Consolidated Financial Statements

March 31, 2017

1. Significant Accounting Policies

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 Gikinoos A'Maagoziwin Education Authority

Accounting Principles 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 Services Canada (ISC).

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 Gikinoos A'Maagoziwin Education Authority 38.36%

Ginoogaming First Nation Notes to Consolidated Financial Statements

March 31, 2017

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	<p>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.</p> <p>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:</p> <table><tr><td>Commercial buildings</td><td>-</td><td>rates between 5 and 20 years</td></tr><tr><td>Furniture and fixtures</td><td>-</td><td>5 years</td></tr><tr><td>Housing assets</td><td>-</td><td>20 years</td></tr><tr><td>Infrastructure</td><td>-</td><td>rates between 10 and 20 years</td></tr><tr><td>Machinery and equipment</td><td>-</td><td>rates between 5 and 10 years</td></tr><tr><td>Office equipment</td><td>-</td><td>rates between 3 and 5 years</td></tr><tr><td>Vehicles</td><td>-</td><td>5 years</td></tr></table> <p>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.</p> <p>Certain assets which have historical or cultural value, including works of art, historical or cultural artifacts, are not recognized as tangible capital assets.</p>	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
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																				
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.																					

Ginoogaming First Nation Notes to Consolidated Financial Statements

March 31, 2017

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.

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.

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. As a result of the previous deficits that have occurred, the First Nation is currently under co-management.

Ginoogaming First Nation Notes to Consolidated Financial Statements

March 31, 2017

2. Cash and Cash Equivalents

	2017	2016
Restricted cash	\$ 67	\$ 13,202
Unrestricted cash	67,735	177,873
	<u>\$ 67,802</u>	<u>\$ 191,075</u>

3. Accounts Receivable

	2017	2016
Trade receivables	\$ 260,173	\$ -
Rent and user fees	286,963	260,138
	547,136	260,138
Allowance for doubtful accounts	(244,704)	(241,099)
	<u>\$ 302,432</u>	<u>\$ 19,039</u>

4. Trust Funds Held by Federal Government

	March 31, 2016	Additions 2017	Withdrawals 2017	March 31, 2017
Revenue	\$ 3,155	\$ 59	\$ -	\$ 3,214
Capital	24	-	-	24
	<u>\$ 3,179</u>	<u>\$ 59</u>	<u>\$ -</u>	<u>\$ 3,238</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.

Ginoogaming First Nation

Notes to Consolidated Financial Statements

March 31, 2017

5. Due from Government and Other Government Organizations

	2017	2016
Federal government		
Indigenous Services Canada	\$ 763,398	\$ 75,545
Canada Mortgage and Housing Corporation	33,235	4,748
Health Canada	10,929	-
Provincial government		
Ministry of Community & Social Services	-	26,278
Ministry of Indigenous Relations & Reconciliation	84,647	-
Ontario Ministry of Education	24,500	1,300
Ontario Ministry of Northern Development and Mines	18,890	13,474
Other government organizations		
Dilico Child and Family Services	179,090	(2,635)
Matawa First Nation	310,076	130,704
Nishnawbe Aski Nation	26,046	14,014
	\$ 1,450,811	\$ 263,428

6. Loans Receivable

	2017	2016
Loans to band members and employees	\$ 28,481	\$ 8,630
Allowance for doubtful accounts	-	(3,605)
	\$ 28,481	\$ 5,025

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 Gikino A'Maagoziwin Education Authority. Anishinaabeg Gikino A'Maagoziwin Education Authority provides elementary and secondary schooling to members of the First Nation.

Management was unable to obtain information regarding the carrying amount of the First Nation's proportion of the Education Authority as at March 31, 2017 and the First Nation's share of the Education Authority's surplus for the year. Consequently, management was 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.

	2017	2016
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

Ginoogaming First Nation Notes to Consolidated Financial Statements

March 31, 2017

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:

	2017	2016
Cash	\$ 1,315	\$ 1,314
Due from related party	55,455	55,455
Capital assets	31,278	36,491
Total assets	\$ 88,048	\$ 93,260
Accounts payable	\$ 114,270	\$ 114,270
Long-term debt	33,842	33,842
Total liabilities	148,112	148,112
Equity	(60,064)	(54,852)
Total liabilities and equity	\$ 88,048	\$ 93,260
 Revenue	 \$ -	 \$ 32,825
Expenses	(5,213)	(45,960)
Net loss	\$ (5,213)	\$ (13,135)
 Balance per consolidated financial statement		
Deficit	\$ (60,064)	\$ (54,852)
Advances to First Nation	(55,455)	(55,455)
	\$ (115,519)	\$ (110,307)

Ginoogaming First Nation Notes to Consolidated Financial Statements

March 31, 2017

9. Accounts Payable and Accrued Liabilities

	2017	2016
Trade payables	\$ 3,621,480	\$ 2,345,019
Accrued salaries and benefits payable	125,867	98,639
Other accrued liabilities	752,780	2,434,123
	<u>\$ 4,500,127</u>	<u>\$ 4,877,781</u>

10. Due to Government and Other Government Organizations

	2017	2016
Federal government		
Indigenous Services Canada		
Strategic Partnership Initiative	\$ 761,926	\$ 21,909
National Child Benefit	-	6,000
Enhanced Teacher Salaries	-	2,345
Tuition Agreements	-	489,240
Education	-	112,162
Band Employee Benefits	-	8,450
Harmonized sales tax	(886)	636
Source deductions	-	211,259
Provincial government		
Ministry of Aboriginal Affairs		
Community Impact Assessment	-	3,245
New Relationship Fund	-	2,367
Ministry of Community and Social Services		
Basic Needs	-	31,533
Ministry of Northern Development and Mines	-	53,493
Workers' compensation benefits	12,618	51
Other government organizations		
Nishnawbe Aski Nation		
Crisis	-	900
	<u>\$ 773,658</u>	<u>\$ 943,590</u>

Ginoogaming First Nation Notes to Consolidated Financial Statements

March 31, 2017

11. Demand and Term Loans

	2017	2016
Demand loan	\$ -	\$ 43,142
Demand loan	-	843,550
Term loan	-	496,132
Mortgage payable in monthly installments of \$4,433, including interest at 1.68%, renewing April 1, 2018	953,154	981,452
Auto loan (Ford Credit), secured by a 2012 Ford F250 with monthly payments of \$653 including interest at 6.19%, maturing April 14, 2018	7,592	14,723
Auto loan (Ford Credit), unsecured with monthly payments of \$531 including interest at 2.99%, maturing June 28, 2018	9,325	15,361
	<u>\$ 970,071</u>	<u>\$ 2,394,360</u>

During the year, ISC forgave the demand loans and accrued interest in the amount of \$2,615,061.

12. Deferred Revenue

	2017	2016
Federal government		
ISC	\$ -	\$ 8,994
Other government organizations		
KKETS	170,950	-
	<u>\$ 170,950</u>	<u>\$ 8,994</u>

Ginoogaming First Nation

Notes to Consolidated Financial Statements

March 31, 2017

13. Tangible Capital Assets

		Housing Assets	Commercial Buildings	Furniture and Fixtures	Office Equipment	Machinery and Equipment	Vehicles	Infrastructure	Total
	2017								
Cost, beginning of year		\$ 4,205,024	\$ 2,769,393	\$ 49,174	\$ 268,724	\$ 183,787	\$ 273,981	\$ 257,512	\$ 8,007,595
Additions		-	-	-	1,925	-	-	-	1,925
Cost, end of year		4,205,024	2,769,393	49,174	270,649	183,787	273,981	257,512	8,009,520
Accumulated amortization, beginning of year		2,330,022	1,913,685	49,174	261,590	183,787	207,400	96,525	5,042,183
Amortization		188,272	129,715	-	5,122	-	35,017	10,764	368,890
Accumulated amortization, end of year		2,518,294	2,043,400	49,174	266,712	183,787	242,417	107,289	5,411,073
Net carrying amount, end of year		\$ 1,686,730	\$ 725,993	\$ -	\$ 3,937	\$ -	\$ 31,564	\$ 150,223	\$ 2,598,447

Ginoogaming First Nation Notes to Consolidated Financial Statements

March 31, 2017

13. Tangible Capital Assets (cont'd)

							2016	
	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	\$ 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

Ginoogaming First Nation Notes to Consolidated Financial Statements

March 31, 2017

14. Accumulated Deficit

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

	2017	2016
Externally Restricted		
CMHC Housing - replacement reserve	\$ 8,960	\$ 8,960
Unrestricted surplus (deficit)	481,268	(2,719,156)
Accumulated surplus (deficit) at end of year	\$ 490,228	\$ (2,710,196)

15. Economic Dependence

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

16. Government Transfers

	Funding Received	Opening Deferred	Closing Deferred	2017 Total	2016 Total
Federal					
ISC	\$ 3,721,785	\$ 8,994	\$ -	\$ 3,730,779	\$ 2,608,699
CMHC	56,975	-	-	56,975	72,975
Health					
Canada	824,867	-	-	824,867	910,489
	\$ 4,603,627	\$ 8,994	\$ -	\$ 4,612,621	\$ 3,592,163
Provincial					
MAA	\$ 84,647	\$ -	\$ -	\$ 84,647	\$ 87,580
MCSS	589,924	-	-	589,924	636,139
MIRR	77,766	-	-	77,766	
MOH	22,392	-	-	22,392	12,942
MNDM	169,829	-	-	169,829	204,857
NOHFC	-	-	-	-	20,427
OPG	-	-	-	-	1,705
	\$ 944,558	\$ -	\$ -	\$ 944,558	\$ 963,650
Other					
Dilico	\$ 194,313	\$ -	\$ -	\$ 194,313	\$ 157,427
Matawa	447,782	-	-	447,782	482,467
NAN	156,199	-	-	156,199	49,333
KKETS	285,062	-	-	285,062	-
	\$ 1,083,356	\$ -	\$ -	\$ 1,083,356	\$ 689,227

Ginoogaming First Nation Notes to Consolidated Financial Statements

March 31, 2017

17. 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.

18. 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.

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.

Ginoogaming First Nation Notes to Consolidated Financial Statements

March 31, 2017

18. Segmented Information (cont'd)

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**

March 31, 2017

18. Segmented Information (cont'd)

For the year ended March 31, 2017	Administration	Community Infrastructure	Education	Social Housing	Social Services	Health Services	Employment and Economic Development	Community Development	Total
Revenue									
ISC	464,295	135,842	1,840,676	979,160	119,800	-	66,294	124,712	3,730,779
Amounts earned and held in trust by federal government	59	-	-	-	-	-	-	-	59
Canada Mortgage and Housing Corporation	-	-	-	56,975	-	-	-	-	56,975
Difco Atishnabek Family Care	-	-	-	-	-	194,313	-	-	194,313
Greystone Gold	-	-	-	-	-	415,157	-	50,000	50,000
Health Canada	-	-	-	-	-	-	-	409,710	824,867
Income from investment in government business enterprise	(5,213)	-	-	-	-	-	-	-	(5,213)
Atawake First Nation Management	3,248	-	-	-	-	29,000	485,841	214,755	732,844
Ministry of Aboriginal Affairs	-	-	-	-	-	-	-	84,647	84,647
Ministry of Community and Social Services	-	-	-	-	589,924	-	-	589,924	589,924
Ministry of Education	-	-	-	-	22,392	-	-	75,378	75,378
Ministry of Health and Long Term Care	-	-	-	-	-	-	-	22,392	22,392
Ministry of Indigenous Relations and Reconciliation	-	-	-	-	-	-	-	77,766	77,766
Ministry of Northern Development and Mines	-	-	-	-	-	-	-	94,451	94,451
Nishnawbe-Aki Nation	-	-	-	-	13,000	111,466	-	31,733	136,199
Ontario First Nations Limited Partnership	-	-	-	-	95,533	-	-	625,000	720,533
Other revenue	3,059,147	19,456	-	-	21,000	-	90,304	361,659	3,551,566
Rent and user fees	73,162	4,522	-	36,825	-	-	-	-	114,509
Timber Claim Trust	-	-	-	100,000	-	-	-	80,583	180,583
Funding recoveries	69,924	-	(65,030)	-	-	32,526	(20,492)	45,408	62,336
	3,664,622	159,820	1,775,646	1,172,960	861,649	782,462	621,947	2,275,802	11,314,908
Expenses									
Administration fees	-	-	527	1,167	-	57,254	33,500	100,746	193,194
Advertising	5,202	-	-	-	-	1,750	2,743	3,447	13,142
Amortization	-	233,886	-	127,170	-	-	-	7,834	368,890
Bad debt expense	-	-	-	-	-	-	-	-	-
Donations	65	795	90	-	-	2,253	-	633,677	636,880
External transfers	-	-	-	-	485,303	-	16,666	-	501,969
Honoraria	281,230	2,150	1,575	-	20,358	4,800	46,280	205,515	561,908
Insurance	11,820	8,902	11,837	3,741	-	7,524	-	4,347	48,171
Interest and bank charges	33,744	3,452	557	22,416	2,958	13	-	26,219	89,359
Interest on long term debt	19,652	-	-	24,932	89	-	-	1,041	45,714
Materials and supplies	68,457	245,640	17,051	18,153	62,364	31,779	23,718	202,960	670,142
Professional fees	386,663	3,000	3,332	-	-	28,837	228,272	105,921	756,025
Rent	-	-	-	-	16,800	950	6,000	42,000	65,750
Repairs and maintenance	12,216	63,962	642	46,199	-	19,674	-	2,100	144,793
Training	700	-	-	-	39,471	-	-	-	40,171
Tuition	167,966	15,739	155,757	-	17,269	26,578	80,711	165,902	629,922
Utilities, hydro, telephone	95,111	22,644	946,628	588	-	-	-	-	946,628
Wages and benefits	335,676	182,740	41,430	776	5,860	46,413	2,113	18,392	232,551
	1,418,502	783,910	1,284,887	245,142	788,851	642,304	683,020	2,377,738	8,123,444
Surplus (deficit) before the undernoted	2,246,120	(623,090)	490,759	927,818	72,798	140,068	(61,073)	(1,936)	3,191,464
Replacement reserves	8,960	-	-	-	-	-	-	-	8,960
Surplus (deficit)	\$ 2,255,080	\$ (623,090)	\$ 490,759	\$ 927,818	\$ 72,798	\$ 140,068	\$ (61,073)	\$ (1,936)	\$ 3,200,424

Ginoogaming First Nation
Notes to Consolidated Financial Statements

March 31, 2017

18. **Segmented Information (cont'd)**

For the year ended March 31, 2016

Revenue	485,568	128,461	1,873,231	-	131,700	73,006	116,733	2,608,699
ISC	66	-	-	-	-	-	-	66
Amounts earned and held in trust by federal government	-	-	-	-	-	-	-	72,978
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	157,427
Dilio Anshinabeit Family Care	-	-	-	-	-	-	-	910,489
Health Canada	-	-	-	-	-	-	-	(13,135)
Income from investment in government business enterprise	(13,135)	-	-	-	-	-	-	482,467
Manitoba First Nations Management	87,335	-	-	-	-	-	-	87,580
Ministry of Aboriginal Affairs	-	-	-	-	-	-	-	636,139
Ministry of Community and Social Services	-	-	-	-	-	-	-	12,942
Ministry of Health and Long Term Care	-	-	-	-	-	-	-	204,857
Ministry of Northern Development and Mines	-	-	-	-	-	-	-	49,333
Niisaawabe-Aadi Nation	-	-	-	-	-	-	-	636,856
Northern Ontario Heritage Fund Corporation	-	-	-	-	-	-	-	20,427
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	674,562
Ontario Power Generation	-	-	-	-	-	-	-	254,065
Other revenue	160,642	19,456	-	-	2,387	286,213	206,891	284,593
Rent and user fees	88,590	-	-	-	165,475	-	-	(83,727)
Timber Claim Trust	-	-	-	-	100,000	-	-	152,470
Funding recoveries	-	-	(65,030)	-	-	-	-	(18,747)
	789,086	147,937	1,609,201	338,450	807,854	715,348	1,889,291	6,976,565
Expenses	-	-	9,707	7,000	-	16,800	74,544	136,769
Administration fees	600	-	-	-	-	4,000	2,853	7,453
Advertising	-	239,998	-	127,170	-	-	13,950	381,118
Amortization	-	-	-	87,558	-	-	-	87,558
Bad debt expense	-	-	-	-	-	-	-	487,816
Donations	-	-	-	-	2,255	-	484,561	180,345
External transfers	-	-	-	-	154,345	-	-	6,000
Honoraria	-	3,525	-	600	80,891	49,699	-	483,959
Insurance	11,262	13,129	5,103	7,000	-	-	305,674	65,123
Interest and bank charges	57,107	17,752	7,508	17,774	949	-	3,753	138,281
Interest on long term debt	23,592	-	-	169,153	-	-	34,437	193,509
Materials and supplies	2,860	-	-	-	9,262	-	2,764	678,147
Professional fees	386,821	271,788	17,696	37,205	49,481	102,832	154,863	638,794
Rent	-	5,091	23,865	-	18,361	135,350	19,468	83,930
Repairs and maintenance	2,515	-	-	-	16,800	6,200	2,869	184,629
Travel	-	43,901	122	69,301	-	130	2,817	813,254
Tuition	100,404	17,011	32,949	1,543	45,791	7,512	113,894	1,236,906
Utilities, hydro, telephone	-	-	1,168,635	-	295,269	88,494	68,251	350,613
Wages and benefits	70,804	34,647	605	154,098	-	205,159	13,808	2,920,219
Surplus (deficit) before the undernoted	55,493	187,521	186,420	206	134,114	562,946	871,105	8,207,453
Replacement reserves	771,458	834,363	1,665,410	525,115	956,999	152,402	2,216,631	(1,230,888)
	-	(686,446)	(57,209)	(186,665)	(149,145)	-	(327,340)	8,960
Surplus (deficit)	\$ 86,588	\$ (686,446)	\$ (57,209)	\$ (186,665)	\$ (149,145)	\$ (54,113)	\$ (327,340)	\$ (1,221,928)

